

OCD Special Docket August 26, 2025- 20250826_164619UTC-Meeting Recording

August 26, 2025, 2:40PM

2h 6m 7s

● started transcription

PH Pecos Hall 14:54

Good morning.

It is 8:55 AM on August 26th.

This is a special docket for the oil Conservation division.

My name is Gregory Chakali, and I'm the hearing examiner today.

We have several technical examiners.

We will have Mr. Andrew Fordyce for some of the cases, and we will have Mr. Tony Harris and Mr. Phil Goetz for one of the cases.

We are recording this via teams and we will be producing.

A artificial intelligent transcript today and for most of our future hearings, unless they are contested cases that require a court reporter.

So all of that will be available publicly.

Let's begin by calling 3 our operating cases.

They are joined together 253-212-5323 and 25324.

Entries please.

Yes, Jackie McLean, on behalf of three are operating.

And we're actually just presenting 25321 and then we'll present 25323 and 25324 because they have different parties who have entered and have different interests in the cases at your convenience.

And there are entries of appearance.

D Deana 16:13

Good.

Good morning, Mr. Examiner.

Deanna Bennett from module Sperling, on behalf of Cimarex Energy Co. Of Colorado and Magnum hunter.

PH Pecos Hall 16:23

Good morning.

I believe Civitas has also.

I see that.

Do we have the representative for Civitas?

Do you know who that is?

Guest Gabrielle Gerhart? Yes.

Alright, Miss Gerholt, if you're with us, please let us know.

Otherwise, we're going to proceed. Nehad withdrawn.

They're not objecting or so. So they did what they did object, and they filed a withdrawal. That's correct.

All right.

Please go ahead.

Thank you.

And case number 253213, R seeks an order pulling all uncommitted interests in the wolf camp formation underlying an 800 acre.

More or less standard horizontal spacing unit comprised of the north half of sections two and three and the Northeast quarter of Section 4. Township 25 S, range 26 E and Eddy County and this unit will be dedicated to the Boudin 4, two FEDCOM 701.

H.

Well, they are submitted exhibits in this case that include the Landon geology exhibits and testimony of Brian van Stavron and Brian Atwell, both of whom have previously testified.

As experts in their respective fields before the division, we also submitted notice testimony which attaches the notice letter, an affidavit of publication, both of which were done sometime ago.

When these cases were first filed back in March.

And we are planning on filing a set of amended exhibits because we need to remove. Magnum hunter as a pulled party to this case.

And if there's any questions, I'm happy to answer.

For them. But with that, I ask that the division admit the exhibit submitted in case number 25321.

And that the case be taken under advisement. Thank you.

I'm unable to get into the imaging system.

And then if I restart my computer, it's going to do a full BIOS update, so it'll be out of Commission for half an hour.

So I can't do that.

Regarding your Magnum hunter exhibit, what number is it that needs to be revised?

It's exhibit A3A3.

And who filed that exhibit?

I did.

We did.

I don't mean it that way.

Who's responsible for creating the exhibit?

Our land man, who is Brian van Stavran?

And is he with us?

He should be on.

Yes, I see him there.

BS **Brian van Staveren** 19:04

Yes, Sir. I'm here.

PH **Pecos Hall** 19:05

And all right, excellent.

BS **Brian van Staveren** 19:05

Can you all hear me?

PH **Pecos Hall** 19:07

So I can't get to my exhibits. I have to ask you a couple questions.

Will you turn on your camera?

BS **Brian van Staveren** 19:11

I am trying to do that right now.

Here we are.

PH **Pecos Hall** 19:25

OK, I see you now. Will you raise your right hand?

Do you swear or affirm under penalty of perjury that the testimony you're about to give is the truth?

The whole truth, nothing but the truth.

BS **Brian van Staveren** 19:34

Yes.

PH **Pecos Hall** 19:35

All right.

You are responsible for 83.

BS **Brian van Staveren** 19:41

That is correct.

PH **Pecos Hall** 19:42

Alright. And then Miss McLean just announced that you're gonna revise 8/3.

Why is that?

BS **Brian van Staveren** 19:48

We have struck a deal with Magnum Hunter and they're no longer going to protest our pooling and we're going to remove them because we're going to do a trade increase trade with them.

PH **Pecos Hall** 19:59

OK.

Any other changes to a three?

BS **Brian van Staveren** 20:05

No, Sir, that should be it.

PH **Pecos Hall** 20:08

OK. Mr. Fordyce, questions.

FE **Fordyce, Andrew, EMNRD** 20:13

Yeah, I have a question for Mr. van Staver. I'm looking at your recapitulation on page 14.

BS **Brian van Staveren** 20:22

Yes, Sir.

PH **Pecos Hall** 20:23

But exhibit.

What exhibit number is that?

FE **Fordyce, Andrew, EMNRD** 20:25

That should be a three.

PH **Pecos Hall** 20:27

Thank you.

I'm having Miss Hardy told him.

For some reason I cannot connect to the Internet this morning.

FE **Fordyce, Andrew, EMNRD** 20:45

Mr. Van Stavern are are there any parties on this list that three are seeking to pull?

BS **Brian van Staveren** 20:52

And the recapitulation. Yes, Sir.

FE **Fordyce, Andrew, EMNRD** 20:56

I would request that.

For completeness, we describe that you're showing the working interest owners here and highlight the ones that are being pulled in the customary faction, and then maybe for completeness, under that a table of the the overrides that three are seeking to pull just to complete this recapitulation and make.

BS **Brian van Staveren** 21:12

OK.

FE **Fordyce, Andrew, EMNRD** 21:23

It clear.

PH **Pecos Hall** 21:23
33.

FE **Fordyce, Andrew, EMNRD** 21:24
Who 3R is seeking to pull.

BS **Brian van Staveren** 21:27
OK, we can do that.

FE **Fordyce, Andrew, EMNRD** 21:30
I also have some corrections.
Actually regarding the checklist.

PH **Pecos Hall** 21:38
Post.

FE **Fordyce, Andrew, EMNRD** 21:39
On page 2.
And this might be for M's McLean.

PH **Pecos Hall** 21:47
Yes.

FE **Fordyce, Andrew, EMNRD** 21:50
So the first thing I noticed is that well family.
Says McMuffin, which does not appear to be correct.
It looks like this is a bowdenwell.

PH **Pecos Hall** 22:06
Hello.
Yes, that's correct. That was for.
That's the next set of cases.
It must be a typo that stayed on the spreadsheet or the Excel.

FE **Fordyce, Andrew, EMNRD** 22:18

OK, the next thing I notice is under formation and pull.

The primary product is listed as oil.

This is actually a gas pool.

And the word gas is actually in the pool name.

It's purple sage, semi colon Wolfcamp in parentheses gas and in brackets. The pool code 98220.

And the next thing I noticed, the spacing unit.

The size is described as 640 acres.

And in this case it should be closer to 800 acres, although there's some irregular sections in this spacing unit, but closer to 800 acres.

In the building blocks in this case would not be 1/2 section.

Would actually be the optional 160 acre building blocks, so there would be in this case 560 acre building blocks.

Rather than two and a half half sections, if that makes sense.

PH **Pecos Hall** 23:47

I do have a question about that.

I thought that purple Sage Wolfcamp was.

FE **Fordyce, Andrew, EMNRD** 23:52

Thank you.

PH **Pecos Hall** 23:53

Have section spacing.

That's what it states in the order.

FE **Fordyce, Andrew, EMNRD** 24:00

My understanding is that it has special permits with an optional 160 acre or 320 acre building blocks, but the spacing unit must contain 320 acres within 1/2 section somewhere in the completed interval.

But they give you the option for the 160 acre building blocks.

For this case, where you go not 2 miles but 2 1/2.

So it's.

You know 560 acre building blocks.

PH **Pecos Hall** 24:33

OK.

FE **Fordyce, Andrew, EMNRD** 24:34

And and then the rest of the stipulations still apply.

It has to have 320 acres somewhere in the in 1/2 section somewhere in the completed interval.

PH **Pecos Hall** 24:49

OK.

Thank you, miss McLean.

Do you understand that?

Yeah, I do. I didn't.

I guess I just wanna make sure that you do understand.

Mr. Fordyce.

FE **Fordyce, Andrew, EMNRD** 25:03

Looking at my notes and I think that is all the notes I have for this case.

PH **Pecos Hall** 25:08

All right, fantastic.

So no further questions for any other witnesses.

FE **Fordyce, Andrew, EMNRD** 25:12

No further questions.

PH **Pecos Hall** 25:14

All right. And and M's Bennett, you're on.

Do you have any questions?

D **Deana** 25:21

Hi. Sorry about that.

No questions.

I just would ask that the exhibits not be admitted until the pool party list is corrected to remove Magnum Hunter as a pool party.

PH **Pecos Hall** 25:34

OK.

Thank you.

OK, so M's McLean, how long will it take for you to have exhibit A3 corrected and to update the checklist?

I can do that today.

The client's already sent us a revised Exhibit 800. Well, now we have those additional. With the highlighting the recapitulation, but I'm sure Mr. Van Severn, he's very quick. So we should be able to get it in today. All right. Will you continue this case to the September 11th?

Docket to give Mr. Fordyce some time to review the corrections and the new page two, et cetera.

Guest. All right. Thank you.

All right.

Anything else, miss miss?

M's Bennett.

D **Deana** 26:25

Nothing else for me. Thank you very much.

PH **Pecos Hall** 26:26

Alright. Thank you, Mr. Fordex.

FE **Fordyce, Andrew, EMNRD** 26:29

Nothing else on this case.

PH **Pecos Hall** 26:30

Alright, Mr. Porter, are you?

And I do see Miss Shaheen down here. Machine. Do you have something about this case that you need to deal with?

SS **Shaheen, Sharon** 26:38

Now I'm here for the next case.

PH **Pecos Hall** 26:40

Oh, wonderful, Mr. Fordyce.

Are you going to be the technical examiner on September 11?

FE **Fordyce, Andrew, EMNRD** 26:47

I believe Mr. McClure has.

PH **Pecos Hall** 26:49

OK.

All right.

So would you share your notes with him so you don't have to participate for this one case?

FE **Fordyce, Andrew, EMNRD** 26:55

Absolutely.

PH **Pecos Hall** 26:56

All right.

Thank you. All right.

Miss McLean anything further?

Not in this case.

All right.

Thank you.

Let me see if I can find my.

OK. We're gonna move on to case number 2, Miss McLean 25323.

