

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:)

APPLICATION OF EOG RESOURCES, INC.,)
FOR COMPULSORY POOLING, EDDY COUNTY,)
NEW MEXICO)

CASE NO. 13,947

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Technical Examiner
DAVID K. BROOKS, Jr., Legal Examiner

July 12th, date, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Technical Examiner, DAVID K. BROOKS, Jr., Legal Examiner, on Thursday, July 12th, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

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I N D E X

July 12th, 2007
Examiner Hearing
CASE NO. 13,947

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T

Applicant's	Identified	Admitted
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Attachment C	5	6
Attachment D	5	6

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A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: OCEAN MUNDS-DRY

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

1 WHEREUPON, the following proceedings were had at
2 8:59 a.m.:

3 EXAMINER EZEANYIM: Now I call Case Number
4 13,947. This is the Application of EOG Resources, Inc.,
5 for compulsory pooling, Eddy County, New Mexico.

6 Call for appearances.

7 MS. MUNDS-DRY: Good morning, Mr. Hearing
8 Examiner. Ocean Munds-Dry with the law firm of Holland and
9 Hart, here representing EOG Resources, Inc., this morning.

10 EXAMINER EZEANYIM: Any other appearances?

11 Okay. You are presenting by affidavit?

12 MS. MUNDS-DRY: Yes, sir.

13 EXAMINER EZEANYIM: Go ahead.

14 MS. MUNDS-DRY: Thank you, Mr. Examiner. EOG is
15 requesting an order pooling certain interest owners in the
16 north half of Section 5, Township 16 South, Range 25 East
17 in Eddy County. This case will be presented by the
18 affidavit of Richard L. Lanning.

19 All mineral owners in the proposed unit area have
20 voluntarily agreed to pool their interest. However, EOG
21 has been unable to find one mineral interest owner in this
22 case.

23 If you'll please turn to Exhibit Number 1, it's
24 Mr. Lanning's affidavit, and he outlines the efforts to
25 search for H.M. Brewster.

1 Beginning on the end of page 1 and the top of
2 page 2, Mr. Lanning discusses their efforts. They searched
3 county records of Eddy County, and they found that Mr.
4 Brewster had acquired a mineral deed in 1920. However, the
5 only address listed on the mineral deed was Cook County,
6 Illinois, which as you may know is Chicago, so it's a
7 rather large area to try to track down somebody. But he
8 has a full mineral interest in the south 60 acres of Lots 7
9 and 8 of the proposed spacing unit.

10 They did perform an Internet search for Mr.
11 Brewster. Brewster is apparently a very popular name in
12 Chicago, so that further compounded the problem of finding
13 the correct person. They also searched probate records in
14 Cook County in Illinois and were unable to find any
15 specific records, and also conducted a telephone search of
16 Brewsters in the Chicago area. They reached many Brewsters
17 but none that could identify this particular H.M. Brewster.
18 So they were unable to find this particular H.M. Brewster.

19 Attachment A to the affidavit is the C-102. It
20 shows you the plat, the proposed project area, the
21 producing area and the well location. I should mention to
22 you that this proposed spacing unit is a 220-acre spacing
23 unit. It was previously approved as a nonstandard spacing
24 unit by administrative order NSP-1917.

25 Attachment B to the affidavit lists the nature

1 and percentage of all the ownership interests in the
2 proposed project area. Mr. Lanning has broken it down by
3 tract. There's three tracts there. As you can see, Tract
4 2 is Mr. Brewster's tract, consisting of 60 acres.

5 Attachment C is the AFE that has been proposed to
6 lease those interest owners that have been located and
7 shows the dryhole and completion costs.

8 EOG proposes overhead charges pursuant to COPAS
9 of \$4500 a month while drilling and \$450 per month while
10 producing. EOG requests that this interest be pooled and
11 EOG designated the operator of the well in the project
12 area.

