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STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

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

CASE NOS: 22858

APPLICATION OF WPX ENERGY  
PERMIAN, LLC FOR COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
AUGUST 4, 2022  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
WILLIAM BRANCARD and TECHNICAL EXAMINER JOHN GARCIA on  
Thursday, August 4, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

For the Applicant:  
PAULA VANCE  
HOLLAND & HART  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501  
505-954-7286

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1 HEARING EXAMINER BRANCARD: We have three  
2 interesting cases here. I'm wondering if we can get one  
3 done before lunch. Looks like Ms. Vance is ready to roll  
4 here, so why don't we try to work on number 56, item 22858,  
5 WPX Energy Permian.

6 MS. VANCE: Good morning, or good afternoon, Mr.  
7 Hearing Examiner, Mr. Garcia, Paula Vance with the Santa Fe  
8 office of Holland & Hart on behalf of the applicant WPX  
9 Energy Permian LLC.

10 HEARING EXAMINER BRANCARD: Thank you. Are there  
11 any other interested persons for case 22858?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Hearing none, Ms.  
14 Vance, you may proceed.

15 MS. VANCE: Thank you, Mr. Hearing Examiner. So  
16 in case 22858 WPX seeks an order pooling uncommitted  
17 interest in the Wolfcamp Formation, pool code 98220, Purple  
18 Sage, underlying a standard 1219.08 acre horizontal spacing  
19 unit comprised of all of irregular Section 33, all of  
20 Section 28, and the S/2 of Section 21, Township 26 South,  
21 Range 33 East, Eddy County, New Mexico.

22 WPX seeks to dedicate the spacing unit to the  
23 proposed Clawhammer 33-28-21 Federal Com 412H, 413H, 414H,  
24 415H, 421H, 422H, 423H and 424H well.

25 In this case we have provided the compulsory

1 pooling checklist, as well as the affidavit and testimony of  
2 landman Ryan Cloer, and geologist Keegan DePriest, both of  
3 whom have previously testified before the Division and their  
4 credentials have been accepted as a matter of record.

5 Mr. Cloer's affidavit is Exhibit C, which is --  
6 which include sub exhibits C-1, C-1 and 2; C-2, the general  
7 location map; C-3, the ownership breakdown; C-4, sample well  
8 proposal letters and AFEs; and C-4, chronology of contacts.

9 This is followed by Mr. DePriest's affidavit,  
10 which is Exhibit D, and it includes sub Exhibits D-1,  
11 project locator map; D-2, Wolfcamp subsea structure map;  
12 D-3, stratigraphic cross section.

13 In this case Mr. DePriest did not observe any  
14 faulting, pinchouts or geologic impediments for the  
15 horizontal drilling of these wells.

16 And lastly, sorry, lastly is Exhibit E, a  
17 self-affirmed statement of notice with sample letters that  
18 were timely mailed on June 17, 2022 and July 15, 2022.  
19 Again the issue with the notice of publication, we received  
20 that late from -- I do have it open on my desk. It's not on  
21 my computer here. It was published on 7-19-2022, and we  
22 will file that with the supplemental exhibits if that is  
23 okay with the Division.

24 And unless there are any questions, I would ask  
25 that the exhibits and sub exhibits be admitted into the

1 record and that case 22858 be taken under advisement.

2 HEARING EXAMINER BRANCARD: Thank you.

3 Mr. Garcia, questions?

4 TECHNICAL EXAMINER GARCIA: I don't believe I  
5 have any questions. I was looking at the spacing unit.  
6 (Unclear audio.) I have no other questions right now.

7 HEARING EXAMINER BRANCARD: Thank you. So Ms.  
8 Vance, you are in the Purple Sage Wolfcamp here, and so you  
9 are doing 160 acre building blocks, quarter sections.

10 MS. VANCE: That is correct.

11 HEARING EXAMINER BRANCARD: All right. So  
12 basically what you have then are two rows of quarter  
13 sections with a proximity well, two north to south rows.

14 MS. VANCE: And two -- I believe 213 is the  
15 proximity well within the checklist and the application.

16 HEARING EXAMINER BRANCARD: And so you have an  
17 irregular section in there along the Texas line.

18 MS. VANCE: That's correct.

19 HEARING EXAMINER BRANCARD: It looks like --

20 MS. VANCE: Lots 1 through 4.

21 HEARING EXAMINER BRANCARD: There is one row of  
22 quarter-quarter sections, and then there are these four  
23 lots.

24 MS. VANCE: Right. The equivalent of what would  
25 be the S/2 of the N/2.

1 HEARING EXAMINER BRANCARD: Right. Okay. You  
2 know, I know we have had a lot of questions about these lots  
3 and irregular shapes and when do they trigger non-standard  
4 spacing units. I came up with a brilliant solution, and I  
5 met with our geologist who was very kind and helped me. And  
6 so essentially if you have a lot, it's an equivalent to a  
7 quarter-quarter.

8 MS. VANCE: That's good to hear.

9 HEARING EXAMINER BRANCARD: In your case, you  
10 know, you're -- you're small or quarter section is  
11 equivalent to a quarter section. Anyway --

12 MS. VANCE: Our view as well, and very happy to  
13 hear that the Division (unclear audio).

14 HEARING EXAMINER BRANCARD: All right. With  
15 that -- okay, so you do have an affidavit of publication?

16 MS. VANCE: Right, Mr. Hearing Examiner.

17 HEARING EXAMINER BRANCARD: As I see it, you only  
18 had two working interest parties that you were pooling here.

19 MS. VANCE: Yes.

20 HEARING EXAMINER BRANCARD: Okay. All right.  
21 Thank you. Anything else, Mr. Garcia?

22 TECHNICAL EXAMINER GARCIA: I don't believe so.

23 HEARING EXAMINER BRANCARD: With that, the  
24 exhibits -- are there any other comments on case 22858?

25 (No audible response.)

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HEARING EXAMINER BRANCARD: Hearing none, the exhibits will be admitted into the record and case 22858 will be taken under advisement and the record left open for the affidavit of publication.

MR. VANCE: Thank you, Mr. Hearing Examiner, thank you Mr. Garcia. Have a wonderful weekend.

HEARING EXAMINER BRANCARD: How are you doing, Mr. Baca? We have two cases left here, but they could take a little bit of time. So I'm wondering whether we should do a lunch break. Mr. Garcia, any thoughts?

TECHNICAL EXAMINER GARCIA: Whatever you prefer. I can keep going no problem. Can you also still hear me? My headset died.

HEARING EXAMINER BRANCARD: We can hear you loud and clear.

(Exhibits admitted.)

(Taken under advisement.)

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STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I do hereby certify that I reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this case.

I FURTHER CERTIFY that the Virtual Proceeding was of poor to reasonable quality.

Dated this 4th day of August 2022.

Irene Delgado  
Court Reporter  
License Expires: 12-31-22

[& - credentials]

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