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6 **OCD Regular Docket November 13, 2025 [VIRTUAL**
7 **ONLY DOCKET]-20251113_183019UTC-Meeting**
8 **RecordingPART_1**

9 November 13, 2025, 3:26PM

10 3h 3m 42s

11
12  **Paula M. Vance** 0:14
13 Hi, Freya.

14
15  **Tschantz, Freya, EMNRD** 0:16
16 Hi, Paula.
17 I can hear you.

18
19  **Paula M. Vance** 0:19
20 Good, I hope I don't have weird issues like I've been having.

21
22  **Tschantz, Freya, EMNRD** 0:27
23 You sound perfect, so you should be good.

24
25  **Paula M. Vance** 0:31
26 OK.
27 Well, so you you witnessed this Ben witnessed this.
28 So if I have issues tell the hearing examiner not to get upset with me like I'm doing
29 my due diligence to try to not screw this up.

30
31  **Tschantz, Freya, EMNRD** 0:49
32 And I I have experienced teams issues with audio at other agencies.
33 So I I know it exists.
34 It's not you.

35

 **Paula M. Vance** 1:00

37 My husband tells me I am at electromagnetic waves, that like disrupt technology.

38

 **Benjamin Holliday** 1:06

40 Shut down.

41

 **Paula M. Vance** 1:08

43 So you know it.

44 It could be me.

45

 **Benjamin Holliday** 1:12

47 There we go.

48

 **Tschantz, Freya, EMNRD** 1:13

50 It could be you.

51

 **Paula M. Vance** 1:14

53 It could very well be me.

54 So anyway, appreciate you doing that. Thank you.

55

 **Tschantz, Freya, EMNRD** 1:21

57 Of course.

58 And I actually just.

59 I'm testing out some new headphones too, so it worked out perfectly, so thank you.

60

 **Benjamin Holliday** 1:29

62 Hey Frey, I want to say thank you for all the confusion.

63

 **Paula M. Vance** 1:29

65 Right.

66

 **Benjamin Holliday** 1:34

68 Caused with that filing issue filing under the wrong person.

69 Thank you for taking care of that.

70

 **Tschantz, Freya, EMNRD** 1:38

72 Oh no problem.

73 I I should have probably just left it alone.

74 I created more issues by trying to fix it, but I Kirk did send me the correct one today
75 and it's good to go.

76

 **Benjamin Holliday** 1:51

78 Perfect.

79

 **Tschantz, Freya, EMNRD** 1:52

81 And and did touch base with him this morning.

82

 **Benjamin Holliday** 1:54

84 Good. Thank you.

85 Yeah, I was.

86 I filed that while I was in Denver from a coffee shop.

87 It was just we were not gonna do that again.

88 But thank you.

89 I just wanna say thank you for for taking care of that. Thank you.

90

 **Tschantz, Freya, EMNRD** 2:05

92 Of course, no problem. OK.

93

 **Benjamin Holliday** 2:07

95 See you guys in a little bit.

96

 **Tschantz, Freya, EMNRD** 2:08

98 See you guys in 1/2 an hour or so.

99

100  **Isaac Evans** 28:35

101 So.

102

103  **Chakalian, Gregory, EMNRD** 30:32

104 Brea, I see that we are recording so.

105 I'm gonna start this meeting at 8:57 AM.
106 Good morning. This is the.
107 First, regularly scheduled docket.
108 For the OCD we are hearing.
109 Cases by affidavit this morning.
110 And.
111 I'm gonna ask Dean, our technical examiner, to make an announcement regarding
112 the.
113 New exhibit to show who is voluntarily committed to a compulsory pooling.
114 Case. So, Mr. McClure.

115

116  **Tschantz, Freya, EMNRD** 31:24

117 Mr.

118 Hearing examiner.

119 I'm not seeing that he's on just yet.

120

121  **Chakalian, Gregory, EMNRD** 31:35

122 Will you let me know when he is?

123

124  **Tschantz, Freya, EMNRD** 31:37

125 I will.

126 I just sent him a message.

127

128  **Chakalian, Gregory, EMNRD** 32:23

129 Thank you.

130 Do we have Jackie McLean and Michael Hall on this with us now?

131

132  **Jaclyn M. McLean** 32:43

133 I'm here.

134

135  **Chakalian, Gregory, EMNRD** 32:44

136 I see you. Thank you, Mr. Hall.

137 Gray, do you know if Mr. Hall is with us yet?

138

139  **Tschantz, Freya, EMNRD** 32:58

140 I don't see him either.

141 I'm I'm looking though.

142

143  **Chakalian, Gregory, EMNRD** 33:06

144 That's fine.

145 We did start a few minutes early.

146 Oh, and I'll also make an announcement now that at 11:30 I need to take a lunch
147 break.

148 So if we're not done by 11:30, which probably good chance we won't be.

149 We'll come back on the record at 1:30, so we'll take a two hour lunch at 11:30.

150

151  **Tschantz, Freya, EMNRD** 33:41

152 Dean is on now.

153

154  **Chakalian, Gregory, EMNRD** 33:44

155 Mr. McClure.

156 Would you make a good morning?

157

158  **McClure, Dean, EMNRD** 33:47

159 Yep, Mr. herring. Examiner, I'm now.

160

161  **Chakalian, Gregory, EMNRD** 33:49

162 Would you make that announcement to everyone about the exhibits?

163 To show voluntary commitment.

164

165  **McClure, Dean, EMNRD** 33:59

166 Yes, Sir, Mr. herring. Examiner.

167 Just for everybody's awareness, as I'm sure most people are aware of effective
168 December 1st, we're going to start requiring a table.

