

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

**APPLICATIONS OF READ & STEVENS, INC.
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.**

Case Nos. 24941 & 24942

**APPLICATIONS OF V-F PETROLEUM INC.
FOR A COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO**

Case Nos. 24994, 24995 & 25116

**MOTION (OPPOSED IN PART) TO AMEND
THE PRE-HEARING ORDER**

V-F Petroleum, Inc. (“V-F”), through its undersigned attorneys, moves the New Mexico Oil Conservation Division (“Division”) to amend the Pre-Hearing Order (“PHO”) in these cases that was issued on November 26, 2024. In support of this motion, the following is shown:

1. Read & Stevens, Inc., (“Read & Stevens”) submitted its applications in Cases 24941 and 24942 to pool the Subject Lands on October 11, 2024. A status conference was held on November 21, 2024, in which V-F objected to the applications going forward by affidavit based on having proposed wells in the same lands and plans to file competing applications, which have now been filed in Cases 24994, 24995, and 25116.

2. At the status conference, the Division selected and assigned a hearing date for March 4. Neither party objected to that March 4 date during the status conference and neither party provided any basis for an objection; however, both parties requested to be able to check with clients to see if the March 4 date was workable. *See* Tr. 128: 5-23, attached hereto as Exhibit 1. After the conclusion of the hearings, counsel for Read & Stevens approached V-F’s counsel and asked if the hearing could be moved to January 14, 2025, as a matter of convenience since both parties also

had other contested matters on March 4. V-F's counsel agreed to accommodate Read & Stevens's request as a professional courtesy but stated that the accommodation was subject to checking with V-F to determine whether that date was workable. Again, there was no mention or discussion that the January 14 date was needed to prevent prejudice but was considered for purposes of convenience. The Division was informed of this accommodation.

3. An initial PHO was issued for Cases 24941 and 24942 which set the contested hearing date for January 14, 2025, with the expectation that the PHO would be amended and V-F's cases added along with confirmation whether the January 14 hearing date would work.

4. Prior to having the PHO amended, V-F discovered that its reservoir engineer, an essential expert witness, would be unavailable on January 14, 2025. *See* Affidavit of Reservoir Engineer, attached hereto as Exhibit 2 [affidavit unavailable for this submission but to be included in the amended motion]. As a result, V-F counsel reached out by email on December 9, 2024, to inform Read & Stevens of the situation in an effort to find an alternative date. *See* Email to Read & Stevens' counsel, attached hereto as Exhibit 3. There was no response to this email.

5. Finally, on December 12, 2024, V-F decided it was necessary to request from the Division alternative dates that might still be available, and V-F emailed the Division inquiring about available dates that the parties could consider, copying the parties involved on the email. The Division responded that February was currently full, but that there were options for March 4 or March 18. March 4 is the date originally contemplated at the November 21 status conference, and it would be reasonable to return the contested hearing date to its original March 4 date to account for critical issues impacting a hearing such as witness availability.

6. Read and Stevens objected to moving the contested hearing date, claiming it would prejudice Permian Resources by further delaying these matters and thereby opposed this part of

the motion. V-F respectfully submits that returning the hearing date to March 4, as originally assigned, a date that neither party objected to, would not prejudice Read & Stevens.

7. When the March 4 hearing date was assigned at the status conference, both Read & Stevens and V-F stated at that they needed to confer with their clients to confirm that the date works. *See* Exhibit 1, Tr. 128: 8-9 and 15-16. The OCD traditionally recognizes the need to confirm that a date would work. *See e.g.*, Exhibit 1, Tr. 128: 10. This condition created by language such as, I need to confer with my client to confirm that a date is workable, is not just boiler plate language to be disregarded when it turns out that the date tentatively assigned is not workable, but such statement expresses an important component in the procedural matters that upholds the conditions for a fair hearing.

8. In the present matter, after V-F extended a professional courtesy to accommodate Read & Stevens request conditioned on witness availability, and Read & Stevens accepted such offer, it is inappropriate for Read & Stevens to maintain the benefit of such offer -- the January 14, 2024, hearing date -- when the underlying conditions cannot be met at no fault to V-F. Professional courtesies extended to parties and the need to confirm witness availability and workable dates play essential roles in the efficient and fair administration of hearings. Ruling against V-F by imposing an unworkable hearing date not only prejudices and harms V-F but also would create a precedent that erodes the willingness of parties to be amendable and offer accommodations, an important part of the practice before the Division. If V-F had known at the time of Read & Stevens' request that Read & Stevens would fail to honor the underlying condition of its request and instead would object to finding a workable date, then V-F would not have entertained a January 14, hearing date, but would have maintained the March 4 hearing date as originally assigned.

