

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

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

CASE NOS: 21513 - 21518

APPLICATION OF MANZANO LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 5, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
FELICIA ORTH and TECHNICAL EXAMINERS DYLAN ROSE-COSS on  
Thursday, November 5, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

A P P E A R A N C E S

For the Applicant:

MICHAEL FELDEWERT  
HOLLAND & HART  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501  
505-954-7286

For Marathon:

DEANA BENNETT  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
500 4th Street, NW, Suite 1000  
Albuquerque, NM 87102  
505-848-9710  
deana.bennett@modrall.com

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For Texas Standard:

JAMES BRUCE  
P.O. Box 1056  
Santa Fe, NM 87504-1056  
505-982-2151  
jamesbruce@aol.com

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I N D E X

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CASE CALLED

STATUS CONFERENCE

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REPORTER CERTIFICATE

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1                   HEARING EXAMINER ORTH: Let's move to the next  
2 set of matters. This is 21513, 21514, 21515, 21516, 21517,  
3 21518. Manzano is the applicant. These are compulsory  
4 pooling applications related to a well named Vindicator.  
5 Holland & Hart entered an appearance on behalf of the  
6 applicant.

7                   MR. FELDEWERT: Yes, Madam Examiner. Michael  
8 Feldewert of the Santa Fe office of Holland & Hart.

9                   HEARING EXAMINER ORTH: Thank you, Mr. Feldewert.  
10 I saw entries by Modrall Sperling on behalf of Marathon.  
11 Ms. Bennett, is that you?

12                  MS. BENNETT: Yes, Madam Examiner. Deana Bennett  
13 on behalf Marathon Oil Permian LLC.

14                  HEARING EXAMINER ORTH: All right. And an entry  
15 of appearance from Mr. Bruce on behalf of Texas Standard.

16                  MR. BRUCE: Yes, I'm here.

17                  HEARING EXAMINER ORTH: Hello. Are there any  
18 other entries this morning?

19                  (No audible response.)

20                  HEARING EXAMINER ORTH: I don't hear any. And as  
21 I understand it, we are having a status conference this  
22 morning.

23                  MR. FELDEWERT: Yeah. Yes, Madam Examiner, just  
24 a little context here. These pooling applications filed by  
25 Manzano deal with a state exploratory unit, the Vindicator

1 Canyon State Exploratory Unit that's pending before the  
2 Division because it's been previously heard in the Division  
3 without objection.

4           These pooling applications essentially seek to  
5 develop acreage within the pending exploratory unit as well  
6 as some window acreage -- what I would call window acreage  
7 just outside the -- kind of between some of the unit  
8 acreage.

9           My understanding is I guess Texas Standard now is  
10 going to file some competing proposals, pooling  
11 applications, and as I understand it, it includes the same  
12 acreage in the state exploratory unit and the window acreage  
13 that Manzano is seeking to develop.

14           I'm not sure what Texas Standard intends to argue  
15 since the development plans are basically the same. It's  
16 the same acreage. It's the same orientation. It's the same  
17 well pattern. And Manzano is soon to be the operator of the  
18 state exploratory unit that's being approved by the Division  
19 and State Land Office.

20           So I guess we have to have a hearing, but I'm not  
21 sure exactly what Texas Standard is going to argue.

22           MR. BRUCE: Oh, attorneys can always find  
23 something to argue about.

24           HEARING EXAMINER ORTH: All right.

25           MR. BRUCE: They are going to be arguing for

1 operations, and we'll get into that, but, yeah, we need to  
 2 set a special hearing date. I don't believe -- and, Mike,  
 3 speak up -- I believe it is rather straightforward, but  
 4 since we would be prefiling testimony, I do not think it  
 5 would take all that long to present. Would you agree with  
 6 that?

7 MR. FELDEWERT: Yes.

8 HEARING EXAMINER ORTH: All right. Do you have a  
 9 proposed date, or do we -- a couple of months or so?

10 MR. BRUCE: No, I haven't.

11 MR. FELDEWERT: No, you're right, and we had not.  
 12 And I understand from the discussions earlier that sometime  
 13 apparently in January, there's a few other things going on  
 14 in January that might cause a problem for me personally,  
 15 like with there's a matter that's going to be pending --  
 16 that is pending before the Commission that's going to last a  
 17 couple weeks.

18 But there's -- there's a -- like I said, I guess  
 19 we are going to go to hearing. If there is a hearing date  
 20 sometime later January after the 15th, that would be  
 21 helpful. I know that Manzano has been visiting with the  
 22 State Land Office. The State Land Office was hoping to have  
 23 the initial well, unit well drilled the first part of  
 24 January. My assumption is they will be able to get an  
 25 extension of that if we are able to inform them we have this

1 objection and we have to go to hearing.

2 So but a hearing date in the latter part of  
3 January would be helpful.

4 HEARING EXAMINER ORTH: All right. So let me  
5 effectively state what I said earlier to the other parties.  
6 The second hearing session in January is the 23rd. We  
7 already have one contested hearing set on that date to  
8 follow the regular session.

9 Having said that, these matters often settle and  
10 presumably would not take two days in any event. So if you  
11 wanted to have this matter set on the 21st, it would follow  
12 the regular session which usually takes us to about 10 a.m.  
13 The other contested hearing that's already been set there,  
14 if it's settled by then, and we would continue through the  
15 21st and through the 22nd if necessary.

16 The alternative is to identify a date or two when  
17 you all are in agreement that it could be heard, to propose  
18 that date in an e-mail in that prehearing order, let me  
19 check that date with Marlene and the court reporter, and we  
20 can give you a different date if that works.

21 MR. FELDEWERT: To make things easy, the 21st  
22 would work for Manzano.

23 MR. BRUCE: And that works for my client, also.

24 HEARING EXAMINER ORTH: Ms. Bennett?

25 MS. BENNETT: (No audible response.)

1 HEARING EXAMINER ORTH: Ms. Bennett?

2 MS. BENNETT: Hi. Sorry about that, I was still  
3 muted. Marathon is entering its appearance in these  
4 cases -- well, I'm basically just along for the ride. So I  
5 will agree to whatever works for the other two who are more  
6 in the weeds on this one. Thank you for asking.

7 HEARING EXAMINER ORTH: All right. So it sounds  
8 like January 21 would be a good date, and if you would then,  
9 please, Mr. Feldewert, submit a prehearing order with that  
10 date.

11 MR. FELDEWERT: Sure.

12 HEARING EXAMINER ORTH: And we will get that  
13 executed and on the track.

14 MR. FELDEWERT: Appreciate that. Thank you.

15 HEARING EXAMINER ORTH: Thank you. Thank you  
16 all.

17 (Concluded.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing virtual proceedings in stenographic shorthand and  
9 that the foregoing pages are a true and correct transcript  
10 of those proceedings to the best of my ability.

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

15 I FURTHER CERTIFY that the Virtual Proceeding was  
16 of poor to good quality.

17 Dated this 5th day of November 2020.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-20

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