169 That provides us with a record of who the operator is considering to be committed
170 to the unit and the method with which they're being committed to the unit.

171 I'm noticed in all the OR number of the exhibit packets that they may be some
172 confusion.

173 And as to where it should be placed within that exhibit packet?

174 And so I just wanna make everybody aware it was the division's intent for that to be a

175 part of the land exhibit packet that the Landman is then addressing within their
176 statement.

177 And that that was everything I had Mr. Harring Examiner.

178

179  **Chakalian, Gregory, EMNRD** 34:58

180 Alright, thank you miss.

181 Do we have Mr. Hall?

182

183  **Tschantz, Freya, EMNRD** 35:04

184 He went down to Pecos Hall.

185 Not realizing it was virtual only, so he is logging in right now.

186

187  **Chakalian, Gregory, EMNRD** 35:10

188 Thank you.

189 Will you let me know when he's logged in, Freya.

190

191  **Tschantz, Freya, EMNRD** 35:18

192 Yes.

193

194  **Hall, Michael, EMNRD** 35:26

195 Mr. Hearing officer, do you see me?

196 Hear me OK.

197 Sorry, my apologies.

198

199  **Chakalian, Gregory, EMNRD** 35:30

200 Not a problem, Sir. OK.

201 I'm gonna call case number one on our docket.

202 It's 25609 inches of appearance please.

203

204  **Hall, Michael, EMNRD** 35:39

205 Yes, Michael Hall, on behalf of OCD here on Mr. Hearing, Officer.

206

207  **Jaclyn M. McLean** 35:46

208 Good morning. Jackie McLean on behalf of LH operating.

209

210 **CE Chakalian, Gregory, EMNRD 35:51**

211 And Miss McLean, have you entered an appearance yet?

212

213 **JM Jaclyn M. McLean 35:55**

214 We've had filed a continuance and agreed upon a continuance with the entry of
215 appearance.

216 So that's what we were using as the entry.

217 We can separately file another one if.

218

219 **CE Chakalian, Gregory, EMNRD 36:11**

220 No, not necessary.

221

222 **JM Jaclyn M. McLean 36:12**

223 You would.

224

225 **CE Chakalian, Gregory, EMNRD 36:13**

226 So you're saying you did file an entry appearance and if not, you're entering your
227 appearance now.

228

229 **JM Jaclyn M. McLean 36:17**

230 Correct.

231

232 **CE Chakalian, Gregory, EMNRD 36:18**

233 That's good enough for me.

234 So Mr. Hall, can you give me an overview of this case?

235

236 **HE Hall, Michael, EMNRD 36:24**

237 Sure. I think Miss McLean will be able to probably get into more of the nitty gritty
238 details, but since the file this Nov wasn't amended from from one couple years ago.
239 There were substantial violations on behalf of LH operating.

240 Since the filing of the amended Nov, I've been in touch with Miss McLean and LH
241 operator.

242 Creating is that in name only at this point they have made changes in ownership and
243 they have taken substantial steps toward compliance as opposed to going

244 backwards.
245 And so that that's the long and short of it, we we're glad to see they're making
246 progress.
247 I'm familiar with the new new owner.
248 I believe it's EON and they're big outfit that that generally.
249 Does things in in the proper manner, and so I agree to the continuance really in two
250 parts. One because I was in a, you know, three-week hearing and and didn't have the
251 resources or ability to really focus on this matter like I'd want given the progress
252 miss.
253 McLean and I agreed to continue this until January, so we had some time.
254 To negotiate, given the holidays, that kind of stuff.
255 And.
256 See if we could reach resolution.
257 Kind of given the new posture of LH operating, it's been been positive substantial
258 changes both in reporting and.
259 Dealing with inactive wells and so, so OCD is really glad to see that. I want to see that
260 progress continue and give them a chance to to negotiate with us to try to find a
261 resolution.
262 To to this matter without without a contested hearing.
263 So that's that's that's essentially OCD's position on this.

264

265 **CE Chakalian, Gregory, EMNRD 38:31**

266 Thank you, Mr. Hall.
267 Miss McLean, I have some questions for you about this case. What was the nature?

268

269 **HE Hall, Michael, EMNRD 38:32**

270 Yes, Sir.

271

272 **CE Chakalian, Gregory, EMNRD 38:38**

273 From what I understood from Mr. Hall, there was an initial Nov sent out several years
274 ago.

275 And then there was.

276 Something else that was sent out more recently is that the idea?

277

278 **JM Jaclyn M. McLean 38:54**

279 Yes, that's correct.
280 So I think two or three years ago and I wasn't involved at that point, the OCD had
281 had sent an Nov to LH operating.
282 Well, in the midst of that LH operating sold all of its assets to EON.
283 They did not disclose the Nov, so EON was just, you know, going about their
284 business and what their plans.
285 Were for those assets when this fall they received the amended Nov and they acted
286 on it very quickly.
287 We reached out to Michael, Mr. Hall at the OCD and told him, you know, we weren't
288 aware of this.
289 Here's what we've done so far.
290 And in the midst of all this, they're also conducting kind of a self audit to make sure.
291 That they are totally in compliance and up to date on all the required filings.
292 So that's part of the reason why we requested the continuance was just so we could
293 fit, you know, present the OCD with all of the information before we discuss a
294 settlement.