Yes. And we'd like to present 25323 and 25324 as consolidated cases, OK.

Thank you very much. And so I'll call both cases entries of appearance please.

Yes, Jackie McLean, on behalf of three are operating. Thank you.

SS **Shaheen, Sharon** 27:42

Darren Shaheen, on behalf of Flat Creek Resources.

PH **Pecos Hall** 27:45

Thank you.

GG **Gabrielle Gerholt** 27:46

Abriele Girfold, on behalf of Civitas Resources.

PH **Pecos Hall** 27:51

OK. And Miss Gerholt, you were not present for case 25321?

We heard that case.

It's coming back on September 11, so if you need to deal with something, it will be back.

GG **Gabrielle Gerholt** 28:04

Thank you so much.

PH **Pecos Hall** 28:05

Alright, thank you. Any objections, Miss Carroll?

GG **Gabrielle Gerholt** 28:10

No objections.

PH **Pecos Hall** 28:12

OK. And and Miss Shaheen?

SS **Shaheen, Sharon** 28:14

No objections and we have no objections to the amended exhibits.

The only thing I would note for the record is that Flat Creek is confirming the division of interest that is reflected in the amended exhibit package.

PH **Pecos Hall** 28:28

And I can't see the amended exhibit packet.

What can you tell me about the amendment?

Yes. And the we filed amended exhibits in these cases to remove Civitas as a pulled party.

So it was just changing that exhibit A3. Basically the we had fixed the issue that had we had in the last case.

But that was the only revisions to this.

Do you represent these two cases?

Yes, I'd love to.

In case there was 25323 and 253243 are seeks in order pulling all uncommitted interests and the Wolfcamp formation in sections 34 and 35 of Township 24 S range 26 E in Eddy County and the north.

Half of Section 34 and 35 will be dedicated to the McMuffin 3435 FEDCOM, 701 H Wall, and the South half will be dedicated to the McMuffin 3435.

FedEx 703 H well, 3R submitted exhibits for these cases and the in a timely manner, but then we resubmitted earlier this week.

Amended exhibit packets to remove Civitas as a pooled party.

Again, the exhibits include Landon geology exhibits and testimony of Brian van Stavron and Brian Atwell.

We submitted the notice, testimony and exhibits which show that the notice letter and affidavit of publication were again done.

Earlier this year, when the cases were originally filed.

And with that, I ask that the division admit the exhibit submitted in case numbers 25323 and 25324 into the record and the cases be taken under advisement.

Thank you. Without objection. And I also forgot to admit the exhibits in 25321.

So those are admitted without exception as well. Mr. Fordyce questions. In these two cases.

FE **Fordyce, Andrew, EMNRD** 30:22

OK.

Yes, there's there's 22 items that we discussed in the previous case, the first being on the checklist were the primary product is listed as gas in a correction.

To you know, the pool name that would be purple Sage, Wolfcamp gas 98220.

And the second item would be the.

Recapitulation.

Being re summarized.

And and completed as discussed with Mr. van Stauber for the previous case, that would apply to three 2-3 and 324.

PH **Pecos Hall** 31:03

OK.

All right.

Thank you, Mr. Fordyce.

So, Mr. I I don't see your name anymore.

I think it was Van Staver.

Is it van stavren?

Yes. OK, very good. And Miss McLean, if it were just the correction to the word gas, I would just take it under advisement as soon as you submit that.

BS **Brian van Staveren** 31:15

Yes, Sir.

PH **Pecos Hall** 31:25

But because we need a revised exhibit for the recapitulation, these cases need to be moved to September.

11 for further review for Mr. Fordyce symbol. Hear them at the very beginning of that docket.

Freya, if you don't mind.

But it will be up to you to continue those cases.

Yes to that docket, but we will get rid of those at that time.

Anything further, miss McLean?

Nothing on the thank you.

Alright, thank you.

We're off the record in those three cases.

Let's move on to spur Energy Partners.

This is number 4 on the docket 25376 inch of appearance.

Please. Good morning, Mr. Examiner.

Dana Hardy with Hardy McLean on behalf of Spur Energy Partners.

Good morning.

I don't think there's any other parties entered.

There are not, OK.

Go right ahead.

Thank you. In this case, first it's an order pooling uncommitted interest from

approximately 3935 feet to 5110.

Feet measured depth underlying A320 acre more or less standard overlapping horizontal spacing unit comprised of the South half of section 29, Township 17 S, range 28 E and Eddy County.

The unit will be dedicated to the Smithdale 29 Fed commercial.

This unit overlaps with the spacing units for quite a few vertical wells that are identified in the application.

Our exhibits include the self affirm statements of Landman, Marcus Wessner and geologist Matthew van Wy.

Mr. Van Wee has previously testified and been recognized as an expert, but Mr. Has not.

And we did provide a copy of his resume.

Our notice information is provided in Exhibit C notice was timely, sent by certified mail on May 9th of 2025 and was timely published on May 15, 2025. So I would request that the division recognize Mr. Wessner as an expert, and I don't know if. There are questions for him.

I see him on the video. He's available.

OK.

Now I would request that the exhibits be admitted.

Into evidence, Mr. Wessner.

Would you raise your right hand please?

Do you swear?

Affirm under penalty of perjury, that the testimony you're about to give is the truth, the whole truth, nothing but the truth.

FE **Fordyce, Andrew, EMNRD** 33:42
OK.

PH **Pecos Hall** 33:46
I didn't hear you, Sir.
I think you're muted.

MW **Markus Wesner** 33:52
I do.

PH **Pecos Hall** 33:53

OK, great. You can put your hand down, would you state and spell your name for the record?

MW **Markus Wesner** 33:58

Marcus wessner MARKUSWESNER.

PH **Pecos Hall** 34:04

OK.

Very good.

And you're seeking to be qualified before this division. In what field of expertise?

MW **Markus Wesner** 34:10

Land.

PH **Pecos Hall** 34:11

Land OK.

Very good.

What education do you have that goes toward that expertise?

MW **Markus Wesner** 34:16

I obtained a Bachelor of Business Administration from Clarion University during the spring semester of 2008 and have since been working as a land man.

PH **Pecos Hall** 34:29

OK, sorry. Tell me more about your work experience.

MW **Markus Wesner** 34:35

Upon graduation.

Starting up as a contract field, Landman have since.

Have worked.

Both.

Field and in house roles.

Mineral surface business development.

A little bit of A45Q related.

Green energy stuff and have been working with Spurs since.

Came on board as a contract land man in February of this year.

PH **Pecos Hall** 35:09

All right, instead of me asking you a bunch of more questions, I want to see if I can find your your CV.

So give me a minute.

MW **Markus Wesner** 35:18

OK.

PH **Pecos Hall** 35:30

I can share it, Mr.

Would you please?

I have no access all of a sudden.

This is something new.

Perfect. Will you stop there? Sure.

Mr. Wesner, did you draft this CV?

MW **Markus Wesner** 36:20

Yes.

PH **Pecos Hall** 36:21

OK. And do you adopt it Underoath?

MW **Markus Wesner** 36:24

Yes.

PH **Pecos Hall** 36:25

OK, this division recognizes you as an expert in petroleum land. Man matters.

Miss Hardy, thank you. And I would ask that the case be taken under advisement unless there are any questions.

FE Fordyce, Andrew, EMNRD 36:37
OK.

PH Pecos Hall 36:38
Thank you, Mr. Fordyce.

FE Fordyce, Andrew, EMNRD 36:41
Yeah, I have questions for the land man and the geologist.
Mr. Wessner, I'm looking at exhibit A4, specifically page 30.
Of 116 and starting again on page 32. But.
There appears to be.
3 tracks of land.
The exhibits show two state leases.
And one BLM lease, I believe.

MW Markus Wesner 37:15
Correct.

FE Fordyce, Andrew, EMNRD 37:16
And I was just curious.
I wonder if you could explain to me or give me a little more detail on why each tract
was subdivided like tracked 1.1 and 1.2.

MW Markus Wesner 37:27
That was that was a product of.
Yeah, the that was a product of the title attorney's doings for.
For the title review.

PH Pecos Hall 37:39
I'm sorry, Mr. Wesson.

MW Markus Wesner 37:40
Subject.

PH **Pecos Hall** 37:40

I didn't understand a word you said. Could you speak clearly?

MW **Markus Wesner** 37:44

Sorry, no, that that was that was a product of our title attorneys review and how they. Subdivided the tracks for the opinion subject to prior contractual arrangements tied to those 3 leases.

FE **Fordyce, Andrew, EMNRD** 38:07

OK.

So it has something to do with the title review.

MW **Markus Wesner** 38:10

Correct.

FE **Fordyce, Andrew, EMNRD** 38:13

Is there a difference in the track 1.1 and track 1.2 that have the same state lease number then?

Is there some significance that I'm missing?

I guess is what I'm getting at.

MW **Markus Wesner** 38:28

For the for the most part, there is very. I don't believe that there is any, but there is a different contractual storylines associated with.

How they broke it out in the title opinion.

FE **Fordyce, Andrew, EMNRD** 38:44

OK.

I will accept that answer.

I don't have any further questions for this witness. Thank you.

PH **Pecos Hall** 38:54

All right, let's get to.

MW **Markus Wesner** 38:54

Thank you.

PH **Pecos Hall** 38:55

Let's get to geologist. Well, let hold on one second.

Miss Hardy, do you have any follow up? I do not.

Thank you.

Thank you, miss Hardy.

So, Mr. Jial, I don't see your name.

I don't know what to call you.

It's Mr. van wee.

MW **Matt Van Wie** 39:09

Matthew van Wyk. Yep.

PH **Pecos Hall** 39:11

Alright, so I'm gonna ask you to spell and state your name in just a moment.

Would you raise your right hand?

Please do you swear or affirm under penalty of perjury that the testimony you're about to give is the truth?

The whole truth, nothing but the truth.

MW **Matt Van Wie** 39:22

I do.

PH **Pecos Hall** 39:23

Great. You can put your hand down.

Please state and spell your name for the record.

MW **Matt Van Wie** 39:27

Matthew Van Wee MATTHEWVAN, capital W i.e.

FE **Fordyce, Andrew, EMNRD** 39:30

OK.

PH Pecos Hall 39:35

OK. And before Mr. Fordyce asks you any questions, have you been accepted as an expert by this division?

MW Matt Van Wie 39:43

I have.

PH Pecos Hall 39:43

In what field?

MW Matt Van Wie 39:45

Geology.

