

STATE OF NEW MEXICO.

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Application of CENTENNIAL RESOURCE
PRODUCTION for Compulsory Pooling
Lea County, New Mexico

Case No. 22206

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, OCTOBER 7, 2021

EXAMINER HEARING

This matter came on for hearing before the
New Mexico Oil Conservation Division, William
Brancard, Esq. Hearing Examiner, Dylan Rose-Coss,
Technical Examiner, on Thursday, October 7, 2021,
via Webex Virtual Conferencing Platform hosted
by the New Mexico Department of Energy, Minerals and
Natural Resources

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Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

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C O N T E N T S .

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1 (Time noted 9:38 a.m.)

2 EXAMINER BRANCARD: With that I'm looking at
3 Item 32 on the agenda, Case 22206 Centennial Resources.

4 MS. LUCK: Good morning. Kaitlyn Luck with the
5 Santa Fe office of Holland & Hart for the Applicant in
6 this case Centennial Production, LLC.

7 EXAMINER BRANCARD: Entry from EOG Resources?

8 MR. RITTENHOUSE: This is Joby Rittenhouse from
9 Beatty & Wozniak appearing on behalf of EOG.

10 EXAMINER BRANCARD: Mr. Rittenhouse, does EOG
11 object to this case going ahead by affidavit?

12 MR. RITTENHOUSE: No, sir, we do not.

13 EXAMINER BRANCARD: Thank you. Any other
14 interested persons in Case 22206?

15 MR. BRUCE: Mr. Examiner, Jim Bruce representing
16 Matador Oil Production and MRC Permian Company.

17 I filed an entry of appearance late
18 yesterday and the companies do not object to this case
19 proceeding by affidavit.

20 EXAMINER BRANCARD: Thank you, Mr. Bruce.

21 Are there any other interested persons in
22 Case 22206? (Note: Pause.) Hearing none, Ms. Luck you
23 may proceed.

24 MS. LUCK: Thank you. In this case Centennial
25 understood it would be able to proceed today by affidavit

1 and so it filed a standard set of exhibits on Tuesday
2 starting off with Exhibit A, a copy of the Compulsory
3 Pooling Application Checklist for this case, followed by
4 Exhibit B, which is a copy of the application for this
5 case.

6 Next in the packet is Centennial's
7 Exhibit C, which is the Affidavit of Gavin Smith. He is
8 Centennial's landman, who has testified before the
9 Division in the past, and his affidavit explains that
10 Centennial is seeking to pool a Bone Spring spacing unit
11 underlying a standard 280-acre horizontal spacing unit in
12 the west half/east half of Section 22 and the west --
13 sorry, the west half/northeast quarter of Section 27,
14 Township 24 South, Range 34 East, all in Lea County, New
15 Mexico. It's planning to dedicate this spacing unit to
16 the Solomon Fed Com 505H Well, and the details for that
17 well are provided, as well as a copy of the C-102 for the
18 well with Mr. Smith's affidavit.

19 The C-102 shows the Pooling Code for this
20 well is 96434, and Mr. Smith's affidavit goes on to
21 provide that there's no depth severances and this spacing
22 unit is standard setbacks for this well.

23 Centennial's Exhibit C-2 includes a plat
24 outlining the unit being pooled and identifies the tracts
25 included in the unit.

1 And then Exhibit C-3 identifies the
2 interests in each tract and their interest in the spacing
3 unit overall.

4 Centennial Exhibit C-4 is a copy of the
5 Well Proposal letters and AFE, and they reflect that
6 Centennial has properly proposed this well to the interest
7 owners to be pooled in this case.

8 Centennial also has included as Exhibit C-5
9 a detailed chronology of its contract with each of the
10 working interest owners that it seeks to pool in this
11 case.

12 Next, Centennial Exhibit D is the affidavit
13 of Centennial's geologist Isabel Harper. She has already
14 testified before the Division in the past and been
15 qualified an expert. She includes with her affidavit a
16 Locator Map, a Structure Map, a Cross-Section Map, and
17 also a Stratigraphic Cross Section for the Bone Spring
18 Formation.

19 Finally in the exhibit package you'll find
20 Centennial Exhibits E and F which just reflect that
21 Centennial provided proper notice of this hearing to the
22 interest owners that are being pooled today.

23 So with that I would move the admission of
24 Exhibits A through F and request that this case be taken
25 under advisement.

1 EXAMINER BRANCARD: Thank you.

2 Mr. Rittenhouse, any questions or concerns?

3 MR. RITTENHOUSE: No questions from EOG.

4 EXAMINER BRANCARD: Mr. Bruce, any questions or
5 concerns?

6 MR. BRUCE: No, sir.

7 EXAMINER BRANCARD: Thank you.

8 Mr. Rose-Coss.

9 EXAMINER ROSE-COSS: Nothing from me.

10 EXAMINER BRANCARD: Thank you.

11 With that, are there any other persons
12 interested in Case 22206?

13 Hearing none, the exhibits will be admitted
14 into the record and Case 22206 will be taken under
15 advisement.

16 MS. LUCK: Thank you.

17 (Time noted 9:41 a.m.)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

7

CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

October 7, 2021, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

11

and the foregoing pages are a true and correct

12

transcription to the best of my ability and control.

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I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

16

that I have no interest whatsoever in the final

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disposition of this case in any court.

18

/s/ Mary Macfarlane

19

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MARY THERESE MACFARLANE, CCR

21

NM Certified Court Reporter No. 122

License Expires: 12/31/2021

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