295

296 **CE Chakalian, Gregory, EMNRD 40:08**

297 Mm-hmm.

298 OK.

299 OK.

300

301 **JM Jaclyn M. McLean 40:14**

302 Over all the findings. And then I was gonna reach out to Mr. Hall to set up a meeting.

303

304 **CE Chakalian, Gregory, EMNRD 40:17**

305 OK.

306 What is the nature?

307 So, so. So Mr. Hall has the nature of the allegations changed from the original Nov to
308 the amended Nov?

309

310 **HE Hall, Michael, EMNRD 40:31**

311 But yes, and since the amended Nov that is also changed.

312 And so they were going backwards at the time of the filing of the amended Novi.

313 Think that's because Eon hadn't gotten a grip on some of the non compliance yet
314 since the filing of the amended Nov?

315

316 **CE Chakalian, Gregory, EMNRD 40:42**

317 Mm.

318

319 **HE Hall, Michael, EMNRD 40:49**

320 There has been positive progress in terms of reporting and in terms of well plugging
321 or or.

322

323 **CE Chakalian, Gregory, EMNRD 40:51**

324 Go.

325

326 **HE Hall, Michael, EMNRD 40:57**

327 Bringing wells back online and so again, again, excuse me.

328

329 **CE Chakalian, Gregory, EMNRD 40:59**

330 So, so, so, Mr. Hall.

331

332 **HE Hall, Michael, EMNRD 41:01**

333 Yes, Sir.

334 Yes, Sir.

335

336 **CE Chakalian, Gregory, EMNRD 41:02**

337 So I'm trying to understand the nature of the novs.

338 So let's just talk about the amended, not the original Nov.

339 What are the general?

340

341 **HE Hall, Michael, EMNRD 41:10**

342 OK.

343

344 **CE Chakalian, Gregory, EMNRD 41:11**

345 What are the general allegations in the amended Nov?

346

347 **HE Hall, Michael, EMNRD 41:14**

348 General allegations are too many in active wells that that's pretty much it. I can pull it
349 up. There may be a little more, but that was all CDs primary concern.

350

351 **CE Chakalian, Gregory, EMNRD 41:20**

352 Inactive wells.

353 OK. And was there?

354 Was there a civil penalty included?

355

356 **HE Hall, Michael, EMNRD 41:30**

357 Their proposal? Penalty. Yes Sir.

358

359 **CE Chakalian, Gregory, EMNRD 41:32**

360 Which is what?

361

362 **HE Hall, Michael, EMNRD 41:33**

363 I believe it was 300.

364 I don't have it in front of me.

365

366 **CE Chakalian, Gregory, EMNRD 41:37**

367 OK.

368

369 **HE Hall, Michael, EMNRD 41:37**

370 Let let me pull it up.

371 I'm happy to.

372 I have a draft of it. I apologize for not. I was running around to the wrong places and

373 so, but yeah, I'll let me. Let me find that and I will.

374

375 **CE Chakalian, Gregory, EMNRD 41:40**

376 All right.

377 OK.

378

379 **HE Hall, Michael, EMNRD 41:51**

380 I will get it.

381 It's I believe it's attached, but yes, and that I mean that would of course be part of

382 the negotiation.

383 You know, that's we we would still want civil penalties but but again I mean the
384 posture slightly different, whatever that amount is, which I'm I'm looking for, but the
385 posture is different, different given it's a new new company that's LH operating in
386 name only, that is it's doing.

387

388 **CE Chakalian, Gregory, EMNRD 42:09**

389 OK.

390

391 **HE Hall, Michael, EMNRD 42:21**

392 What the state of New Mexico wants it's it's.

393 Bringing the wells back into compliance, that that's the purpose of these NOVS.

394

395 **CE Chakalian, Gregory, EMNRD 42:27**

396 OK.

397 Yeah.

398

399 **HE Hall, Michael, EMNRD 42:30**

400 In my mind.

401 And so anyway, that's, you know, there should still be consequences in our mind for

402 for the non compliance and EON has bought LH operating and that doesn't change

403 that past non compliance but but we're very pleased to see.

