1	STATE OF NEW MEXICO					
2	ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT					
3	OIL CONSERVATION DIVISION					
4						
5	IN THE MATTER OF THE HEARING CALLED					
5	BY THE OIL CONSERVATION DIVISION FOR					
6	THE PURPOSE OF CONSIDERING:					
7	CASE NOS: 21361-21364					
8						
0	APPLICATION OF MEWBOURNE OIL					
9	COMPANY FOR COMPULSORY POOLING,					
	EDDY COUNTY, NEW MEXICO.					
10	CASE NOS: 21489-21490					
11	APPLICATION OF APACHE CORPORATION					
1.0	FOR COMPULSORY POOLING AND					
12	APPROVAL OF A HORIZONTAL SPACING					
	UNIT FOR A POTASH DEVELOPMENT					
13	AREA AND PILOT PROJECT,					
	EDDY COUNTY, NEW MEXICO.					
14						
	CASE NOS: 21393-21394					
15						
	APPLICATION OF ASCENT ENERGY,					
16	LLC, FOR COMPULSORY POOLING,					
	EDDY COUNTY, NEW MEXICO.					
17						
18	REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS					
	EXAMINER HEARING					
19	AUGUST 4, 2022					
	SANTA FE, NEW MEXICO					
20						
	This matter came on for virtual hearing before					
21	the New Mexico Oil Conservation Division, HEARING OFFICER					
	WILLIAM BRANCARD and TECHNICAL EXAMINER JOHN GARCIA on					
22	Thursday, August 4, 2022, through the Webex Platform.					
23						
	Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS					
24	500 Fourth Street, NW, Suite 105					
	Albuquerque, NM 87102					
25	505-843-9241					
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1	APPEARANCES	
2	For the Matador/Ascent:	
	DARIN SAVAGE	
3	ABADIE & SCHILL	
	214 McKenzie Street	
4	Santa Fe, New Mexico 87501	
5	For Mewbourne:	
	DANA HARDY	
6	HINKLE SHANOR LLP	
	P.O. Box 0268	
7	Santa Fe, NM 87504	
8	For Apache:	
	DEANA BENNETT	
9	MODRALL SPERLING ROEHL HARRIS & SISK PA	
	500 4th Street, NW, Suite 1000	
10	Albuquerque, NM 87102	
11	For Colgate:	
	TROY LAWTON	
12	MONTGOMERY & ANDREWS LAW FIRM	
	325 Paseo De Peralta	
13	Santa Fe, NM 87501	
14	For Jalapeno:	
	PEIFER, HANSON, MULLINS & BAKER, P.A	
15	MATTHEW BECK	
	P.O. Box 25245	
16	Albuquerque, NM 87125-5245	
17	For EOG:	
1.0	PADILLA LAW FIRM	
18	ERNEST PADILLA	
1 0	1512 S. St. Francis Drive	
19	Santa Fe, NM 87505	
20	INDEX	0.2
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24 25		
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1	HEARING EXAMINER BRANCARD: Let's get going.
2	Let's start with cases 1 through 9 on the worksheet. These
3	are Case Numbers 21361, 21362, 21363, 21364, 21489, 21490,
4	21491 did I miss anything 21393, 21394. I'm starting
5	with Mewbourne Oil Company.
6	MS. HARDY: Good morning, Mr. Examiner. Dana
7	Hardy with the office of Hinkle Shanor on behalf of
8	Mewbourne Oil Company.
9	HEARING EXAMINER BRANCARD: Thank you. Ascent
10	Energy?
11	MR. SAVAGE: Good morning. Darin Savage with the
12	Santa Fe office of Abadie & Schill for Matador Production
13	Company, successor to Ascent Energy.
14	HEARING EXAMINER BRANCARD: Thank you. Apache