PH Pecos Hall 39:46

OK, Mr. Fordyce.

FE Fordyce, Andrew, EMNRD 39:49

Yeah, the.

There's a log for a well, the outlaw state #12 API 3001542562 that is referenced in the checklist. The application and the land manager statements.

This log was referenced.

To describe vertical extent of pooling in the blimbury.

Is that log contained in these exhibits anywhere?

MW Matt Van Wie 40:22

It is not the cross section that's on. Exhibit B3 has several of the outlaw states, but it does not have the one that we use from a stratigraphic reference standpoint.

But I can.

I can include that if necessary.

FE Fordyce, Andrew, EMNRD 40:43

Yeah. If we could include that, since that's what we're referencing for vertical extent, I think that would be good.

PH Pecos Hall 40:49

Mr.

Mr. Fordyce, before you continue, what exhibit number will that be, Mr. Vanwy?

MW Matt Van Wie 40:56

I can put it on exhibit update exhibit B3.

PH Pecos Hall 41:01

So B3 will be amended to show what?

MW Matt Van Wie 41:06

The well log that we reference for the pooling depths included in the application.

PH Pecos Hall 41:13

All right.

Thank you, Mr. Fordes, please continue.

FE Fordyce, Andrew, EMNRD 41:20

I'm also understanding the the in your statement. It says the blindberry target is a member.

Is a target.

That's the member of the ASL Formation that was complete, completely bypassed in previous previously drilled vertical wells.

And in the outlaw state, 12.

Were talking about a vertical extent of 3935 to 5110.

I think.

I think the closest thing would be what you're showing there for the outlaw state.

Five in exhibit B3.

So my my question is if if you're targeting the blind Bree and that vertical extent, it appears that that the vertical extent of pooling would extend 230 foot roughly approximately 235 foot deeper than the top of the tub member.

So I was just wondering if I could get.

Some explanation as to why targeting a couple 100 feet deeper than what the target is.

Or.

Request for pooling there.

MW **Matt Van Wie** 42:34

Yeah, I think that was based on some some ownership differences down to to 5110. We can restrict that if there's concern on pooling depths.

But that's I I I believe that was kind of the the thinking there was just based on our preliminary title, that's as deep as it went and we saw some differences below that depth.

But we can restrict it from the BlackBerry to the tub.

If if need be.

FE **Fordyce, Andrew, EMNRD** 43:11

I'm just curious.

So is that it's differences in ownership?

So is there a depth severance here or something?

MW **Matt Van Wie** 43:22

I'm not entirely certain I Marcus, our land man, might be able to address that.

MW **Markus Wesner** 43:29

I believe it's an interest owned by Marathon and it's the.

Below that depth is a different marathon entity.

And that was that was the that was the reasoning behind.

Using that.

Log.

PH **Pecos Hall** 43:49

Mr. wessner.

FE **Fordyce, Andrew, EMNRD** 43:49

OK.

PH **Pecos Hall** 43:50

Mr. Wesner, if you're gonna answer a question, please state your name because the record will think that it was Mr. Van Wee who just answered that question.

MW **Markus Wesner** 43:56
Sir.

PH **Pecos Hall** 44:01
So for the record, that was Mr. Wessner, who answered the question.

MW **Markus Wesner** 44:04
Correct.

PH **Pecos Hall** 44:04
OK.
Go ahead, Mr. Fordyce.

FE **Fordyce, Andrew, EMNRD** 44:11
Mainly looking for explanation for the the extra depth beyond the top.
I don't know that we need to necessarily restrict it further if there's been no objections to that.
I was just looking for an explanation, but I would like to have.
Included in the exhibits as discussed.
The the reference the reference log that that is being defined for the vertical extent.
For the outlaw state, #12.

MW **Matt Van Wie** 44:46
Yes, Sir.

FE **Fordyce, Andrew, EMNRD** 44:49
I have any further questions.

PH **Pecos Hall** 44:51
All right, Mr. Van, we.
You at your direction. You created B3 exhibit.

MW **Matt Van Wie** 45:01

Yes, Sir.

PH **Pecos Hall** 45:02

All right. OK, very good.

And you understand what Mr. Fordez needs?

MW **Matt Van Wie** 45:07

Understood.

PH **Pecos Hall** 45:08

All right, excellent. OK, if there's no more questions, M's Hardy.

Would you see that these exhibits get amended and move the case to September 11 and it will be?

One of the first cases we hear that day, yes.

Thank you.

Alright, we're off the record in that case and what I was thinking was Mr. Fordy, since you are the examiner for one other case which I can't see.

But I think it's 25480 frontier field.

Why don't we hear that one?

Are you the technical exhibitor and are you the technical examiner for that case?

FE **Fordyce, Andrew, EMNRD** 45:46

Mr. herring examiner.

I believe we have case 25499 with BTA.

PH **Pecos Hall** 45:52

We do, but that's we do.

But before going to that case, I was gonna go.

I was gonna go to your case, number six on the docket.

Is that your case?

FE **Fordyce, Andrew, EMNRD** 46:01

No, that and then to sort of wrap it up to 5480, is the frontier field services UIC case. For Mr. Harris and Mr. Goetz.

PH Pecos Hall 46:13

Oh, OK then I have it backward in my head.

Then you are the technical examiner for #5 on the docket.

FE Fordyce, Andrew, EMNRD 46:20

Yes.

PH Pecos Hall 46:21

OK.

Excellent. Then I'm gonna call that case next. Bta oil producers 25499 is your appearance, please. Jackie McLean, on behalf of BTA. Thank you.

And there's been no other entries of appearance. Please proceed.

Thank you.

In this case, BTA seeks to expand the limits of the grandma rich Bone Springs W Pool, which is pool code 28432, to include all of sections 9 and 16, Township, 22 S, range 34, E and Lee.

County and I think a little background might be helpful as to why we're here in that kind of justifies the reasoning why we're asking for this request.

On November 9th, 2018, the New Mexico State Land Office approved a communication agreement submitted by BTA for the grandma 8817169 federal com 4H well. In this agreement, communitize the Bone Spring Formation underlying the West half.

FE Fordyce, Andrew, EMNRD 47:16

OK.

PH Pecos Hall 47:21

East.

Taff and E, half W half of sections 9 and 16 and then a couple months after that.

The OCD approved a 640 acre horizontal spacing unit for that same W half E half and E half W half.

A few years later, BTA was applying with OCD for approval of another grammar while

spacing unit. When it was discovered that the original grammar, well, that was communitized back in.

In 2018, actually produced from 2 pools, the grammar Ridge Bone Springs, W Pool and a Wildcat bone spring pool.

However, the OCD had placed the grandma well within that Wildcat Bone Spring pool, so the division requested that BTA come and seek to expand the grammar Ridge Bone Spring W pool because that was established through a division order. And they requested that it be extended to include.

The West half and the east half of sections 9 and 16 and expanding the pool in this manner will allow for the most efficient well development pattern and maximize administrative reporting and efficiency.

We submitted exhibits for this case that include the land testimony and just attaching the application.

Proposed notice of Christine Ramos, who has been previously admitted to testify before the division as an expert in land matters.

The geology testimony exhibits of Darren Dolezal, who has also been previously admitted as an expert in geology, and then myself affirmed statement that includes a copy of the notice letter which was sent on July 17th, 2025 in an affidavit of publication for July 22nd 20.

25 so with that, unless there are questions, I ask that the exhibits be admitted into the record.

In case number 25499 and that the case be taken under advisement.

Thank you. Without exception, Mr. Fordeise.

FE Fordyce, Andrew, EMNRD 49:34

Yeah, I have questions for layman and the geologist.

PH Pecos Hall 49:38

OK. And let's get them on the screen together. We'll, we'll.

Swear them in.

OK, I see Miss Ramos and Mr. Dobazal, would you both raise your right hands, please?

KR Kristeen Ramos 49:53

Yeah.

OK.

PH **Pecos Hall** 50:01

Hmm.

Would you both raise your right hands please?

Miss Ramos, can you hear me?

KR **Kristeen Ramos** 50:12

Yes, I can. Now I apologize.

PH **Pecos Hall** 50:13

I get I guess.

I guess you now can OK.

Do you swear or affirm under penalty of perjury that the testimony you're about to give is the truth, the whole truth, and nothing but the truth?

KR **Kristeen Ramos** 50:23

I do.

DD **Darin Dolezal** 50:24

I do.

PH **Pecos Hall** 50:25

OK.

Thank you, Miss Ramos.

Let's start with you.

Would you state and spell your name?

KR **Kristeen Ramos** 50:31

Christine Ramos KRIST, EE N Ramos Ramos.

PH **Pecos Hall** 50:38

All right.

Thank you. And and before we go to Mr. Dolezal, have you been admitted as an expert for this division?

KR **Kristeen Ramos** 50:47
I have.

PH **Pecos Hall** 50:48
OK.
Very good. In what field?

KR **Kristeen Ramos** 50:49
In petroleum, land matters.

PH **Pecos Hall** 50:51
All right. Very good, Mr. Dolzo.
The same questions to you.

DD **Darin Dolezal** 50:57
Yes, Mr. Xander, my name is Darren Dolgellsfeld.
DARINDOLEZAL.

PH **Pecos Hall** 51:08
And the question about your expertise.

DD **Darin Dolezal** 51:10
I have been previously approved, yes.

PH **Pecos Hall** 51:14
In what field?

DD **Darin Dolezal** 51:14
In the matters of geology.

PH **Pecos Hall** 51:16
OK.

Thank you.

Just geology or petroleum geology.

DD **Darin Dolezal** 51:19

Petroleum geology.

Sorry, yes.

PH **Pecos Hall** 51:21

All right.

Thank you. OK, Mr. Fordex.

Who do you want to speak to 1st?

FE **Fordyce, Andrew, EMNRD** 51:26

M's Ramos.

PH **Pecos Hall** 51:27

OK.

KR **Kristeen Ramos** 51:27

Yes, Sir.

FE **Fordyce, Andrew, EMNRD** 51:29

The division just wanted.

To clarify or not clarify, but just.

Make sure that the notice requirements were met for this case, that being the division designated operators of wells within the same formation.

As a pool, as the pool and within one mile of the pool's outer boundary.

Just confirmation that that notice requirement was met.

I didn't research all the operators in the area.

Yeah.

KR **Kristeen Ramos** 51:57

Yes, Sir. To my knowledge it has been.