404

405 **CE Chakalian, Gregory, EMNRD 42:46**

406 OK.

407

408 **HE Hall, Michael, EMNRD 42:47**

409 A positive path forward, so I'm I'm.

410

411 **CE Chakalian, Gregory, EMNRD 42:48**

412 So what is the? What was the fine?

413

414 **HE Hall, Michael, EMNRD 42:51**

415 I'm looking.

416 Excuse me, I was talking.

417 So let me let me pull that up.

418

419 **CE Chakalian, Gregory, EMNRD 42:54**

420 Miss McLean. OK, Mr. Hall, while you're looking, Ms. McLean.

421 How many wells were alleged to be out of out of compliance?

422

423 **HE Hall, Michael, EMNRD 42:57**

424 Yes, Sir.

425

426 **JM Jaclyn M. McLean 43:03**

427 I think it was like 500.

428

429 **CE Chakalian, Gregory, EMNRD 43:06**

430 Are you serious 500?

431

432 **JM Jaclyn M. McLean 43:07**

433 A lot. Or 300, yeah.

434 And I'm sorry, I don't let me get the exact number because we have been.

435 I have all these Excel spreadsheets with new information.

436

437 **HE Hall, Michael, EMNRD 43:17**

438 Yeah.

439

440 **JM Jaclyn M. McLean 43:21**

441 And I believe, OK, so I can tell you that.

442

443 **HE Hall, Michael, EMNRD 43:25**

444 I have a.

445

446 **JM Jaclyn M. McLean 43:27**

447 Oh, sorry.

448

449 **HE Hall, Michael, EMNRD 43:28**

450 No, no, I'm interrupting you.

451 I'm I'm apologizing.

452 I have a draft. Let me just find the one that was signed by the director and that'll be
453 that'll be definitive. I want to say it was actually 117 in active. What else? OK.

454

455 **JM Jaclyn M. McLean 43:39**

456 Yeah, 170.

457

458 **CE Chakalian, Gregory, EMNRD 43:41**

459 All right.

460

461 **JM Jaclyn M. McLean 43:41**

462 They operate 549 wells and there's 117 wells that are out of compliance and the civil
463 penalty is 366,000 and \$300.

464

465 **CE Chakalian, Gregory, EMNRD 43:44**

466 OK.

467 OK.

468 OK.

469 All right, perfect.

470 That's what I wanted to know.

471 Thank you.

472 I appreciate the information.

473 All right. So the parties have requested a continuance to January.

474

475 **HE Hall, Michael, EMNRD 44:00**

476 Thank you.

477

478 **CE Chakalian, Gregory, EMNRD 44:05**

479 And at that time, either there will be a settlement agreement and we won't have to
480 hear the case or there won't be a settlement agreement and we will hear the case.

481 Mr. Hall, if we hear the case, how many witnesses will you have?

482

483 **HE Hall, Michael, EMNRD 44:19**

484 Just one that I'm aware of, Mr. hearing officer. So it will be.

485

486 **CE Chakalian, Gregory, EMNRD 44:22**

487 Who will that be?

488

489 **HE Hall, Michael, EMNRD 44:25**

490 So I believe it will be Rob Jackson.

491

492 **CE Chakalian, Gregory, EMNRD 44:28**

493 OK.

494

495 **HE Hall, Michael, EMNRD 44:29**

496 There's some, it will be someone from admin.

497

498 **CE Chakalian, Gregory, EMNRD 44:32**

499 OK.

500

501 **HE Hall, Michael, EMNRD 44:33**

502 Nicholas also worked on civil penalty matters, but I my understanding is he might
503 not be in our employee anymore and so exactly so. So I I apologize for the
504 uncertainty.

505

506 **CE Chakalian, Gregory, EMNRD 44:38**

507 Yeah, in Japan, right?

508 OK.

509

510 **HE Hall, Michael, EMNRD 44:44**

511 Rob would be the better, safer bet, I think on that in the event we need a witness.

512

513 **CE Chakalian, Gregory, EMNRD 44:45**

514 OK.

515 OK.

516 OK. And you'll have.

517 Mr. Jackson could probably testify to some of what you need, but you may also need
518 someone to testify to the notice and to other clerical issues.

519 That's what we've done in the past.

520

521 **HE** Hall, Michael, EMNRD 45:07

522 Sure. And in the event, yes, that that won't be hard.

523

524 **CE** Chakalian, Gregory, EMNRD 45:12

525 OK.

526

527 **HE** Hall, Michael, EMNRD 45:12

528 I believe Sarah Griego could could testify to notice so.

529

530 **CE** Chakalian, Gregory, EMNRD 45:15

531 Right. Exactly right. That's right.

532

533 **HE** Hall, Michael, EMNRD 45:18

534 So yes.

535

536 **CE** Chakalian, Gregory, EMNRD 45:18

537 She has in the past, OK.

538 All right, Mr. Hall.

539 So we'll continue this case. What I'd like to hear from the parties since we are
540 continuing it for two months now.

541 And and Mr. Hall, before I forget, what date did you send out?

542 This amended Nov.

543

544 **HE** Hall, Michael, EMNRD 45:35

545 Oh gosh, I'm. I'll have to. Do you have it there, Jackie, since you had all the.

546

547 **JM** Jaclyn M. McLean 45:40

548 It's September 18th.

549

550 **CE** Chakalian, Gregory, EMNRD 45:42

551 Thank you.

552 Excellent. OK. So Mr. Hall.

553

554 **HE** Hall, Michael, EMNRD 45:44

555 Thank you.

556 Mm-hmm.

557

558 **CE Chakalian, Gregory, EMNRD 45:49**

559 I won't be inclined to grant another continuance, so please be please be prepared to
560 either move forward with the case at that time or dismiss it and attach something
561 that says you've reached an agreement with Miss, Miss McLean and her client.