13 And then finally Attachment D to his affidavit is
14 not only my affidavit indicating that notice was given
15 pursuant to Division Rules, also the affidavit of
16 publication. And because we had no address for Mr.
17 Brewster, we obviously could not notify him by letter.

18 As Mr. Lanning testifies to in his affidavit,
19 approval of this Application will avoid the drilling of
20 unnecessary wells, will prevent waste and will protect
21 correlative rights and allow EOG and the other interest
22 owners in the north half of Section 5 an opportunity to
23 obtain their just and fair share underlying the subject
24 lands.

25 And with that, Mr. Examiner, we would ask that

1 you admit Exhibit 1 and all of its attachments into
2 evidence.

3 EXAMINER EZEANYIM: Exhibits 1 and all the
4 attachments will be admitted.

5 MS. MUNDS-DRY: And unless you have any
6 questions, Mr. Examiner, we would ask you to take this case
7 under advisement.

8 EXAMINER EZEANYIM: Do you have any questions?

9 EXAMINER BROOKS: No questions.

10 EXAMINER EZEANYIM: I'm looking at the plat that
11 was supplied. Do you know where the perforations will be?

12 MS. MUNDS-DRY: Mr. Examiner, I do not know that.

13 EXAMINER EZEANYIM: Because I can see your
14 penetration point, entry point.

15 MS. MUNDS-DRY: I don't know the -- I can't tell
16 you the exact footages. I can tell you that this is a
17 Wolfcamp horizontal well, as EOG has been drilling so many
18 of these, as you know --

19 EXAMINER EZEANYIM: Yeah.

20 MS. MUNDS-DRY: -- and they plan to go to a depth
21 of approximately 5200 feet. But I don't know all the
22 perforations.

23 EXAMINER EZEANYIM: Okay. Okay, yeah. Are you
24 pooling from the surface to the Wolfcamp, or just the
25 Wolfcamp?

1 MS. MUNDS-DRY: From the surface to the Wolfcamp.
2 EXAMINER EZEANYIM: To the base?
3 MS. MUNDS-DRY: To the base of the Wolfcamp, yes,
4 Mr. Examiner.
5 EXAMINER EZEANYIM: And are you getting any APD
6 or API numbers?
7 MS. MUNDS-DRY: The API number -- Oh, I see they
8 didn't put it on the --
9 EXAMINER EZEANYIM: On the --
10 MS. MUNDS-DRY: -- on the --
11 EXAMINER EZEANYIM: Oh, they have it here. It's
12 here.
13 MS. MUNDS-DRY: Oh, is there?
14 EXAMINER EZEANYIM: Yeah, it's in the --
15 MS. MUNDS-DRY: Oh, I --
16 EXAMINER EZEANYIM: So thank you --
17 MS. MUNDS-DRY: -- included that.
18 EXAMINER EZEANYIM: -- now I have that.
19 MS. MUNDS-DRY: Thank you. I'm glad you found
20 it.
21 EXAMINER EZEANYIM: And then they -- they must
22 have gotten an APD, because if every location is standard
23 they should be able to get that.
24 MS. MUNDS-DRY: Yes, that's correct.
25 EXAMINER EZEANYIM: Anything further?

1 MS. MUNDS-DRY: Nothing further.

2 EXAMINER EZEANYIM: At this point, Case Number
3 13,947 will be taken under advisement.

4 MS. MUNDS-DRY: Thank you, Mr. Examiner.

5 (Thereupon, these proceedings were concluded at
6 9:04 a.m.)

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21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
23 the Examiner hearing of Case No. 13,947
24 heard by me on 7/15/2014
25 Oil Conservation Division, Examiner

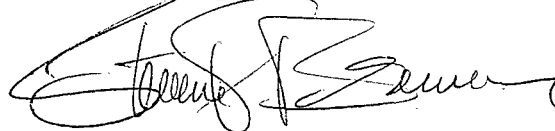
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 13th, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010