PH **Pecos Hall** 52:03

Yes. And we got the list from BTA and we affected the notice as stated in the affidavit. And so that was Miss McLean speaking.

FE Fordyce, Andrew, EMNRD 52:04

Yep.

PH Pecos Hall 52:13

I'm sorry.

Thank you. Because we don't have a court reporter.

So if you don't announce yourself, no one's gonna know who you are.

Thank you, Mr. Mr. Fordice.

FE Fordyce, Andrew, EMNRD 52:20

Yep.

Yeah. No, no further questions for Miss Ramos and for Mr. Dolezal.

I think the division just wanted to clarify.

I'm looking at exhibits B1 and and B2.

Exhibit B2.

Shows the cross section starting at the sort of North End of section 9.

In the pink, which is the the Wildcat.

Pool and then coming through the South on the West half of nine and 16.

I think the division just wanted.

Some.

Statement that that if you look at the the logs above and B1 that as you travel.

East.

Through sections 9 and 16 that.

Is it your your testimony that the reservoir?

Characteristics.

And those logs would be relatively consistent as you traveled E through sections 9 and 16.

There would be no, no big differences, pinches, faults, anything that would become inconsistent as you travel W through 9 and 16.

DD Darin Dolezal 53:35

OK.

Darren Dolgell speaking.

Yes, absolutely, 100% nine and 16 are very correlative.

The east half of nine and 16 is very correlative to the West half, even over to 10:15.

And then we have the crazy goats even to the east.

This area is very consistent when you look at those. When you look at the logs from the first sand through the Wolfcamp, there is not a lot of change in the in the the sand section of the Bone Springs, so.

Yeah, it is my opinion that.

The east half of sections 9 and 16 would be the same representative that I'm showing in the cross section as the West half.

The reason we chose these logs in particular.

They all have rasters with gamma ray and neutron density and there are no vertical logs that penetrate this in sections 9 and 16.

So this was the best representative that I could do for the entire section.

FE **Fordyce, Andrew, EMNRD** 54:43

OK.

Thank you, Mr. Doles.

All right.

I have no further questions for this case.

PH **Pecos Hall** 54:48

OK.

Very good.

Can we take this case under advisement?

FE **Fordyce, Andrew, EMNRD** 54:51

Yes, we can take the case under advisement.

PH **Pecos Hall** 54:53

All right.

Thank you, Miss Hardy or Miss McConnell. Thank you.

We're the same.

Before we go to the last case for today, is there anything else from you either?

No, no, Sir. Sorry.

Well, thank you very much.

All right, I'm now going to call the last case for today on the docket.

That is 25480 frontier.

Oh, I see.

And it's your case as well.

It is.

I didn't realize that.

And it's frontier field. Correct, Mr. examiner.

Dana Hardy with Hardy McClain on behalf of Frontier Field Services.

Are there any other parties there or not?

All right.

Please proceed.

Thank you. In this case, Frontier seeks authorization to inject treated acid gas from the King's landing gas plant into the proposed King's Landing AGI number one, and #2 wells, which will be located in section 15 Township 19 S, range 31 E.

In Eddy County, these wells are underground injection control Class 2 wells.

These vertical wells will inject treated acid gas into the solaro Devonian formations, including the 31 rstin and fusselmann groups, plus the Montoya Formation at depths of approximately 13,215 feet to 14,415 feet for the King's landing ag.

Number one well and 13,240 feet.

To 14,440 feet for the King's landing AGI #2.

Well, and although each well is designed to inject up to 20 million cubic feet per day of treated acid gas, frontier is requesting a combined allowable maximum daily injection rate of 20 million MMCFS per day to be shared between the two wells. The prop.

Maximum surface injection pressure will be approximately 3991 lbs.

PSIG Frontier is planning to drill the King's Landing AGI number two first, and proposes to use it as the primary well with the AGI one serving as a redundant well.

Our exhibit packets include the self affirm, statements of petroleum engineer Ramona Huvy, geologist Mitchell, Dan and reservoir engineer Braxton Reese.

M's hubby has previously testified before the division and been recognized as an expert in petroleum engineering.

Mr. Dan and Mr. Reese have not previously testified before the division and we have provided copies of their CVS.

Miss Hubbie's testimony provides an overview of the C108 as she explains the two

proposed wells will be developed to inject treated acid gas simultaneously. The redundancy of the wells will provide operational flexibility for the plant to continue injection up to the combined maximum daily rate in the event that one of the wells requires work over or servicing.

Frontier intends to drill and complete the AGI number two first and will collect and analyze the data during obtained during the drilling, testing and injection for that well to update and make any changes that are needed for the design of the number one well in this design period.

And analysis is expected to take 12 to 18 months before commencing drilling operations for the number one well. As a result, Frontier requested the division allow it to commence drilling the number one well.

18 months after it commences injection.

Injection into the number 2.

Well, Miss Hubby discusses the area of review maps included in the C108 and identifies the wells within one and two miles.

There are no active water wells within two miles. Mr. Dan's testimony discusses the geological characteristics of the area and explains at the upper and lower confining layers will contain treated acid gas within the injection zone.

He also conducted a fault slip analysis and determined that injection will not increase the risk of fault slip.

Or induce seismicity.

Mr. Dan further states that he did not find any evidence of open faults or other hydrologic connections between the injection zone and any underground sources of drinking water.

Mr. Braxton Reese's testimony discusses reservoir characterization and plume modeling.

He explains that the plumes will have a radius of approximately 0.6 miles and will not reach offset wellbores or faults.

The witnesses conclude that the wells will protect correlative rides and prevent waste. And will not harm human health through the environment, including underground sources of drinking water.

Our notice information is included in Exhibit C notice was timely sent to all affected parties by certified Mail on July 7th, 2025, and was timely published on July 22nd, 2025.

So I would ask that the witnesses who have not previously testified be qualified as

experts, and that our exhibits be admitted into the record and Mr. Reese and M's hubby are here in person and available to testify and Mr. Dan is available on teams.

All right.

Thank you without exception.

Let's get.

All, all three sworn in.

Then we'll deal with the expertise.

Issue so would the two witnesses that are here come on up to this witness booth here and turn on the microphone?

Thank you. OK. And I see Mr. Dan on the screen.

Would you all raise your right hands, please? You swear?

Affirm under penalty of perjury, that the testimony you're about to give is the truth, the whole truth, and nothing but the truth.

I do OK.

MD **Mitchell Dan** 1:00:40
Here.

PH **Pecos Hall** 1:00:41
So let's start with you. Is it?
Would you state and spell your name for the record and clearly into the microphone?
Yes, my name is Ramona Huvey.
RAMONAHOVEY.
Alright. And next you, Sir.
My name is Braxton Reece BRAXTONREESE.
Thank you and Mr. Dan.

MD **Mitchell Dan** 1:01:13
My name is Mitchell Dan.
MITCHELLDAN.

PH **Pecos Hall** 1:01:22
OK, great. And you're a little muted, Mr. Dan, so please get a little closer to the microphone, miss hubby, you have been previously qualified as an expert before this

division. That is correct.

In what field of expertise? Petroleum engineering?

Thank you. OK, Mr. Reese.

I ask you the same question.

I have not been.

Let's start with you and your. What are you seeking to be qualified as an expert in Trum engineering, petroleum engineer.

So the same expertise is M's hubby.

I specify in reservoir engineering but.

All right. So reservoir engineering or petroleum engineering, which is it reservoir engineering?

Reservoir engineering, OK.

What education do you have that goes toward that degree?

I have a bachelor's degree in patrol engineering from Texas Tech.

When did you get it?

I got it in 2019.

OK.

Try to be specific so I have some idea of what we're talking about.

OK, what? What did you do anymore? Education after that? No, Sir.

OK.

So then who did you first tell me?

Give me some dates.

Tell me what you did for different employers, what your title was, and then we'll go that way.

So I got hired on straight out of.

Tech year after I graduated onto Luncht and from there I've been.

In a junior engineer where I've worked on.

Compositional reservoir software and.

Done anything from Class 2 AGI's to Class 6 wells modeling them and doing regulatory permits for them.

I'm just reading through what I see on the screen since I can't access anything on this computer.

Did you draft this? Yes, Sir.

You adopt this Underoath.

Yes, Sir.

So you work as a junior reservoir engineer under who?

So my supervisor is APE by the name of Nathaniel Byers and then all of my Class 6 and Class 2 work is either under Steve Petit or Ramona Havi.

Can you raise this so I can keep reading?

Perfect. Thank you.

Have you testified before other regulatory bodies?

Yes, Sir. I've testified in front of the railroad Commission. OK. And have you been accepted as an expert in reservoir engineering before then? Yes, Sir.

All right. OK.

This division recognized you as a reservoir engineer from here on in, you can stay there.

Mr. Dan, let's get you on the screen and ask you the same type of questions.

Can you pull up? Oh, thank you.

OK.

So, Mr. Dan, what are you seeking to be qualified in?

MD Mitchell Dan 1:05:03

As an expert in petroleum geology.

PH Pecos Hall 1:05:06

Petroleum geologist OK, what education do you have?

MD Mitchell Dan 1:05:10

I have a Bachelor of Science degree from the University of Texas at Austin, received in 2014.

PH Pecos Hall 1:05:17

OK.

MD Mitchell Dan 1:05:18

And a Master of Science degree in petroleum geology from the University of Houston received in 2017.

PH Pecos Hall 1:05:26

OK. And what kind of work did you do that would qualify you as an expert as a petroleum geologist?

MD **Mitchell Dan** 1:05:34

I was a subsurface workflow specialist for Chevron here in Houston for four years out of my undergrad.

I then went on to work for Dunn exploration, a small oil and gas exploration company operating in South Louisiana.

I then started working for a Gulf Coast.

Texas Gulf Coast Chop called to use legacy where I was for two or three years.

And most recently, for the last three years, I have worked for Lonquest as a senior geologist, leading geologic site characterization projects and providing regulatory support for development of class one through Class 6 applications.

PH **Pecos Hall** 1:06:26

And is luncht.

Were you contracted?

To you, you are OK. OK. And and who contracted you for your opinion today?

MD **Mitchell Dan** 1:06:34

Yes.

Oh, I'm sorry.

I may have misunderstood your your question.

PH **Pecos Hall** 1:06:48

So is llanqus gonna be operating as well?

MD **Mitchell Dan** 1:06:58

No, it's.

My understanding is is that Marcus is not going to be operating as well.

PH **Pecos Hall** 1:07:06

Who is?