562

563 **HE Hall, Michael, EMNRD 45:52**

564 OK.

565 Happy to thank.

566 Thank you for. Yeah, thank you for that.

567

568 **CE Chakalian, Gregory, EMNRD 46:07**

569 All right.

570 Sounds good.

571 Anything further, miss McLean?

572

573 **JM Jaclyn M. McLean 46:11**

574 No, I will pop off and I'll be back.

575

576 **CE Chakalian, Gregory, EMNRD 46:14**

577 Sounds good.

578 Good luck with the Commission. OK, Mr. Hall.

579

580 **JM Jaclyn M. McLean 46:15**

581 Thank you.

582

583 **CE Chakalian, Gregory, EMNRD 46:19**

584 Anything further on this case?

585

586 **HE Hall, Michael, EMNRD 46:21**

587 No, thank you for your time and my apologies for being for not understanding that it
588 was only virtual so.

589

590 **CE Chakalian, Gregory, EMNRD** 46:21

591 All right.

592 Virtual excellent.

593

594 **HE Hall, Michael, EMNRD** 46:29

595 OK.

596

597 **CE Chakalian, Gregory, EMNRD** 46:29

598 For your time, Mr. Hall, we're off the record.

599

600 **HE Hall, Michael, EMNRD** 46:31

601 Thank you.

602

603 **CE Chakalian, Gregory, EMNRD** 46:31

604 In that case, let's call case number 2.

605

606 **HE Hall, Michael, EMNRD** 46:32

607 Thank you.

608 May I be excused? OK.

609

610 **CE Chakalian, Gregory, EMNRD** 46:34

611 This is OXY USA 25519 entries of appearance please.

612

613 **PV Paula M. Vance** 46:39

614 Good morning, Mr. hearing examiner Paul advance with the Santa Fe Office of

615 Holland and Hart on behalf of the applicant, Oxy USA.

616

617 **CE Chakalian, Gregory, EMNRD** 46:46

618 Good morning.

619

620 **PV Paula M. Vance** 46:50

621 And I believe.

622

623 **CE** **Chakalian, Gregory, EMNRD** 46:50

624 Is it Kessler? Yeah. OK.

625

626 **PV** **Paula M. Vance** 46:52

627 Miss yes.

628

629 **CE** **Chakalian, Gregory, EMNRD** 46:53

630 I won't.

631 I won't.

632 Oh well, I think she's there.

633

634 **JK** **Jordan Kessler** 47:00

635 Good morning, Mr. Examiner.

636 I'm having a mic issue.

637 Can you hear me?

638

639 **CE** **Chakalian, Gregory, EMNRD** 47:03

640 I can hear you.

641

642 **JK** **Jordan Kessler** 47:04

643 Wonderful. Good morning.

644 This is Jordan Kessler on behalf of Eug.

645

646 **CE** **Chakalian, Gregory, EMNRD** 47:05

647 Morning.

648 Thank you. And your position is no objections.

649

650 **JK** **Jordan Kessler** 47:10

651 Simply monitoring, yes.

652

653 **CE** **Chakalian, Gregory, EMNRD** 47:11

654 Perfect. Thank you very much.

655 Ms. Kessler M's Vance.

656 Go ahead.

657

658 **PV Paula M. Vance 47:14**

659 Yes. So we we have previously presented this case.

660 We did a amended follow up at the October hearing and then it was at the October

661 hearing that we discussed filing an amended application.

662

663 **CE Chakalian, Gregory, EMNRD 47:27**

664 OK.

665

666 **PV Paula M. Vance 47:28**

667 So we filed the amended application.

668 We completed the notice and I'm happy to just show very quickly where you can see.

669 Oh, OK, not a problem.

670

671 **CE Chakalian, Gregory, EMNRD 47:32**

672 OK.

673 Not necessary.

674

675 **PV Paula M. Vance 47:40**

676 All right.

677

678 **CE Chakalian, Gregory, EMNRD 47:40**

679 The technical let's just get your everything into evidence.

680 Is there anything new to admit into evidence?

681

682 **PV Paula M. Vance 47:47**

683 We included the amended application and then the notice to go along with that, so

684 myself, myself, affirmed statement, sample notice letter and then the NOP affidavit of

685 notice of publication.

686 So that's included and it's all timely.

687

688 **CE Chakalian, Gregory, EMNRD 48:02**

689 And they're all timely. OK, I know that Mister McClure has reviewed this case.

690

691 **PV** Paula M. Vance 48:03

692 Yes.

693

694 **CE** Chakalian, Gregory, EMNRD 48:06

695 I just have one question for you myself. Before we take it under advisement.

696 What was the problem?

697 What was the defect in the notice?

698

699 **PV** Paula M. Vance 48:15

700 Did not have the full project area.

701 And you'll see if you look at the hearing packet, I highlighted it.

702 I made sure it was clear.

703

704 **CE** Chakalian, Gregory, EMNRD 48:23

705 OK.

706 So in other words, the the initial application was for a you noticed a smaller area that
707 you should have. OK.

708

709 **PV** Paula M. Vance 48:26

710 So.

711 That's correct.

712 So what are the wells?

713 It's part of an enlarged spacing unit, and when I did the when I wrote out the project
714 area, I limited it to just the well rather than the full spacing unit.

715 So I just corrected that.

716

717 **CE** Chakalian, Gregory, EMNRD 48:47

718 All right then.

719 We will accept your exhibits without objection and take your case under advisement.

720 Thank you very much.

721

722 **PV** Paula M. Vance 48:55

723 Thank you.

724 Thank you.

725

726 **CE Chakalian, Gregory, EMNRD** 48:56

727 We're off the record.

728 Moving on to Matador production, we have two cases here, 255-332-5534.

729

730 **PV Paula M. Vance** 49:05

731 Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland
732 and Heart. On behalf of the applicant Matador production company and I don't
733 believe there are any other parties included or no, I could I I'm I'm wrong.

