

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. 22226, 22227
22228, 22229

APPLICATIONS OF LEGACY RESERVES OPERATING
LP FOR HORIZONTAL SPACING UNITS AND FOR
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

Case Nos. 22413, 22414
22415, 22416

APPLICATIONS OF MATADOR PRODUCTION COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
APRIL 21, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DYLAN ROSE-COSS on
Thursday, April 21, 2022, through the Webex Platform.

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

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

For Mewbourne:

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

DANA HARDY
HINKLE SHANOR LLP
P.O. Box 0268
Santa Fe, NM 87504
505-982-4554

For Siana:

SHARON SHAHEEN
MONTGOMERY & ANDREWS
325 Paseo de Peralta
Santa Fe, NM 87501

I N D E X

CASE CALLED	03
STATUS CONFERENCE	
REPORTER CERTIFICATE	12

1 HEARING EXAMINER BRANCARD: If everyone is ready,
2 I will call the first eight cases on the worksheet. These
3 are Cases 22226, 22227, 22228, 22229, 222 -- sorry --
4 22413, 22414, 22415, 22416. Let's start with Legacy
5 Reserves Operating. Do I have an entry of appearance?

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: Beatty & Wozniak?
8 (Inaudible), I see you on the call. Is your co-counsel
9 here?

10 (No audible response.)

11 HEARING EXAMINER BRANCARD: Mr. Parrot, are you
12 here, Mr. James Parrot?

13 (No audible response.)

14 HEARING EXAMINER BRANCARD: We're off to a good
15 start today. All right. Why don't we skip ahead then
16 to -- because Legacy is also on the next seven cases -- why
17 don't we skip ahead to Item 15.

18 (Pause.)

19 HEARING EXAMINER BRANCARD: I still do not see
20 Mr. Parrot. So short of dismissing his cases, we will move
21 forward with hearings then.

22 (Pause.)

23 HEARING EXAMINER BRANCARD: Rumor has it that
24 Mr. Parrot is on the call. Mr. Parrot, are you on?

25 (No audible response.)

1 HEARING EXAMINER BRANCARD: Hearing none, we will
2 move then to Item Number 22.

3 MR. PARROT: Mr. Brancard, I'm sorry to interrupt
4 you. This is James Parrot. I've been having connectivity
5 problems this morning. Did you just by chance call me?

6 HEARING EXAMINER BRANCARD: I did.

7 MR. PARROT: Oh, good. I am very sorry. I woke
8 up this morning and had no internet. I have been trying to
9 get it fixed all morning. I've got a hotspot that seems to
10 be functioning for the time being.

11 HEARING EXAMINER BRANCARD: Well, you know, you
12 are in the uncivilized world of Colorado, so --

13 MR. PARROT: It is a mess here, I hear you, and I
14 apologize.

15 HEARING EXAMINER BRANCARD: Well, with that, are
16 you ready to go, Mr. Parrot? We have a series of status
17 conferences involving Legacy Reserves Operating. Are you
18 ready to take those on right now?

19 (No audible response.)

20 HEARING EXAMINER BRANCARD: Mr. Parrot?

21 (No audible response.)

22 HEARING EXAMINER BRANCARD: Mr. Parrot?

23 (No audible response.)

24 HEARING EXAMINER BRANCARD: Apparently not, so
25 let us move on then to --

1 MR. PARROT: And I apologize again, I think I
2 just lost audio for a moment, but I'm back.

3 HEARING EXAMINER BRANCARD: Oh, okay. You are
4 back. Your voice sounds more like yourself.

5 MR. PARROT: Okay. I apologize again.

6 HEARING EXAMINER BRANCARD: All right. Thank
7 you. Are you ready to go then on a series of status
8 conferences involving Legacy Reserves Operating?

9 MR. PARROT: Yes, I am. Thank you very much.

10 HEARING EXAMINER BRANCARD: All right. We will
11 go back to the beginning of the agenda, it is one through
12 eight, Cases 22226, 22227, 22228, 22229 and 22413, 22414,
13 22415, 22416. Let's start with Legacy Reserves Operating.
14 Entry of appearance.

15 (No audible response.)

16 HEARING EXAMINER BRANCARD: Mr. Parrot?

17 MR. PARROT: This is James Parrot with Beatty &
18 Wozniak representing Legacy.

19 HEARING EXAMINER BRANCARD: Thank you. Matador
20 Production Company?

21 (No audible response.)

22 HEARING EXAMINER BRANCARD: Holland & Hart is
23 listed for Matador Production Company.

24 MR. RANKIN: Sorry, Mr. Examiner. Adam Rankin
25 appearing on behalf of Matador.

1 HEARING EXAMINER BRANCARD: Sorry, I'm jumping
2 around the agenda here trying to get us back on track. COG
3 Operating LLC?

4 MS. HARDY: Good morning, Mr. Examiner. COG is
5 no longer in these cases. We are out of them. We are no
6 longer a party.

7 HEARING EXAMINER BRANCARD: Thank you. Jalapeno
8 Corporation?

9 (No audible response.)

10 HEARING EXAMINER BRANCARD: All right. Gallegos
11 Law Firm?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Let me try -- well, I
14 think that may be it then. MRC Permian?

15 MR. BRUCE: Mr. Examiner, Jim Bruce representing
16 MRC.

17 HEARING EXAMINER BRANCARD: All right. So where
18 are we? Somebody asked for a continuance, somebody wanted
19 to have a hearing right away. I will start with -- I will
20 start with Mr. Rankin.