MD Mitchell Dan 1:07:09

Can I defer that to miss hubby?

PH Pecos Hall 1:07:15

Well, M's Huggies not on the witness stand right now.
So you don't know who you're giving your opinion.

MD Mitchell Dan 1:07:20

Oh oh, it's on behalf of Frontier Frontier Field Services, OK.

PH Pecos Hall 1:07:22

That's that's what I'm asking you, OK?

MD Mitchell Dan 1:07:24

I'm sorry I misunderstood.
Put what the?

PH Pecos Hall 1:07:26

OK.

I'm just trying to understand the relationship between Lonquist and Frontier Field
and now I think I understand OK.

OK.

Thank you, Mr. Dan.

So from here on in you are recognized as a petroleum geologist before this division.

So Miss Hardy, would you explain?

The the the relationship between Frontier Field and Longquest.

For me, sure, Frontier is the applicant and will be operating the well. Lanquist is the
group of consultants that are handling.

The well design and all of the matters here before the division.

Thank you very much.

All right, all right.

So we've admitted the evidence.

We have qualified 2 experts.

Ready to go to question? Yes, thank you.

So is it Mr. Harris or Mr. Getz that's gonna do the initial questioning?



Harris, Anthony, EMNRD 1:08:20

I think I'll start first. Anthony Harris. OK. Thank you.



Pecos Hall 1:08:22

Right ahead.

OK.

Hold on. Hold on. Hold on. Hold on. Mr. Harris, we got to get M's hubby into the witness stand.



Harris, Anthony, EMNRD 1:08:29

6.



Pecos Hall 1:08:35

So hold on a second.



Harris, Anthony, EMNRD 1:08:36

OK.



Pecos Hall 1:08:38

And since.



Harris, Anthony, EMNRD 1:08:38

Actually it it would be better if we could do it as a panel, because the questions maybe they're not gonna be.

I don't have them lined out for one person at a time.

So if we could do it as a panel, that would be preferred.



Pecos Hall 1:08:46

OK.

It's a good idea.

So so M's hubby and and Mr. Reese, would you come on over and sit over here?

There is.

You can share one microphone. That way we won't have feedback.

And before you answer a question as a panel, please state your name because we're not going to know who's answering the question otherwise. So just turn on one of the microphones and if it will, it's flexible.

It will go back and forth between you.

The same thing for you, Mr. Dan.

And if if you do feel the question, say this is so, and so speaking, and then give the answer Mr. Harris, go ahead.



Harris, Anthony, EMNRD 1:09:24

OK.

Thank you.

First question is from Page Six of 181, which I think Miss Hardy is displaying on the screen there.

That's the sofa firm statement of Miss Miss hubby.

Paragraph 21.

It states that prior to commencing injection, frontier will complete the H2S contingency plan that will comply with all requirements of 191511. So just to clarify that that is something that will be a condition in the in the order as a result of this hearing.

And do you have any estimate on when that contingency plan would be, would be prepared?



PH Pecos Hall 1:10:03

I do not have an estimate at this time.



Harris, Anthony, EMNRD 1:10:05

OK.

Next item is page 15 of 181.



PH Pecos Hall 1:10:10

So so M is having please give your name before you answer the question.

OK.

Go ahead, Mr. Mr. Harris.



Harris, Anthony, EMNRD 1:10:18

OK. If we can move to page 15.

At the very first paragraph.

It says frontier Field Services is submitting to C108 to support their proposed gas treating plant at King's Landing.

So do you have an estimate on the timing for this gas plant?



Pecos Hall 1:10:48

This is Ramona having again.

I do not have a defined time on their gas plant.

I know they are actively working with BLM for permitting.



Harris, Anthony, EMNRD 1:10:59

OK.

Thank you.

If we could move to page 18 please.

If we go to the third paragraph, that starts out with to ensure well bore integrity.



Pecos Hall 1:11:24

Yes, Sir.



Harris, Anthony, EMNRD 1:11:25

So it speaks to using corrosion resistant alloys for your tubing for a portion of your tubing and a portion of your 7 inch production casing, and then the very last sentence in that paragraph. It states that the four and a half injection tubing string will be installed and.

Include a 300 foot section of G 310,000 PSI material set at the base of the injection string.

And stung into the four and a half by 7 inch permanent crows and resistant alloy.

Acker, I guess just as an understanding, why is it just that the last 300 feet?

Why not the entire tubing string?

What's the philosophy behind that?



Pecos Hall 1:12:06

Mona Jave again the the inject it will be injected as a dry stream and therefore will not have the corrosive properties.

The idea with the bottom 300 feet, as in the result.

Of a temporary shut in or.

Low flow and there is influx of the saline.

That combination.

Would be more corrosive and therefore that bottom 300 feet would protect against that corrosive nature of the combination.



Harris, Anthony, EMNRD 1:12:50

OK. And and Y 300 feet, what's what's the premise behind selecting 300 feet?



Pecos Hall 1:12:58

Generally what we've seen is that our clients have been installing that have it has allowed for sufficient protection.

And especially with the use of the corrosive cements on the casing and then in the crows Packer.



Harris, Anthony, EMNRD 1:13:21

OK. But over time, as your reservoir pressure increases, couldn't that?

Mixture of your corrosive fluids migrate further up the tubing string. That is a possibility.



Pecos Hall 1:13:34

It is a possibility, but the Packer should be preventing movement up the corrosive resistant cement and casing.

Should ensure confinement so that fluids are not moving up.



Harris, Anthony, EMNRD 1:13:51

So then I guess that the Packer.

When the Packers said there's going to be a polished bore receptacle sitting above that and then your your tubing string will sting in to that polished bore receptacle.

Is that correct?

Or a seal assembly. Yeah. OK.

PH **Pecos Hall** 1:14:05

I believe that is correct, yes.

 **Harris, Anthony, EMNRD** 1:14:08

So then I guess if if necessary that tubing string could be, you could leave the Packer behind and still pull that tubing string and replace it if necessary.

Is that part of the philosophy behind?

Not having the entire string corrosion resistant.

PH **Pecos Hall** 1:14:22

Yes, that is correct.

 **Harris, Anthony, EMNRD** 1:14:24

OK.

So I guess just one more question in terms of the details on the Packer, would that Packer include a ***** profile that you could consider a blanking plug or a locking mandrel to isolate the reservoir if you had to pull the tubing?

PH **Pecos Hall** 1:14:38

I believe that is correct.

 **Harris, Anthony, EMNRD** 1:14:40

OK.

That's one thing we we will request.

I guess is that additional details on the packet.

Because if you look at page 10 from the C108, if we if we just go to page 10.

Item a four. It asks for details on the name model, setting, depth of the Packer used, or description of any other seal system or assembly used.

So we, we'd want to see more details on that Packer and ensure that it is corrosion resistant whether it's nickel plated and understand the corrosion resistant properties of a Packer.

And also whether or not the Packer.

Has a landing ***** to accommodate a blanking plug or a lock mandrel to isolate

that reservoir just in case the tubing had to be replaced.
Is that clear?

 **Pecos Hall** 1:15:30

Yes, we can provide that.

 **Harris, Anthony, EMNRD** 1:15:32

OK.

Thank you.

And I guess while run that.

On that topic.

I guess basically what we're considering that the upper section of this tubing string here.

From surface down to the last 300 feet that could, if necessary, effectively be an expendable tubing string that could be replaced if if you've seen excessive corrosion or excessive wall loss and and the well integrity was compromised.

 **Pecos Hall** 1:16:00

Yes, Sir, that's correct.

 **Harris, Anthony, EMNRD** 1:16:02

OK.

So I guess follow on that, what sort of well integrity program do you have envisioned for this particular well or these wells?

 **Pecos Hall** 1:16:14

Frontier is planning to run.

Pressure temperature gauges.

Through the backside of the tubing.

To.

And if there were any changes there, they also intend to run mechanical integrity testing as per schedule.

And that was Ramona answering that question.

 **Harris, Anthony, EMNRD** 1:16:34

OK.

OK. And in keeping with that idea?

In terms of corrosion, would you consider any?

While will you?

Will you perform any wall loss monitoring or casing inspection logs to to check the the casing thickness over time or I mean otherwise we're if the mechanical integrity test if it if it passed the pressure test for the mechanical integrity test that doesn't give us any indication as.

To whether or not we have wall loss, it could still pass the test.

So is there any sort of monitoring program that would be used?

To track wall loss over time.

So that you've got a predictive model that before your tubing fails.

You can see that we've got 50% wall loss.

Within two to three years or whatever the case may be, just as an example, you're seeing that you're having wall loss on your tubulars?

You can plan a preventive maintenance program so that you can replace that tubing at a predefined date rather than waiting for an actual the tubing to be compromised.

Is that part of your?

Would that be part of your well integrity monitoring as well?

PH **Pecos Hall** 1:17:44

Yes, Sir. I do believe that frontier would definitely want to to perform the proactive.

Logging casing inspection logs as needed. Would you state your name please?

I'm sorry. Ramona havi. Thank you.

 **Harris, Anthony, EMNRD** 1:18:00

OK.

Thank you for that.

If we could go to page 20.

In this well bore diagram on the on the left side of the tubing string, you see you've got TEC tubing encapsulated.

Line for for the bottom hole gauge cable.

I guess just just to be clear here, how is that cable terminated at surface?

Is there a penetration through the tubing hanger or how does that? How does that cable reach the surface?

 **Pecos Hall** 1:18:40

This is Ramona heavy again.

Yes, my understanding is that it would be connected through the wellhead to the SCADA system.

At the surface.

 **Harris, Anthony, EMNRD** 1:18:50

OK.

OK.

So but it would.

It would require a penetration through the tubing hanger.

Otherwise, we've got a gauge cable hanging across.

Your Christmas tree valves.

 **Pecos Hall** 1:19:01

That's correct.

 **Harris, Anthony, EMNRD** 1:19:03

So then there would be.

 **Pecos Hall** 1:19:04

It would go through the.

 **Harris, Anthony, EMNRD** 1:19:04

There would be a penetration through the tubing hanger.

 **Pecos Hall** 1:19:06

Yes.

 **Harris, Anthony, EMNRD** 1:19:07

OK.

Thank you.

If we could go to page 25 please.

Section.

Yeah, section 2.2, point 6.

.1 in terms of the proposed testing plan says that a step rate test will be performed on one of the wells.

Just to clarify, OCD would require a step rate test on both wells, even though they're in close proximity. I mean, the reservoir properties could be different.