734

735 **CE Chakalian, Gregory, EMNRD** 49:17

736 I think there is.

737

738 **PV Paula M. Vance** 49:19

739 Sorry, I have a lot of cases today.

740

741 **HK Hatley, Keri (LDZX)** 49:22

742 Paula, you are doing fine.

743 Good morning, Mr. Examiner.

744 This is Kerry Hatley, entering her appearance on behalf of COG operating and Consul
745 oil and gas, and we are monitoring only.

746

747 **CE Chakalian, Gregory, EMNRD** 49:32

748 Perfect. Thank you. Miss Hatley, Miss Vance.

749

750 **PV Paula M. Vance** 49:37

751 Thank you.

752 So these are just extension applications and requests.

753

754 **CE Chakalian, Gregory, EMNRD** 49:40

755 Mm-hmm.

756

757 **PV Paula M. Vance** 49:41

758 So we have included in our hearing packets a copy of the application, the original
759 orders which were issued on August 4th, 2023.

760 We've also included the self or the affidavit of our land man, Clay Wooten, who has
761 previously appeared before the before the division and his credentials have been
762 accepted. As a matter of record.

763 We did include an updated pooling exhibit because.

764 Matador acquired two of the interests, and so that's noted in the updated pooling
765 exhibit and then following that is myself affirmed statement of notice with a sample
766 copy of the letter that went out on August 22nd, 2025 and then an affidavit of notice
767 of public.

768

769 **CE Chakalian, Gregory, EMNRD 50:09**

770 Hmm.

771

772 **PV Paula M. Vance 50:25**

773 Which was timely, published on August 26, 2025.

774 So unless there are any questions, I would ask that the exhibits and sub exhibits be
775 admitted into the record and that these cases be taken under advisement at this
776 time.

777

778 **CE Chakalian, Gregory, EMNRD 50:40**

779 And M's Vance, this is a second year extension, right?

780

781 **PV Paula M. Vance 50:44**

782 That's correct.

783

784 **CE Chakalian, Gregory, EMNRD 50:45**

785 All right, very good.

786 All right, go ahead.

787

788 **PV Paula M. Vance 50:47**

789 And there I was. Just gonna say there there's some information, some color on that
790 in the land man statement as to why you know, there's the good cause and request
791 for the extension.

792

793 **CE Chakalian, Gregory, EMNRD 50:53**

794 OK, perfect.

795 All right, sure.

796 And you have your land man available.

797

798  **Paula M. Vance** 51:03

799 I do.

800

801  **Chakalian, Gregory, EMNRD** 51:04

802 All right, first of all, we'll accept your exhibits into evidence without objection.

803 And Mr. McClure, you have question for the land man.

804

805  **McClure, Dean, EMNRD** 51:12

806 Yes, I do, Mr. herring examiner. And if I may, I'd like to ask a quick clarifying question
807 for Miss Vance.

808

809  **Chakalian, Gregory, EMNRD** 51:18

810 Please.

811

812  **McClure, Dean, EMNRD** 51:20

813 Miss Vance, just to make sure I heard you correctly, did you say that you were
814 removing pulled parties or that you were adding pulled parties?

815

816  **Paula M. Vance** 51:29

817 Removing two-part 2 pooled fire days.

818

819  **McClure, Dean, EMNRD** 51:30

820 OK.

821 OK.

822 Thank you, Ms. Vance.

823 Thank you, Ms. Sharon zamaram.

824 I'm ready for the land man. Whenever we're ready.

825

826  **Chakalian, Gregory, EMNRD** 51:39

827 Miss Vance.

828

829  **Paula M. Vance** 51:40

830 Yes, let me see.

831 Clay, there he is.

832

833 **IE** **Isaac Evans** 51:44

834 Can you hear me? Yes.

835

836 **CE** **Chakalian, Gregory, EMNRD** 51:48

837 Mr. Wooten, would you wait?

838 It says Isaac Evans, but that's not correct, is it?

839

840 **IE** **Isaac Evans** 51:53

841 Yeah, we're, we're all in the same room here at the Matador office.

842 We're all logged in under Isaac's.

843

844 **CE** **Chakalian, Gregory, EMNRD** 51:59

845 All right.

846 Would you raise your right hand please?

847 Do you swear or affirm under penalty of perjury that the testimony you're about to

848 give is the truth, the whole truth, and nothing but the truth?