21 MR. RANKIN: Mr. Examiner, I'm sorry, I just want
22 to make sure I'm on the right series of cases. Would you
23 mind restating where we were because I thought -- I may be
24 misunderstanding where we are on the docket.

25 HEARING EXAMINER BRANCARD: Holland & Hart is

1 representing Matador Production Company in Cases 22413, 414,
2 415, 416.

3 MR. RANKIN: Mr. Examiner, in those cases we
4 actually have withdrawn. I believe, Jim, if I'm not
5 mistaken, you have entered on behalf of Matador.

6 MR. BRUCE: I thought I had. I thought I filed
7 an entry of appearance and a motion to vacate.

8 MR. RANKIN: Yes, I think -- Mr. Examiner, I
9 apologize for the confusion. I was not tracking you and I
10 apologize.

11 HEARING EXAMINER BRANCARD: All right. Well, we
12 didn't track it correctly. So, Mr. Bruce, you are here on
13 behalf of Matador MRC; correct?

14 MR. BRUCE: Correct.

15 HEARING EXAMINER BRANCARD: So we are down to two
16 parties at this point?

17 MR. BRUCE: Well, plus Jalapeno who is not here,
18 and I will have something to say about that in a minute.

19 HEARING EXAMINER BRANCARD: Well, why don't you
20 start us off, Mr. Bruce. Where are we?

21 MR. BRUCE: Well, in this matter -- these
22 matters, I took over from Holland & Hart, but it kind of
23 slipped by the wayside, and coming up I was making my set of
24 exhibits and I couldn't find the notice and I went back and
25 checked and -- Adam, tell me if I'm wrong -- but Holland --

1 by the time I took over, Holland & Hart hadn't sent out
2 notice yet because we knew the cases were going to be set
3 for a hearing docket. And I didn't click on to that, and
4 Adam told me that somewhere along the line, but I -- I
5 forgot, and I never gave notice of the hearing.

6 So I can't move forward until I give notice to
7 all the interest owners in the Matador well units, and so I
8 needed a continuance. And then with respect to Jalapeno
9 Corporation, they did file a prehearing statement, and I --
10 I talked with Gallegos Law Firm, and Jalapeno never received
11 a well proposal or -- I don't know why because Matador
12 deals with Jalapeno Corporation a lot.

13 And so I've -- I don't think I can move forward
14 until Jalapeno gets a well proposal to look at and I get the
15 notice done. And we're looking for a, you know, as early as
16 we can get on, but obviously I need something past May 19
17 just because of notice I need to give.

18 MS. SALVIDREZ: You are muted.

19 HEARING EXAMINER BRANCARD: Thank you.

20 Mr. Parrot, Legacy Operating?

21 MR. PARROT: Legacy is waiting to move forward on
22 these matters at the earliest possible date. We, we
23 indicated to Jalapeno that they would not be a pooled party.
24 I had some e-mails with Mr. Tombin previously. I'm not
25 entirely sure what, what -- as far as Jalapeno is concerned,

1 there is an agreement between Jalapeno and Legacy, and
2 Jalapeno is not a force pooled party. So there is no, there
3 is nothing holding, holding Legacy's matters from going
4 forward at the earliest possible date vis-a-vis Jalapeno.

5 So at this point, as indicated in the filing that
6 we made in opposition to a continuance, Legacy has a rig
7 schedule that is relatively urgent, would be significantly
8 prejudiced if forced to wait until July, which appears to be
9 the next available hearing date and has requested a special
10 hearing on either Friday, May 5 or Friday May 20.

11 HEARING EXAMINER BRANCARD: So you are
12 anticipating that this will move forward as a competing
13 compulsory pooling hearing?

14 MR. PARROT: Yes. At this time we have no reason
15 to believe otherwise.

16 HEARING EXAMINER BRANCARD: Mr. Bruce, do you
17 agree?

18 MR. BRUCE: With what -- what they -- what date
19 are you talking about?

20 HEARING EXAMINER BRANCARD: First I'm finding
21 out, are we really going to have a competing compulsory
22 pooling hearing?

23 MR. BRUCE: Yes, to the best of my knowledge. No
24 one said otherwise.

25 HEARING EXAMINER BRANCARD: All right. So as I

1 understand it, Mr. Bruce, your client has not provided well
2 proposals to one party and has not provided notice of a
3 hearing to it.

4 MR. BRUCE: Correct. I need to do both certified
5 and publication notice.

6 HEARING EXAMINER BRANCARD: All right. So the
7 request, Mr. Bruce, is for a special hearing docket. Are
8 you all right with that?

9 MR. BRUCE: Fine with me.

10 HEARING EXAMINER BRANCARD: I think that May is
11 cutting it way too close for what Matador needs to do in
12 this case. June 3 is not available because it's the
13 Commission's special Oil Conservation Commission hearing, so
14 this leaves us with June 17 for a special hearing docket.

15 MR. BRUCE: That's okay with me.

16 MR. PARROT: If that's the earliest that is
17 available, we would be okay with that date as well, Legacy,
18 thank you.

19 HEARING EXAMINER BRANCARD: All right. Thank
20 you. Once again, is Jalapeno on the call, Gallegos Law
21 Firm?

22 (No audible response.)

23 HEARING EXAMINER BRANCARD: Hearing none, we will
24 set a special hearing docket for June 17 in Cases 22226, 7,
25 8, 9, and 22413, 4, 5 and 6. Thank you.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

(Concluded.)

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

REPORTER'S CERTIFICATE

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

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

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

Dated this 21st day of April 2022.

/s/ Irene Delgado

Irene Delgado, NMCCR 253
License Expires: 12-31-22