You could have.

You could have different properties for each.

Well, so the injection profile, the injectivity properties could be different.

So we would we would require step by test on both wells to characterize.

The fracture pressure and to ensure that we characterize and define the maximum wellhead pressure based on that frac pressure from the separate test.

Just to clarify, that will be a.

That would be a condition in the order. Just to be clear.

If we could go to page. OK, go ahead. Sorry.



Pecos Hall 1:20:24

Mr. Ramona, have you done that?

Would be acceptable.



Harris, Anthony, EMNRD 1:20:28

OK.

Thank you.

We go to page 26.

In terms of the model inputs in Table 6.

Reservoir pressure list. Reservoir pressure at 7915 PSI is that the current reservoir pressure or what?

What is the anticipated initial reservoir pressure in this area?



Pecos Hall 1:20:59

This is Braxton Reese.

That would be the bottom hole pressure during injection, so it wouldn't be the in situ conditions.



Harris, Anthony, EMNRD 1:21:10

OK. But they have.

PH **Pecos Hall** 1:21:10

In the model we assume 0.465 PSI per foot gradient.

 **Harris, Anthony, EMNRD** 1:21:16

OK, so so that OK, because that is mentioned later on page 63, the poor pressure gradient.

The .465.

But it was never, never defined exactly what the reservoir pressure was.

So your initial your initial reservoir pressure in that case, if we use 465.

And we apply that gradient down to the top or to the open hole section. The top of the open hole interval at 13,215 feet. It would give us a reservoir pressure about 6145 PSI, so.

Are we saying that we'll have a pressure increase of?

1800 PSI. Over the life it as well.

Or is this the?

This is the the pressure at I guess from nodal analysis is the pressure at the bottom hole during injection based on what you're saying, not your not, it's not the current reservoir pressure.

PH **Pecos Hall** 1:22:07

This is not the current oh.

This is Braxton Reese.

This is not the current Russell pressure.

Let's go back.

 **Harris, Anthony, EMNRD** 1:22:12

Thank you.

If we go to page 27 please.

So you've got a calculation here for your maximum allowable operating pressure.

I guess is there.

There was no mention in your program of.

Future abandonment pressures. So what?

What would be your your future abandonment pressure based on your maximum

allowable operating pressure?

Did you understand the question or do I need to repeat?

PH **Pecos Hall** 1:23:00

This is Braxton Reece.

We did not look into the abandonment pressure.

For the maximum allowable operating pressure. But we can look into that for you if you want.

 **Harris, Anthony, EMNRD** 1:23:13

Yeah, that'd be that's important, actually.

I mean, if we if we just go back up the page 26.

If we look at the the model inputs on table six, you see the specific gravity of the injectaite at wellhead conditions. It it's, you know, ranges between 0.732 up to .877.

So your density here is is lighter than water, so.

You over the lifetime it as well.

They're gonna be.

They'll be, you know, pushing this H2S and CO2 fluids down whole.

And then for the rest of eternity, those fluids are trying to come back to surface.

Would you agree with that premise?

PH **Pecos Hall** 1:23:56

This is Braxton Reece. Yes, Sir.

 **Harris, Anthony, EMNRD** 1:23:59

OK.

So in that note, it's very important to understand.

What the abandonment pressure would be, or the proposed abandonment pressure?

And then one thing we'd we'd want to see along those lines, considering the fact that, you know these fluids are, you can consider them Energizer, you're dealing with supercritical fluid with a density lower than the in situ flu fluids that surround it.

So we'd want to see a plug in program for future plug in abandonment.

Program, or at least a a notional.

Program as to how does well would be abandoned in the future.

And whether or not you know that the permanent Packer obviously would have to be

milled and then what fluid densities are required to overcome the abandonment pressure in the reservoir and also to ensure that those fluids remain in place and do not migrate to surface. So that's somet.

We would request, as part of the order, and it could probably be submitted with the H2S contingency program.

Is there any concerns with with that request or any questions?



Pecos Hall 1:25:03

This is Ramona heavy.

That is not a concern. We will provide that.



Harris, Anthony, EMNRD 1:25:07

OK.

Thank you.

If we could go to page 38 please.

And Section 4 point 2.2 at the bottom.

So this here it's it's talking about the methodology for obtaining porosity and permeability estimates.

So and and this to set the context here.

This is my questioning here is going towards the reservoir simulation model and some of the inputs used.

So it says here, well controlled in terms of geological control for sort of wells that penetrate deep enough. The log that Devonian and Ordovician sections is very limited.

In, in and around the King's landing site.

So we got limited limited well data.

For wells penetrating through the injection interval and one of the primary wells that you used is.

Chevron Wells Thirty 01531615 so as we move.

Further through, if we go to page 46.

The very last paragraph says that frontier may license and utilize 3D seismic before drilling the Kinns landing AGI number one. To better define the structural interpretation and identify any other potential hazards that may exist.

So I guess based upon that statement and and the understanding that we've got limited well data here, what would be the correct? What would be the decision point

for acquiring?

3D seismic.

 **Mitchell Dan** 1:26:54

This is Mitchell van. I think the language could be revised to to read. Frontier intends to require and evaluate seismic data before going first well.

 **Pecos Hall** 1:27:09

And this is Ramona heavy.

 **Harris, Anthony, EMNRD** 1:27:09

OK.

 **Pecos Hall** 1:27:10

Yes, we've confirmed with Frontier that they intend to run a seismic evaluation on this area prior to drilling.

 **Harris, Anthony, EMNRD** 1:27:11

So.

OK.

Thank you.

If we could go to page 59 please.

Section 5.1. In terms of the reservoir model.

Second paragraph states how the Petra software package was utilized or did utilize offset well. Logs to identify, identify formation tops and the injection zone to create the structural contours.

And then further, the faults were interpreted.

Fault interpretation was also performed in Petra and then the following sentence states that the geological model of the slurry odvonian.

Was determined from public literature. In addition to analysis of offset well logs, seven of which were used to delineate the geologic structure, the target formation.

So you use in public literature here.

I'm just wondering.

So yeah, how how many offset?

Well, logs were used. Was it?
Was it just those seven well logs?

 **Mitchell Dan** 1:28:31

Yeah, this is Mitchell, Dan.
So due to the limited well control we we leverage.
Publicly available regional mapping and published literature.
To to give us better control on the structure.
The seven wells were found within 25 miles of the Queensland Insight.
It penetrated deep enough to log the Devonian Celera Debonning section.
And those were Q seed against.
Published structure maps that had a lot greater control regionally and they were found to be.
Very, very well aligned within a foot or two.
The formation topics giving us confidence that those published maps were found.
Big.
Perhaps the best available data source that we could use to provide that input resolution.

 **Harris, Anthony, EMNRD** 1:29:40

OK, so you have with consistency in the tops. I guess you got fairly good structural control on the model.
How about, I mean in terms of the the rock fabric, your prosody, your permeability, how good a handle do you have on that was was there much variability in porosity and permeability throughout those seven wells?

 **Mitchell Dan** 1:30:04

So there is the the most active, so, so the three Braeburn unit #14 the Chevron operated Greenwood Superior unit #14.
That was our processing time log at least used it.
It had a bulk density curve throughout the entire injection interval.
It was converted using a 2.87g per centimeter cube matrix density for dolomite.
Into density processes.
So we're able to take actual density processing measurements through the entire projection interval, and that one well, and then use that to.

Transform.

Use the processes from that well to transform.

To go up with. For me, building very goods and those porosities from that well with juice it against published literature sources and.

More in line with what was observed in.

Publishers.



Harris, Anthony, EMNRD 1:31:09

OK.

Did the published literature? Did it contain any information on core flood studies or is there any information on core properties? Or was there any core cut in this area?



Mitchell Dan 1:31:23

Not not if they're close to this area, they're.

So for the permeability, what we did, we took that all the processing from that from that type logistics, that's actually the nearest log that cuts through the entire the burning section.

So that's another key reason why there's emphasis was placed on that to to obtain the proxy values.

Three data sources were all extremely consistent from in alignment with one another.

Were you used for the actual permeability transform?

1st when you see a transform.

Was used.

And then actual injectivity derived permeability was study by Paul Calle.

That's all 2024 was used to validate that and additionally there was proxy verse permeability phosphot published by Ruppel and Boltz in 1994.

That used.

Poor data.

Characterize the value \$1000 high field so.

Midwin basin.



Pecos Hall 1:32:33

Mr. Dan, would you Please remember to state your name before you answer the question.

 **Mitchell Dan** 1:32:37

Yes, Sir.

 **Harris, Anthony, EMNRD** 1:32:41

OK.

Thank you.

If we move down, just excuse me. Staying on page 59.

To section 5.1 point one in terms of the gridding parameters and the boundary conditions. So for the static model, it encompassed an area of approximately 90 square miles.

When you was that static model up scaled into a, the dynamic simulation model.

 **Pecos Hall** 1:33:10

This is Braxton Reece. We upscaled it from the logs, but the geologic parameters come straight from the grayberger unit log.

So this is a what's typically called a layer cake model.

So our permeability porosities and thicknesses are averaged across the log interval, so every 15 or so feet.

Where the top layer was being 5 feet thick.

 **Harris, Anthony, EMNRD** 1:33:41

15 feet in the vertical sense.

 **Pecos Hall** 1:33:44

Yes, Sir.

 **Harris, Anthony, EMNRD** 1:33:45

OK.

How about in the horizontal sense?

I mean does your model.

Does your dynamic model extend 90 square miles or is it much smaller?

 **Pecos Hall** 1:33:53

No, Sir.

The dynamic model is the exact same greeting as the static model. It is a 250 by 250 foot cell length.

What is your name?

This is Braxton re speaking.

Sorry. Thank you.



Harris, Anthony, EMNRD 1:34:07

OK, so each grid block is 250 feet by 250 feet, and then you've got on average 15 foot thickness for a total of 61 layers. Is that correct?



PH Pecos Hall 1:34:18

Yes, Sir.



Harris, Anthony, EMNRD 1:34:20

OK.

So how much variability do you see in?

Horizontally in those each block is 250 feet by 250 feet. Aerially, when you move from one block to the next, how much are all the blocks identical?

I mean, you've got limited data here.

How were those each of those blocks in the lateral sense? Not on not on a layer basis in the vertical sense. I'm talking on aerial.

Basis how are each of those grid blocks populated?

Or or all the parameters just the same.

In each block.



