

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

**APPLICATION TO RE-OPEN CASE NO.  
21593: APPLICATION OF SOZO I LP AND  
SOZO NATURAL RESOURCES, LLC TO  
REQUIRE A COMMON PURCHASER TO  
RATABLY TAKE GAS ON REASONABLE  
TERMS UNDER THE TERMS OF NMSA 1978,  
§ 70-2-19.D AND NMAC 19.15.24.12, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 21593**

**APPLICATION TO RE-OPEN CASE NO. 21593 AND MOTION  
FOR STATUS CONFERENCE**

Targa Midstream Services LLC (“Targa”), a party of record adversely affected by the relief requested in the application filed by Sozo I LP and Sozo Natural Resources, LLC (collectively “Sozo”), submits this application to re-open Case No. 21593 (the “Motion”) and moves the Division to set a status conference to schedule a contested hearing in this matter. In support, Targa states as follows:

**INTRODUCTION**

1. In Case No. 21593, Sozo filed an application that alleges Targa is a common purchaser as defined in NMSA 1978, Section 70-2-19(D), and, pursuant to that provision and 19.15.24.12.A NMAC, seeks to require Targa to take gas from Sozo’s Caleb State Well No. 1 (API No. 30-025-37497) (“Caleb well”) “under non-discriminatory terms.”
2. On January 7, 2021, the Division held a hearing on Sozo’s application (the “January 7 hearing”) at which Sozo presented its witness, Britt Pence, along with exhibits.
3. Targa opposes Sozo’s application and the relief requested; however, Targa did not appear at the hearing and did not present witnesses or testimony. Due to COVID-19 safety protocols and the Christmas holidays, Targa did not receive actual notice of the hearing or

become aware of the application or hearing until after January 7, 2021. *See* Self-Affirmed Declaration of Misty Edwards attached hereto as *Exhibit A*. Even though the parties have had ongoing negotiations and communications over the Caleb well issue, Sozo did not inform Targa that it had filed an application or that a hearing on its application had been set. *See id.*

4. Sozo's notice of hearing was received and signed for by an employee in Targa's mailroom on December 21, 2020, but an electronic copy of the notice was never transmitted to the recipient under Targa's COVID-19 mail-handling protocol. *See Exhibit A*.

5. Immediately upon learning of the hearing, Targa filed an entry of appearance the next day on January 8, 2021. Counsel for Targa also learned after the hearing that the Division Hearing Examiner directed counsel for Sozo to submit a post-hearing legal memorandum addressing points and authorities that support of Sozo's requested relief.

6. The Division has not yet entered an order and Sozo has not yet submitted the requested post-hearing memorandum. Re-opening the case, therefore, will not prejudice Sozo or impose an unreasonable burden. Importantly, re-opening the case will avoid unfair prejudice to Targa by giving Targa a full and fair opportunity to present evidence and testimony in opposition to Sozo's requested relief.

7. Consideration of such evidence is necessary for the Division to make an informed decision under the guidance and factors outlined in the Oil and Gas Act.

8. Under Section 70-2-19(D), the Division has jurisdiction and authority to ensure that gas purchases are "made without unreasonable discrimination in favor of one producer against another[.]" The Division is instructed that "reasonable differences in prices paid or facilities afforded, or both, shall not constitute unreasonable discrimination if such differences bear a fair relationship to differences in quality, quantity or pressure of the gas available or to the relative lengths of time during which such gas will be available to the purchaser." § 70-2-19(D).

In making its determination, the Division “may consider the quality and the deliverability of the gas, the pressure of the gas at the point of delivery, acreage attributable to the well, market requirements in the case of unprorated pools, *and other pertinent factors.*” § 70-2-19(E) (emphasis added).

9. Accordingly, the Division should re-open Case No. 21593 and set a status conference at the next available hearing docket for the parties to confer on a date for a contested hearing and to establish pre-hearing deadlines.

10. Counsel for Targa has conferred with counsel for Sozo and has been informed that Sozo opposes this application and the relief requested.

WHEREFORE, Targa respectfully requests that the Division grant this application, re-open Case No. 21593, schedule a status conference to establish prehearing deadlines for a rehearing of this case, and provide any additional relief determined to be just and proper.

Respectfully submitted,

HOLLAND & HART LLP

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**ATTORNEYS FOR TARGA MIDSTREAM SERVICES LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on January 20, 2021, I served a copy of the foregoing document to the following counsel of record via electronic mail:

James Bruce  
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**ATTORNEY FOR SOZO I LP AND SOZO  
NATURAL RESOURCES, LLC**



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Adam G. Rankin

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

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PURCHASER TO RATABLY TAKE GAS ON  
REASONABLE TERMS UNDER THE TERMS OF NMSA  
1978 §70-2-19.D AND NMAC 19.15.24.12,  
LEA COUNTY, NEW MEXICO.

CASE NO. 21593

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SELF-AFFIRMED DECLARATION OF MISTY EDWARDS

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1. My name is Misty Edwards. I am over the age of eighteen, of sound mind, and am competent to make this self-affirmed declaration, which is based on my personal knowledge and experience.
2. I am Director, Marketing & Business Development for Targa Midstream Services LLC (“Targa”) and my responsibilities include the Permian Basin of New Mexico.
3. I have reviewed the Application and exhibits filed by Sozo I LP and Sozo Natural Resources, LLC (“Sozo”) in Case No. 21593.
4. In my role, I am responsible for reviewing and negotiating Targa’s gas gathering and purchase agreements, including the agreement that is the subject of Sozo’s Application. I have been in frequent communication with Sozo’s President and CEO Britt Pence. Mr. Pence never informed me or anyone at Targa that Sozo had filed the Application or that it had been set for a hearing on January 7, 2021.
5. Targa also did not receive actual notice of this Application or of the January 7, 2021 hearing held in this case.

6. Targa employees have been working remotely due to COVID-19 restrictions. Targa's mailroom procedure upon receipt of a certified letter is to open the letter, scan and email it to the intended recipient, and deliver the hard copy to the recipient's desk.

7. Here, rather than scanning Sozo's notice hearing letter and emailing it to me, the mailroom employee left the notice letter on my desk. Because of the COVID restrictions and the Christmas holiday, I was unaware of the notice and that the notice had been received and placed on my desk. No one in the Targa office actually received the hearing notice letter.

8. It was only after the Division hearing in this case on January 7, 2021, that Targa learned that a hearing had taken place.

9. Had Targa been afforded notice of this Application and hearing, it would have appeared in opposition to the requested relief.

10. Targa is prepared to present evidence and testimony in opposition to Sozo's Application.

11. I affirm under penalty of perjury under the laws of the State of New Mexico that the foregoing statements are true and correct. I understand that this self-affirmed statement will be used as written testimony in this case. This statement is made on the date next to my signature below.

  
MISTY EDWARDS

1/20/2021  
Date