15	Corporation?
16	MS. BENNETT: Deana Bennett on behalf of Apache
17	Oil Company.
18	HEARING EXAMINER BRANCARD: Thank you. So I
19	think I have some other entries of appearance here for
20	Colgate Operating.
21	MR. LAWTON: Good morning. Troy Lawton with
22	Montgomery & Andrews for Colgate Operating LLC.
23	HEARING EXAMINER BRANCARD: Good morning,
24	welcome. EOG?
25	MR. PADILLA: Mr. Examiner, Ernest L. Padilla for
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1	EOG.
2	HEARING EXAMINER BRANCARD: And I think we have
3	Jalapeno here on a couple of cases. Jalapeno Corporation?
4	MR. BECK: Matt Beck. I don't know if you can
5	hear me.
6	HEARING EXAMINER BRANCARD: We can hear you
7	Mr. Beck.
8	MR. BECK: (Inaudible).
9	HEARING EXAMINER BRANCARD: Now we can't hear
L O	you.
11	MR. BECK: Can you hear me now? Matt Beck.
12	HEARING EXAMINER BRANCARD: We can hear you.
13	All right. So are there any owe other entries of
L 4	appearance for cases 21361, 362, 363, 364, 393, 394, 489,
15	490, 491.
16	(No audible response.)
L 7	HEARING EXAMINER BRANCARD: Hearing none, I think
18	we have a row of status conferences here, and so where are
19	we? Let's start with Ms. Hardy.
20	MS. HARDY: Thank you, Mr. Examiner. My
21	understanding is the parties are still talking. They are in
22	negotiations. I think we have discussed it would be the
23	preference to set a hearing date in these cases on the
24	second October docket to give the parties some incentive to
25	move forward with their negotiations and try to get these
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1	cases resolved. They have been pending for a very long
2	period of time.
3	HEARING EXAMINER BRANCARD: Thank you. Mr.
4	Savage?
5	MR. SAVAGE: Yes, thank you, Mr. Hearing
6	Examiner. It's my understanding also negotiations are
7	steady, and on the positive side of the fence and that
8	progress needs to be seems to be being made. You know, I
9	think Matador's preference would be one additional status
10	conference to see where we stand and go from there. I think
11	that would be at the discretion of the OCD.
12	HEARING EXAMINER BRANCARD: Okay, thank you. Ms.
13	Bennett, do you want to break the tie? I don't mean break
14	the tie.
15	MS. BENNETT: Thank you, Mr. Examiner. I think
16	that Apache likely would want to also have this case set for
17	a status conference or a contested hearing. I haven't
18	checked with Apache, though, about their availability for
19	the second docket in October, but I think that would be
20	workable, or it seems like a reasonable next step to start
21	having the parties hone in on what's actually going to be at
22	issue at the hearing.
23	As Mr. Savage noted, Matador is the successor to
24	Ascent, but there is nothing in OCD's like in the cases
25	that suggests their applications, and so there still seems