849

850 **IE** **Isaac Evans** 52:07

851 Yes.

852

853 **CE** **Chakalian, Gregory, EMNRD** 52:08

854 Please spell your name.

855

856 **IE** **Isaac Evans** 52:10

857 Clay Wooten.

858 It's CL.

859 AYWOOTEN.

860

861 **CE** **Chakalian, Gregory, EMNRD** 52:14

862 Alright great. You can put your hand down. Thank you.

863 And you've been accepted as an expert before this division.

864

865  **Isaac Evans** 52:21

866 Yes, Sir.

867

868  **Chakalian, Gregory, EMNRD** 52:22

869 In what field?

870

871  **Isaac Evans** 52:24

872 Land Man petroleum land.

873

874  **Chakalian, Gregory, EMNRD** 52:25

875 Perfect. Thank you, Mr. McLean.

876 I mean, Mr. McClure.

877

878  **McClure, Dean, EMNRD** 52:30

879 Thank you, Mr. Herring examiner.

880 Mr. Wooten, I'm looking at your land man statement.

881 On Page 15 of 28 specifically, I'm looking at like your your paragraph 6 here.

882 Are you with me, Sir?

883

884  **Isaac Evans** 52:49

885 Yes.

886

887  **McClure, Dean, EMNRD** 52:51

888 OK, within this paragraph you reference that Matador was looking to evaluate
889 production from.

890 Two offset wells, is that correct?

891

892  **Isaac Evans** 53:02

893 Yes.

894

895  **McClure, Dean, EMNRD** 53:06

896 So then it is correct that those two wells have been producing.

897 And you and Matador has gathered the production data that it was wishing to seek.

898 Is that correct?

899

900  **Isaac Evans** 53:18

901 Yes.

902

903  **McClure, Dean, EMNRD** 53:20

904 OK, later on in this.

905 Well, let me back up a bit.

906 So of that production native, that matador exerbed, it does intend to drill out all of
907 the wells that was proposed within this order, is that correct?

908

909  **Isaac Evans** 53:40

910 We're. We're gonna drill the the 120 series. So the 1:21, 1/22, 1:23 and 1:24. That's
911 the plan.

912

913  **McClure, Dean, EMNRD** 53:54

914 Let me scroll up to the CPAC.

915 And you referenced only the 120 wells?

916 It looks like there's 110 wells and one and a 1:30 well as well. Is that correct?

917 Mr. Wootton.

918

919  **Isaac Evans** 54:11

920 Yes, for the near term, it's going to be the the 120 series in the next few months.

921

922  **McClure, Dean, EMNRD** 54:18

923 Oh, OK. That was actually where I was getting ready to go. 'cause I noticed in this
924 paragraph six that you reference that within the next few wells, matter of is gonna
925 drill a few of the wells and what you're referring to was the 110 wells then is.

926 That correct?

927

928  **Isaac Evans** 54:35

929 The 120, the 120 wells.

930

931  **McClure, Dean, EMNRD** 54:39

932 Excuse me, I think that that's probably what you just said.

933 So as a thought, process that within the next year, Matador intends to drill all of the
934 wells though.

935

936  **Isaac Evans** 54:54

937 I'm not sure what our plans are for these additional wells just now.

938

939  **McClure, Dean, EMNRD** 55:02

940 So then, is it going to be matadors intent to ask for 1/3 extension then within the
941 next year?

942

943  **Isaac Evans** 55:09

944 I think I'll prefer to our Council on.

945 The on the the 120 series holding the order.

946

947  **McClure, Dean, EMNRD** 55:22

948 Well, I was gonna.

949 I was gonna say your council isn't under oath, Mr. hearing examiner, do we?

950 Do we wanna ask M's Vance that real fast or what's your thoughts?

951

952  **Chakalian, Gregory, EMNRD** 55:33

953 Hold on one second.

954 Let me think about this.

955 So what was the question, Mr. McClure?

956

957  **McClure, Dean, EMNRD** 55:37

958 Oh, my question was whether Matador intends to drill out all the wells, all the
959 dedicated wells for the unit within the next year or if they plan on asking for 1/3
960 extension request before the year's out?

961

962  **Chakalian, Gregory, EMNRD** 55:50

963 And Miss Vance, what did you want to say?

964

965  **Paula M. Vance** 55:53

966 So I I think what Mr. McClure is getting at is that the new notice that came out from
967 the division requiring all wells to be drilled under a pooling order.

968 However, what I would say, and we have confirmed with the divisions in House
969 Council, is the effective date of that notice was June 1st, 2024.
970 These orders were issued in 2023. Prior to that notice coming out in 2024.
971 It was you drilled the you would need to drill one initial well that was under the order
972 to perfect it. And so these these orders follow under that interpretation.

973

974  **Chakalian, Gregory, EMNRD** 56:33

975 OK, Mr. McClure.

976 Does that help you, or do you still have further questions?

977

978  **McClure, Dean, EMNRD** 56:41

979 Examiner I don't know.

980 As or announcement clarifying the intent of the order.

981 Makes it so I no longer have this question for Matador.

982 And so I'd like Matador to address it.

983 I'll regardless of an announcement about the intent of an ordering paragraph that's

984 been in the orders for a while now.

985

986  **Chakalian, Gregory, EMNRD** 56:59

987 OK.

988 All right, all right.

989 So, M's Vance, I don't know if you want to talk to your witness offline, we can come
990 back on this case if you prefer.

991 But Mr. McClure wants an answer to this question, and if you if you counsel your
992 witness not to answer the question, that's your it's your right to do that. But it may
993 not give Mr. McClure enough information to approve the amendment.