9. The disregard of such courtesies and agreements when a change of pre-conditions creates the need for further accommodation such as selecting an alternate hearing date undermines trust in the practice before the Division and among practitioners and leads to unnecessary inefficiencies and squabbles.

10. The January 14, 2025, hearing date was conditioned upon the availability of witnesses, just as the March 4, 2025, date originally contemplated was conditioned upon the availability of witnesses. There was no objection to that condition when the parties discussed the matter nor was there any claim asserted that an earlier date was needed to prevent prejudice or harm. Both parties agreed to the condition of witness availability underlying the request for the January 14 hearing date. Now that the condition cannot be met, and the hearing date needs to be returned to the March 4, 2025, date, Read & Stevens' newly asserted objection that it would suffer prejudice because the condition underlying the professional courtesy could not be met is without merit and should not be validated. On the contrary, it is V-F who would suffer the prejudice of a compromised hearing if the January 14, 2025, hearing date is imposed on V-F.

11. Therefore, V-F respectfully requests that, in addition to amending the PHO to include V-F's Cases 24994, 24995, and 25116, the Division amend the PHO to designate a contested hearing date that would accommodate the availability of all witnesses, both V-F's and Read and Stevens'. At the time of the submission of this Motion, that date is March 4, 2025, as originally contemplated.

Respectfully Submitted,

ABADIE & SCHILL, P.C.

/s/ Darin C. Savage

Darin C. Savage

Andrew D. Schill
William E. Zimsky

214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

Attorneys for V-F Petroleum, Inc.

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on December 13, 2024:

Michael H. Feldewert – mfeldewert@hollandhart.com
Adam G. Rankin – agrarkin@hollandhart.com
Paula M. Vance – pmvance@hollandhart.com

Attorneys for Read & Stevens, Inc.

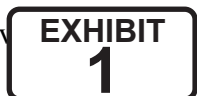
/s/ Darin C. Savage

Darin C. Savage

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4 SANTE FE, NEW MEXICO

5
6 IN THE MATTER OF THE HEARING Docket No.
7 CALLED BY THE OIL CONSERVATION 47-24
8 DIVISION FOR THE PURPOSE OF
9 CONSIDERING:

- 10 Case Nos. 23448, 23449, 23450,
11 23451, 23452, 23453, 23454,
12 23455, 23508, 23523, 23594,
13 23595, 23596, 23597, 23598,
14 23599, 23600, 23601, 24289,
15 24585, 24586, 24632, 24633,
16 24751, 24752, 24756, 24757,
17 24758, 24759, 24760, 24761,
18 24762, 24763, 24764, 24765,
19 24766, 24767, 24807, 24808,
20 24809, 24810, 24826, 24827,
21 24829, 24831, 24832, 24843,
22 24844, 24845, 24846, 24847,
23 24848, 24882, 24883, 24888,
24 24894, 24895, 24896, 24905,
25 24913, 24914, 24915, 24916,



1 24921, 24922, 24923, 24927,
2 24930, 24931, 24933, 24939,
3 24941, 24944

4

5

HEARING

6

DATE: Thursday, November 21, 2024

7

TIME: 9:00 a.m.

8

BEFORE: Gregory A. Chakalian, Hearing Examiner

9

LOCATION: Pecos Hall

10

Wendell Chino Building

11

1220 Street Saint Francis Drive

12

Santa Fe, NM 87505

13

REPORTED BY: James Cogswell

14

JOB NO.: 6773992

15

16

17

18

19

20

21

22

23

24

25

Page 2

1 Darin Savage with Abadie & Schill appearing on behalf
2 of VF Petroleum Incorporated.

3 THE HEARING EXAMINER: Okay.

4 MS. VANCE: Good morning, Mr. Hearing
5 Examiner. Paula Vance with the Sante Fe office of
6 Holland & Hart on behalf of Permian Resources.

7 THE HEARING EXAMINER: Okay. Mr.
8 Savage, why did you object?

9 MR. SAVAGE: We filed last week
10 competing applications that compete with the south
11 half of the lands, and that's case 24942, and we sent
12 out well proposals on November 6th for competing
13 applications for the other case 24941. But we have
14 the 30-day wait period before we file.

