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

APPLICATION OF CENTENNIAL RESOURCE PRODUCTION, LLC FOR COMPULSORY POOLING, NON-STANDARD SPACING AND PRORATION UNIT, LEA COUNTY, NEW MEXICO

CASE NO. 20831

APPLICATIONS OF V-F PETROLEUM, INC. FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

CASE NOS. 20861& 20862

PRE-HEARING ORDER

This Pre-Hearing Order follows a status conference and the submission of a proposed stipulated pre-hearing order by the parties.

- 1. The hearing will commence on July 24, 2020, at 8:30 a.m., and continue as necessary through completion.
- 2. The hearing will be recorded and transcribed by a court reporter.
- 3. The hearing will be conducted using the Webex meeting platform; sign-in information will be sent to the parties closer to the date of the hearing. The Hearing Officer may modify the format of the hearing consistent with available resources and public distancing directives in place at the time of the hearing.
- 4. The parties shall file with the pre-hearing statement required by NMAC 19.15.4.13.B the following additional information, all of which is due by 5 p.m. on July 16:
 - a. a list of material facts not in dispute;
 - b. a list of disputed material facts and issues;
 - c. identification of the witnesses and their qualifications; and
 - d. a full narrative of the direct testimony and exhibits for each witness.
- 5. Any evidentiary objections to the filed direct testimony or any exhibit shall be filed by 5 p.m. on July 22, and will be addressed at the commencement of the hearing.
- 6. All witnesses filing direct testimony shall attend the hearing and will be subject to cross examination by counsel for the parties and the Division Examiners.

- 7. As part of the testimony and exhibits each party desires to present regarding the applications, each party should address the following issues if pertinent:
 - A description and comparison of the geology of the competing well locations and the potential of the competing prospects to efficiently recover the oil and gas reserves underlying the property;
 - b. A description and comparison of the acreage used and stranded by the competing prospects;
 - c. A description and comparison of the risk associated with the competing proposals to explore and develop the property;
 - d. A description of the ability of each applicant to prudently operate the property and to prevent waste;
 - e. A description of the negotiations by each applicant prior to filing the application;
 - f. A description of each applicant's well cost estimates (AFEs) and other operational costs; and
 - g. A description of the mineral interest owned by each applicant.
- 5. The OCD's Guidelines for Presentation of Cases by Witnesses, paragraphs 1 through 6, are applicable.
- 6. A courtesy copy of all documents filed with the Division Hearings staff shall be sent to the Hearing Officer via e-mail.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

signed	Date: <u>6/11/20</u>
FELICIA L. ORTH	
HEARING EXAMINER	