PH Pecos Hall 1:34:55

This is Braxton Reese. Yes, Sir. Each.

Layer laterally is considered homogeneous, so it would have the same rock properties extending laterally.



Harris, Anthony, EMNRD 1:35:08

OK.

So are you familiar with statistical approaches for populating simulation models?

Using like Monte Carlo approach or something equivalent, are you.

Are you familiar with those techniques and was that possible here?

PH **Pecos Hall** 1:35:23

This is Braxton Reece.

Yes, Sir, I am familiar, but with the lack of any nearby well control, it would not have been possible.

 **Harris, Anthony, EMNRD** 1:35:30

OK.

All right.

Thank you for that.

If we go to page 64 please.

So in terms of the fracture pressure calculation?

In terms of the the confining intervals here, do you have any good data on what the confining stress may be and how good a barrier the confining intervals may be?

Above and below the injection interval.

PH **Pecos Hall** 1:36:08

This is Braxton Ree speaking.

For the upper and lower confinements.

We looked at.

The upper would be a shale.

Which, compared to dolomite of our injection formation, should have a higher fracture pressure be harder to frack.

So what you're seeing here, especially in Table 18, is a conservative approach to ensure that we don't frack the injection formation, which would therefore not fracture the upper and lower confinements.

 **Harris, Anthony, EMNRD** 1:36:44

OK.

Yeah. And we'll we'll confirm that with step rate test also in terms of what the frac pressure is.

But in terms of throughout the field life or throughout the history, it is or the future of this well as a reservoir pressure increases, just having a handle on what what the frac rating may be or the confining stress for those shale layers would be valuable, so would.

There be any is was there any consideration given to running a Sonic logs or a dipole Sonic log to characterize the actual?

Frack gradient in those shales? Or would there be any casing shoes that would be set in that interval whereby you could do a leak off test as soon as you drill into the shale or just below it to confirm what the breakdown pressure may be in terms of? Information integrity test.

 **Pecos Hall** 1:37:36

This is Ramona having.

We don't have any casing setting points.

Necessarily in the upper confining zone, but I do believe that.

Frontier is planning to run Diplomic log or would be willing to run that dipole Sonic log in order to get that.

Those values needed for the fracture gradient determination.

 **Harris, Anthony, EMNRD** 1:38:08

OK.

Yeah. And I guess offset just as a suggestion, if if you got any offset wells, even though they're limited, but if there's been any extended leak off test or formation integrity test, assuming there's been a casing string set in those shales as soon as you drill through it?

Or or drill into the shale it. It may be some good information that from information integrity or extended lead cast that could perhaps.

Characterize the frac gradient photos configuring intervals.

Just as a suggestion.

If we go to page.

65 please.

So it talks about the the model imposing 3 constraints on the well operations in terms of injection rates, I guess what was there any I may have asked this before, but was there any sensitivity performed on the size of the container because the model size extends out for?

90 square miles.

So was there any sensitivities performed to see how would how would the reservoir pressure behave if the container was?

Truncated or or much smaller.
Was that sensitivity performed?

 **Pecos Hall** 1:39:30

This is Braxton Reese.

No, Sir. We kept the static model the same size the entire time. What we did have was nearby faults to act as ceiling.

 **Harris, Anthony, EMNRD** 1:39:37

Look.

 **Pecos Hall** 1:39:42

To allow greater pressure increase in the model.

 **Harris, Anthony, EMNRD** 1:39:46

OK.

Because if if we look on page 66 at Figure 22.

Yeah. So the blue line is our bottom hole pressure and you can see it's very flat and you know when you've got 90 square miles of reservoir to inject into, you'd kind of expect that.

So it would be worthwhile.

For for Frontier to at least evaluate or Plank was to least evaluate sensitivity on. If the container size was smaller, what would your reservoir pressure look like?

And this is not a requirement necessarily for the order, but in terms of sensitivities.

When you start injecting into the thing, obviously the injection pressures are going to tell you what's what's going on down hole and and how big of an area you're connected to. But.

Just as a sensitivity, if if those faults that are near close to the well, if they are sealing and if there's, you know, some baffling effects from.

From the reservoir being broken up, almost like a shattered glass, if you take a rock and shatter a piece of glass, you know those.

There's some significant throws on those on those faults surrounding the wells or adjacent to those wells. So if if you have any baffling effects, just that will probably that will probably be seen very short shortly after.

After you start injection, so just as something to consider maybe having some

sensitivities on the container size will be valuable to understand.

If if those faults do have do impact the injector injectivity, you could identify that quickly and and make plans accordingly for other contingent wells if necessary. Just a suggestion.

On page 67, if we could go one page down please.

If we look at.

The first paragraph below figure 23 and 1/2.

The 4th sentence.

It starts out by saying the edge of the plumes were delineated using a conservative gas saturation cutoff.

Of 1%.

How is that 1%? That's that's from the the reservoir simulation model, is that correct?

PH

Pecos Hall 1:42:08

This is Braxton Ree speaking.

Yes, Sir. That is taken from a reservoir simulation model.



Harris, Anthony, EMNRD 1:42:12

OK.

But if we go back up the page 60.

In Table 15, we see that the residual gas saturation was initially 20%.

So am I correct?

Just trying to understand here. It's. Are we saying that we're displacing gas?

From the pour space here and reducing the saturation from 20% down to one.

Am I interpreting that correctly?

PH

Pecos Hall 1:42:38

This is Braxton Reese. No, Sir.

So the input for residual gas saturation is 20%.

So 20% of the pore space will be trapping the acid gas. The 1% caught off was to delineate the furthest edge of our plumes within the model.

So you could get the AOR.



Harris, Anthony, EMNRD 1:43:03

I'm I'm not clear on the 1% again because I thought it was worded as 1%.

Resigible gas.

Sorry, a conservative gas saturation cutoff of 1%. So so your original gas saturation is 20%.

You then start injecting CO₂ and H₂S.

And could you just clarify again where does the 1% cut off come from?

PH **Pecos Hall** 1:43:31

This is Braxton Ree speaking.

So in the model it assumes a 100% brine filled reservoir the residual gas saturation is the amount of pore space that can trap the CO₂ before it continues on moving up dip or laterally across the reservoir.

So the gas saturation is just a property of my model that was used to delineate the AOR.

So the percentage of pores based occupied by acid gas.

 **Harris, Anthony, EMNRD** 1:44:09

So 1% is occupied by acid gas, is that correct?

PH **Pecos Hall** 1:44:16

This is Ramona. Having that 1% would be at the the edge of that plume.

Yes, 1% of that pore space would be occupied at that point.

 **Harris, Anthony, EMNRD** 1:44:21

The leading edge.

OK. And then near the well bore, how much?

What would?

What would the the saturation look like near the wellbore?

PH **Pecos Hall** 1:44:36

This is Braxton Ree speaking.

I don't have the precise value, but it'd be.

Greater than the 1%, so as you get closer to the wellbore, you would see.

Close to anything between 20 to 30% as it stays in the free phase and trapping phase of this plume.



Harris, Anthony, EMNRD 1:44:59

So do you have any indication of what the irreducible water saturation will be? Since the pore spaces primarily saturated with water initially?



Pecos Hall 1:45:09

This is Braxton re speaking.

No, Sir, not off the top of my head.



Harris, Anthony, EMNRD 1:45:12

OK.

OK.

Thank you.

Just one final observation on page 117.

For the false slip potential.

Sorry if we move down to page.

So excuse me, page 7.

Dana's word some of the false slip potential results are summarized.

I guess I would have to continue down the page 119119.

So on the left side in green it's summarizing default slip potential for each fault segment from fault number one to fault #34.

It's very difficult to read what the false slip potential is in this particular page, and if we go down to the following page on 120, those images are kind of grainy and difficult to read.

So could we as part of your?

Supplemental package if you could include just a summary table with a statement of what the the false lip potentials are, or at least a clearer image of what those false lip potentials are. Just so it's it's clear for the record.



Pecos Hall 1:46:27

This is Ramona having.

Yes, we can provide that table with a supplemental information.



Harris, Anthony, EMNRD 1:46:31

OK.

Thank you very much.

That's all of my questions. Thank you.



Pecos Hall 1:46:38

Mr. Goetz.



Goetze, Phillip, EMNRD 1:46:40

Yes, thank you. Good morning all.

First item.

Is regarding the facility that's going to be in support of these two wells and I probably will address this to Miss Hardy.

At this point, the only thing we've got is.

Supposition that a plant will be done.

We've heard talk about BLM and.

Applications.

Historically, when we issue permits for these things.

AGI wells we would like to see at least something in writing as to what the plan is.

And the reason we're asking and what I'll ask you to do is to provide us some sort of evidence that the plant is being.

Permitted. Proposed.

In the case of other applicants, we usually have prospectus. We've had testimony of management.

So I would ask Miss Hardy provide us with something.

To show us what the frontiers King's Landing gas plant looks like. And when it's going to be online.

Our concern here is that in the case of, say, the red, the group of Red Hills.

In the group with the late.

We had the Libby wells.

We're running into this thing we're looking at now six years.

Since the initial permit was issued that we're going through this constant updating and extension.

We would like to limit that and we'd like to have it so that it is either concurrent with the approval of the facility or at least have something.

And writing that shows that there is going to be a plan here right now only thing we have is just statements within.

Various affirmations.
And no substitute presentation.
So do you understand Miss Harvey?

PH **Pecos Hall** 1:48:58

Yes, I do. We can provide that.

 **Goetze, Phillip, EMNRD** 1:49:00

OK then.

Thank you.

To go along with that, we have here a federal facility.

We have these wells on federal mineral and I assume federal surface.

Is an understanding from Longquest that the APD process will be led by the Bureau of Land Management.

PH **Pecos Hall** 1:49:24

This is Ramona havey.

Yes, that process has begun with the BLM.

 **Goetze, Phillip, EMNRD** 1:49:31

So you have applied for an APD with them and we'll be getting it through their their shop. OK. Thank you.

Next item.

#2.

The wells located within what are we called the four string casing area?

Though the well design does propose the use of DB tools.

It won't be necessary to redesign as well.

There won't be salt section and there will be a casing for the reef.

For both wells.

So we're going to send you back to the drawing board and we will ask for you to provide us with a revised well board diagram for each well that includes separate isolated casings for each of these intervals. We are past the Laguna submarine canyons.

We're in an area that we.

Are putting a lot of effort into protection of the capitat.

And so.

So to that point, there is no compromise.

We've tried this before with DV tools.