15 THE HEARING EXAMINER: So, Ms. Vance,
16 should these two cases be joined?

17 MS. VANCE: Yes, I believe so.

18 THE HEARING EXAMINER: So -41 should be
19 joined with -42? Okay. All right.

20 So, Ms. Vance, they are your cases.
21 How do you want to proceed?

22 MS. VANCE: We would like to set a
23 contested hearing as soon as possible.

24 THE HEARING EXAMINER: Okay. Well, it
25 seems that December 10 has opened up, but that's

Page 127

1 obviously too soon. So -- oh, and please let Mr.
2 Feldewert know that he won't have to be here on
3 December 10. He was groaning about that yesterday.

4 MS. VANCE: Got it.

5 THE HEARING EXAMINER: I think the next
6 time would be March 4.

7 MS. VANCE: We will take the earliest
8 date you have available, and I will confer with my
9 client to make sure that that date works.

10 THE HEARING EXAMINER: Sure.

11 Mr. Savage, would you please file a
12 motion when you do file your competing application
13 with -41 and -42 to join them in the pre-hearing order
14 that's going to go out?

15 MR. SAVAGE: Yes, sir. And we'd like
16 to confer also just to confirm that. Thank you.

17 THE HEARING EXAMINER: Okay. We'll
18 have this set for March 4 unless the parties tell us
19 that that's not going to work.

20 Anything more, Mr. Savage?

21 MR. SAVAGE: Nothing more. Thank you.

22 THE HEARING EXAMINER: Ms. Vance?

23 MS. VANCE: No.

24 THE HEARING EXAMINER: Okay. So I've
25 just dealt with 24942, even though I didn't call it

Page 128

1 originally. The parties -- well, I think we might
2 have a different attorney entering an appearance on
3 24942. Do we have Ms. Luck?

4 MS. LUCK: No, I think that's an error,
5 actually. Sorry.

6 THE HEARING EXAMINER: That's an error?

7 MS. LUCK: Yes. I'm on the next --

8 THE HEARING EXAMINER: Okay. But
9 you're also on 44, so you're saying you didn't file an
10 entry of appearance there?

11 MS. LUCK: No. I think that's an error
12 on the worksheet.

13 THE HEARING EXAMINER: On the
14 worksheet. Okay. We'll remove this entry of
15 appearance. Okay. I'm now calling number 45. This
16 is Alpha Energy PA. It is case number 24944 and we
17 have many entries of appearance. Let's start with
18 Alpha Energy themselves.

19 MR. SAVAGE: Mr. Hearing Examiner,
20 Darin Savage with Abadie & Schill on behalf of Alpha
21 Energy.

22 THE HEARING EXAMINER: Okay. Thank
23 you. Who else do we have?

24 MR. RANKIN: Mr. Examiner, Adam Rankin
25 with Sante Fe office of Holland & Hart appearing on

Page 129

EXHIBIT 2 PLACEHOLDER

**EXHIBIT
2**

From: Darin - Work <darin@abadieschill.com>
Subject: Re: EOA and Objection in Case Nos. 24941 and 24942
Date: December 9, 2024 at 1:56:27 PM MST
To: "Paula M. Vance" <PMVance@hollandhart.com>

Paula,

I just talked with V-F Petroleum. We have filed the two of the competing applications for the S/2 and received case numbers, which are 24995 and 24994. We will be filing the final competing application (N/2 S/2) tomorrow so that application will be in the queue.

I was informed today that V-F has a witness availability problem for January 14. Their reservoir engineer will be out of the country on that date, and V-F does not have a replacement for him.

As a result, I am going to have to request a later date. Would you be open to identifying a date that would work?

Darin

DARIN SAVAGE | Attorney

Abadie | Schill P.C.

214 McKenzie Street, Santa Fe, New Mexico 87501

P | 970.385.4401 :: F | 970.385.4901 :: C | 970.764.8191

CONFIDENTIAL NOTICE: This electronic transmission and any documents or other writings sent with it constitute confidential information which is intended only for the named recipient and which may be legally privileged. If you have received this communication in error, do not read it. Please reply to the sender at Abadie & Schill, PC that you have received the message in error. Then delete it. Any disclosure, copying, distribution or the taking of any action concerning the contents of this communication or any attachment(s) by anyone other than the named recipient is strictly prohibited.