1	to be some uncertainty about how to proceed. And so we need
2	to start honing in on the details of how this hearing is
3	going to be set and without a deadline, I don't think that's
4	going to happen.
5	HEARING EXAMINER BRANCARD: Thank you. Okay.
6	So, Ms. Hardy, we actually have the first docket of October
7	available and the first docket in November.
8	MR. SAVAGE: Mr. Hearing Examiner, could I just
9	make a short comment on Apache's just like a I mean,
10	we do have a record Ms. Bennett raised a question of
11	Matador's status and review of the some of the past
12	testimony, it seems to suggest, and Ms. Bennett can speak to
13	this if she would, that Apache is considering a motion to
14	dismiss the cases or at least Matador's case or Ascent's
15	case. That seems to be one of the considerations of the
16	directions Apache is going in.
17	And if that turns out to be the case, then it
18	looks like we are going to be facing some motions and
19	potentially oral arguments on those motions, and that's
20	going to extend those are very complicated issues. The
21	facts on this case are very different from cases being
22	dismissed in the past when they are just involved the
23	Division.
24	So if those oral arguments are going to take
25	place or potentially take place, you know, we ask that

1	perhaps we should have try to have a status conference
2	before we embark on a set hearing date which would probably
3	be moved under those circumstances.
4	HEARING EXAMINER BRANCARD: Okay. Well, I didn't
5	hear any of that in Ms. Bennett's comments, but if she would
6	like to elucidate, she can.
7	MS. BENNETT: No. I think it's actually
8	premature for us to consider a motion to dismiss since we
9	don't even know at this point whether Matador is going to
10	adopt Ascent's applications. So that's part of the issue is
11	that there is a large amount of uncertainty here that needs
12	to have an end date to facilitate us getting to some
13	certainty to be able to understand Ascent's and Matador's
14	position and then to evaluate it, and right now I feel like
15	we are in this limbo where we are not reaching any of that
16	certainty.
17	HEARING EXAMINER BRANCARD: All right. Okay.
18	Well, I will go back to Ms. Hardy then.
19	MS. HARDY: Mr. Examiner, I think that we can
20	check with Mewbourne about dates. I think the first docket
21	in October would be a possibility depending on their
22	availability. I think, as an alternative, we could set this
23	case for another status conference in September on the
24	September docket.
25	HEARING EXAMINER BRANCARD: Well, we could.

1	(Unclear audio) in favor of status conference here.
2	MS. HARDY: Our concern is we wouldn't want to
3	wait until October to have a status conference. I think
4	that's pushing it out too far, so I think we would be fine
5	with setting a status conference in the first September
6	docket or alternatively a contested hearing.
7	HEARING EXAMINER BRANCARD: Okay. September 1,
8	status conference. Ms. Bennett?
9	MS. BENNETT: That's fine, I think. And I hope
10	that between now and September 1 we can get to some
11	resolution on some of these outstanding details and come
12	back to the Division with a more meaningful discussion on
13	September 1.
14	HEARING EXAMINER BRANCARD: Good. I like
15	meaningful discussions. Mr. Savage?
16	MR. SAVAGE: I believe I still have to talk to
17	both Apache and Mewbourne, and I think those negotiation
18	will continue. The comments about a potential motion to
19	dismiss, even though Ms. Bennett did not mention it today,
20	it is of record in some of the past hearings. I would
21	appreciate some clarification on that if Apache can provide
22	that if they are going to go forward with something like
23	that at the status conference.
24	HEARING EXAMINER BRANCARD: Well, then if there
25	is anything you can do, Mr. Savage, to sort of clear the

1	waters who is actually the applicant, that would be helpful,
2	too.
3	MR. SAVAGE: Matador is the successor to Ascent
4	Energy. They succeeded to a valid pooling order, and that
5	was issued by the Division, and they also succeeded to valid
6	permits issued by the BLM. So it's clear from our end that
7	Matador is the successor, but we would be glad to provide
8	additional information on that.
9	HEARING EXAMINER BRANCARD: Hopefully you all can
10	work something out between now and September 1. I will ask
11	the other parties, any objection to a status conference on
12	September 1. Colgate?
13	MR. LAWTON: No objection.
14	HEARING EXAMINER BRANCARD: Okay. Mr. Padilla?
15	MR. PADILLA: Mr. Examiner, we are just
16	monitoring this case, so we don't have an objection to a
17	September 1 setting.
18	HEARING EXAMINER BRANCARD: Thank you. Mr. Beck?
19	MR. BECK: Same, September 1 is fine.
20	HEARING EXAMINER BRANCARD: All right. So
21	September 1, status conference for Cases 21361, 362, 363,
22	364, 393, 394 and 21489, 490, 491. We will issue a
23	scheduling order.
24	(Concluded.)
25	
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1	STATE OF NEW MEXICO			
2	COUNTY OF BERNALILLO			
3	REPORTER'S CERTIFICATE			
4	I do hereby certify that I reported the			
5	foregoing virtual proceedings in stenographic shorthand and			
6	that the foregoing pages are a true and correct transcript			
7	of those proceedings to the best of my ability.			
8	I FURTHER CERTIFY that I am neither employed by			
9	nor related to any of the parties or attorneys in this case			
10	and that I have no interest in the final disposition of this			
11	case.			
12	I FURTHER CERTIFY that the Virtual Proceeding was			
13	of poor to good quality.			
14	Dated this 4th day of August 2022.			
15				
16	Irene Delgado			
	Court Reporter			
17	License Expires: 12-31-22			
18				
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24				
25				
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[& - certificate]

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