 **Mitchell Dan** 1:50:43

Send.

 **Goetze, Phillip, EMNRD** 1:50:44

We've had 5050 results.

In this case, with acid gas, we do not wish to make any type of short.

Short effort. Once all these wells are plugged in, abandoned and for the operation of them, so do you understand that you will be designing these well bore diagrams?

To meet that requirement.

 **Pecos Hall** 1:51:15

This is Ramona heavy. Yes, I understand.

 **Goetze, Phillip, EMNRD** 1:51:18

Very good.

Thank you.

Next item.

So in defining your injection interval, we've gone ahead and included the Montoya.

We're making use of both Simpson and Ehlenberger as the lower confining zone.

Based on my experience in New Mexico and based upon my discussion with both folks at beg and the New Mexico Bureau of Geology.

And with.

Operations in Elenberger essentially elimberger does not provide any type of isolation.

It is so poorly structured, cut and seal, lithic, aronides, some sort of.

Secondary dulnetization but in, by and large it's an open pathway into the Canberra.

That leaves the Simpson as you're confining when we're confining without information. And that brings me to my question is to why did we include the Montoya in the injection interval?

What's the basis for this?

 **Mitchell Dan** 1:52:45

This is Mitchell Dan speaking.

Montoya was included, although slightly older, rock it's it's continuous.

Part of the continuous carbonate sequence.

With similar rock properties from 31 formations above it, it does exhibit slightly.

Tighter crossbody.

Thorough from that sense.

Family.

You would expect.

It to take less acid gas.

But it is part of the the the overall sequence in.

You know, I'm confident in the in the sense of ability to provide that level.

 **Goetze, Phillip, EMNRD** 1:53:39

OK, you have me.

 **Mitchell Dan** 1:53:39

Is that true?

 **Goetze, Phillip, EMNRD** 1:53:43

If this fails to show up and we do have issues, do understand you will lose injection authority and you will be doing some sort of remedial action.

In the past, and I'm understanding that salt water disposal is much different animal and having gone through this process with other AGI operators.

We tried to maximize that distance from the precancerous.

The consideration.

For Frontier maybe to take a look at how much of that Montorio you need when you have.

The interval of the slurred, deforming available for you so.

For the record, I would take a step back and see how much that really is necessary for your achievement of injection for the these two wells.

OK.

Next item.

You folks have a permit from the state Engineer's Office for.

For a domestic well, we're actually commercial well water well and currently was issued as.

A benefit is the pot is a CP-2053.

 **Mitchell Dan** 1:55:09

Thank you.

 **Goetze, Phillip, EMNRD** 1:55:10

You were unable to find a well to sample an understandably in this location.

We will probably include the requirement that once the swell is drilled, that you will provide a sample.

Apple to us as a background, as we would for any well within the typical one mile area of review for the water, groundwater well.

So before we learn that with the drilling of the well, you will be required to provide that information.

I think Mr. Harris covered most of my concerns with regards to why do have one follow up question for.

Geologists, I would say.

So what really gives you the understanding or what is the?

Information that supports the fact that these faults are sealing.

 **Mitchell Dan** 1:56:12

This is Mitchell dance speaking.

The the false ceiling.

Is short of having quality seismic data to evaluate and to add into the project.

The conservative approach, in our opinion, is to assume the faults are sealing.

From a standpoint of fault slip potential and induced seismicity standpoint.

So.

We wanted to model.

The most.

The worst?

The worst case scenario that they were completely seen and made sure that they would not induce syphilis in pause.

These false tests.



Goetze, Phillip, EMNRD 1:57:06

You know, to counter that.

So really what you have is an assumption that is based upon them being a fully ceiling fault.

So is that the approach we're taking?



Mitchell Dan 1:57:23

To ensure.

That future hazards do not come up in regards to the acid gas operation injection operations. Yes Sir.



Goetze, Phillip, EMNRD 1:57:35

I just we've had past cases where the concern is part of our effort is to ensure that development in this area and shallow formation, especially wolf camp and bone springs, are not impeded.

Especially with long term operation of the swell that we don't have any vertical migration and therefore I would probably strenuously support the effort of frontier to get some 3D sizing.

To get a level comfort of knowing what are projected faults and what are real and to get a better understanding of the faults and relationship.

Exense since the wolf, the Woodford excuse me, is being used as a containment point to make sure it's a good cap.

So that's that comment.

Last question, then I ask for Miss Hardy.

In your notice.

And that would be one page 161 of 181.

You provided Raybaugh operating with a notice or a package and a comment at that was in transit to next facility arriving late.

Have we followed up to see if it actually got delivered?



Pecos Hall 1:58:56

We printed this delivery report last week when we submitted the exhibits so I can follow up and check on that.

I don't know if there are any updates or not. We did also publish.
Published notice.



Goetze, Phillip, EMNRD 1:59:12

I know, but we still let's go ahead and find out. Just close it out.



Pecos Hall 1:59:12

But I can find out.

Sure. Yes, happy to do that.



Goetze, Phillip, EMNRD 1:59:19

OK.

Well then that is the list of things I want to ask about.



Pecos Hall 1:59:25

Thank you, Mr. Gatson.

Mr. Harris M's Hardy any follow up or redirect to those questions at this time?

No, thank you.

OK.

So we're obviously coming back on the record.

When do you want to come back?

I think we could provide the information that's been requested in time for the
September 11th docket if that's a possibility.

September 11 is well, it's already over prescribed as it is.

There was a hundred and something cases we're going to have to whittle that to
closer to 50 and you already have.

Four cases on that docket.

But you're going to bump some more cases.

I don't think I don't think September 11 works for me.

I don't know about Mr. Getz and Mr. Harris. 'cause. They have to review all of this
new information as well.

Brea, when is the next docket?

Whether it be special docket or any docket that we might put this on.

We have a September 16th docket.

That's a special docket. You said September 16.

Yes. All right, Mr. Harris.

Mr. Goetz, if we put this as the first item on September 16, does that give you enough time to review the new data?



Harris, Anthony, EMNRD 2:00:50

Yes it will.



Pecos Hall 2:00:53

OK, OK, great. And that's what we'll do.



Goetze, Phillip, EMNRD 2:00:53

Yeah.



Pecos Hall 2:00:56

Well, of course, Miss Hardy.

It's your case.

You'll have to move it yourselves. Yes, that's perfect.



Harris, Anthony, EMNRD 2:01:00

Up.



Pecos Hall 2:01:01

We'll expect that it will be on September 16.

We'll make it the 1st.

Case that we hear that day, does someone want to say something?



Harris, Anthony, EMNRD 2:01:10

Yeah, Mr. examine.

Tony Harris here.

Just want to clarify that our preference from at least from my preference. I won't speak for Mr. Getz, but the streamline the process.

It's not necessary to submit a complete exhibit package again.

Just we would request that, you know, submit a supplemental package would be preferred.

It's much cleaner, easier, and just address each of the items.

PH **Pecos Hall** 2:01:30

OK.

OK.

 **Harris, Anthony, EMNRD** 2:01:35

And if, if necessary, we can review, perhaps is a good idea to review before we end off.

PH **Pecos Hall** 2:01:37

So.

 **Harris, Anthony, EMNRD** 2:01:39

Or just so we're everybody.

On the same page as what's being requested.

PH **Pecos Hall** 2:01:45

OK. Do you want to go through a list of what you what you have?

 **Harris, Anthony, EMNRD** 2:01:50

Sure. From my side on Page Six of 181, the H2S contingency plan.

That's something that we would that will be.

It's it's not.

It's not necessary, certainly for the exhibit package, but it would be necessary before commencing injection and it will be included as a a condition of approval in the order.

So I guess that that's not really one for for September 16th. The next item would be details on the Packer page.

18 we would request some additional details on the Packer. The specification sheet for the Packer, whether or not it's corrosion, the corrosion resistant properties of the Packer, and whether or not it has a landing ***** to accommodate a a blanking plug to isolate the lower section of the.

Reservoir.

The other item.

Was in relation to the maximum allowable operating pressure, but more specifically

in terms of future plugging.

Plugging an abandonment.

Consider an effect that these are low specific gravity fluids. They're going to try to migrate back to surface.

So we'd want to see.

A.

Plugging and abandonment program as to how does well would.

Be plug and abandoned in the future in terms of.

You know, milling the the the Packer, it's a permanent Packer.

So that Packer would have to be milled.

What sort of fluid densities are gonna be required to to kill the whale and then overcome the hydrostatic pressures?

What sort of cementing plugs, cementing, fluids will be used?

That sort of detail as to how to plug and abandon the program would be performed.

And finally would be a summary.

A summary table illustrating the OR summarizing the false lip potential.

Of each of the false lip potential simulations that were performed since the images are grainy and difficult to see.

 **Pecos Hall** 2:03:53

And Mr. Getz, did you want to provide a summary if there is one?

 **Goetze, Phillip, EMNRD** 2:03:57

Yes there is.

There are three items on my list. The first item is a documentation of the plant and it's a proposed activities where it's gonna be how it's gonna be, what's being provided to BLM.

So that documentation.

The second item is the redesigned well board diagrams to include separate dedicated casings for.

The salt section.

And the Capitan reef.

And then the third item is the verification of delivery to raybaugh of the notice.

 **Pecos Hall** 2:04:42

Yes, thank you.

Thank you.

And I have one clarifying question. This is Dana Hardy for Mr. Harris.

The information on the plugging and abandonment program, I think you'd mentioned earlier could be provided with the H2S plan, is that correct?



Harris, Anthony, EMNRD 2:05:01

Yeah, I mean, it doesn't have to be provided immediately.

It's down down the road in the future, but we at least want a notional idea of how these wells would be plugged to ensure that the operators are focused on that.

Considering that, I mean the the toxic nature of these gases, you're dealing with H2S and.

CO2.

So we just want to make sure that we've got a solid plugging and abandonment program in place for the future.

So it should be from my perspective it should be suitable to include that with the H2S contingency.

If necessary.



Pecos Hall 2:05:31

Thank you.

OK.

Well, if that's all for Mr. Goetz and Mr. Harris, then is there anything left for you, Miss Hardy?

I don't believe so.

All right.

Well, then, we thank the witnesses for coming to Santa Fe, NM to testify.

And we will see you on the 16th of September as the first docket item.

Thank you and thank you all for your time.

Thanks for off the record for today.



Harris, Anthony, EMNRD 2:06:01

Thank you.

● **Pecos Hall** stopped transcription