994 So I think you might want to talk to your your client offline.

995

996  **Paula M. Vance** 57:33

997 Yes, if you wouldn't mind, but also I would say I have a lot of cases.

998 So it it it may be during that lunch break, you know that I do that if that's OK.

999

1000  **Chakalian, Gregory, EMNRD** 57:43

1001 Oh, OK, OK.

1002

1003 **PV** **Paula M. Vance** 57:46

1004 Yeah.

1005

1006 **CE** **Chakalian, Gregory, EMNRD** 57:46

1007 Well, the next case is the next case.

1008 Miss Vance is Mr. Bruce's case.

1009 Do you need more time than that to talk to your client?

1010

1011 **PV** **Paula M. Vance** 57:55

1012 I'm gonna.

1013 I'm gonna try and make it work.

1014

1015 **CE** **Chakalian, Gregory, EMNRD** 57:57

1016 Perfect, perfect. And if not, that's fine.

1017 We'll figure it out as we go along.

1018 I want to give you time to talk to your client.

1019

1020 **PV** **Paula M. Vance** 58:05

1021 I appreciate that. Thank you.

1022

1023 **CE** **Chakalian, Gregory, EMNRD** 58:05

1024 All right. So we're gonna be off the record in those two matador cases. I'm now
1025 gonna call case number 25573. Newborn oil.

1026

1027 **+15*****12** 58:15

1028 Mr. Examiner.

1029 Jim Bruce, representing the applicant.

1030

1031 **CE** **Chakalian, Gregory, EMNRD** 58:19

1032 OK.

1033

1034 **+15*****12** 58:21

1035 Mr. Examiner, in this case New Bern seeks to force pool the South Ave. S half of both
1036 of sections 8 and 922 S.

1037 27 E.
1038 Which is in or near Carlsbad, and that comes into play in just a minute.
1039 This case was presented.
1040 Six or eight weeks ago and was continued.
1041 There were some specific requests from the technical examiner and one of them
1042 involved the landlats.
1043 Which are? Well, let me get to that.
1044 So anyway, the case has been continued.
1045 This is I have submitted the 2nd revision.
1046 To the exhibits some of the revisions are really just housekeeping matters like exhibit
1047 4.
1048 The certified notice was updated to show what happened to all of the certified Mail
1049 Exhibit 5 originally at the hearing. I did not have the actual affidavit of publication in
1050 the newspaper and that has been added in.
1051 One of the requests by Mr. McClure.
1052 Was.
1053 To correct the pool and pool name. I excuse me, pool and pool code on the pool and
1054 checklist which has been done and then you get to the heart of the matter. Mr.
1055 McClure wanted track maps showing.
1056 Each track in the interest owners and each track.
1057 That leads to complications, which are reflected in the land man's affidavit,
1058 particularly paragraph 5.
1059 Of Exhibit 3 and then.
1060 The land plots, which have been included as part of exhibit.
1061 Let me.
1062 OK. Exhibit.
1063 2A this land was never subdivided by quarters, quarter sections, or multiples thereof
1064 by the federal government, which is shown by the only BLM plat of the entire.
1065 Township.
1066 Marked exhibit 2A1.
1067 Instead, this was patented out as small tracks, which were then further subdivided.
1068 And the lens involved in.
1069 The only interest owners being for school who form less than 1, I think it's .04% total
1070 of the entire well unit.
1071 Are in lot 11 of Block 12.

1072 Of the plat of the Riverside Farms subdivision and that is exhibit 2A2, and just that
1073 land alone.
1074 There are 19 tracks and the entire well unit is covered by these small tracks. Some
1075 some of the tracks are larger than lot 11 of Block 6, but nonetheless.
1076 If Newborn was going to submit Platts on this, just this one little.
1077 Block you block 6 of Riverside Farms.
1078 You'd have, you know, 10 or 20 pages of descriptions of the land involved.
1079 And the interest owners involved, which, if you multiply that out by the number of
1080 subdivisions, small, not governmental subdivisions.
1081 Visions, but subdivisions into these old.
1082 They're usually called river tracks.
1083 River subdivisions would lead to.
1084 Dozens and dozens and dozens, at least of pages.
1085 Of tracks and the interest ownership and then when you see.
1086 Exhibit 2A3.
1087 You see that this small tract is part of the Southwest quarter SW quarter of Section 8.
1088 Which probably isn't scaled to size, but you can see that this whole 320 acres is
1089 broken down.
1090 Into these small tracks and it just becomes impractical for the information the
1091 division needs.
1092 And exhibit 2B does contain a list of all interest owners in the well unit.
1093 And only four of them are being flourishing, and their total interest being pooled is.
1094 .3857% of the total interest total.

1095

1096 **CE Chakalian, Gregory, EMNRD 1:03:52**

1097 Mr. Bruce.

1098 Mr. Bruce.

1099

1100 **+15*****12 1:03:55**

1101 In it.

1102 So that's the land where?

1103

1104 **CE Chakalian, Gregory, EMNRD 1:03:57**

1105 Mr. Bruce, can you hear me, Mr. Bruce?

1106 Hello, Mr. Bruce.

1107

1108  +15*****12 1:04:01

1109 Yes, miss.

1110

1111  **Chakalian, Gregory, EMNRD** 1:04:01

1112 Can you hear me?

1113

1114  +15*****12 1:04:03

1115 Yes, Mr. examiner.

1116

1117  **Chakalian, Gregory, EMNRD** 1:04:04

1118 Oh, that's great.

1119 I'm not sure that you need to go on this long about this is do you wanna sum this up
1120 in a sentence or two so we can accept your exhibits and see if there's any questions.

1121

1122  +15*****12 1:04:15

1123 Yes, it's just.

1124 Doing the track by track, which you normally do where it's subdivided into quarters,
1125 quarter sections and multiples there of leads to you know a page, an exhibit.
1126 234 pages long, and this this particular one doing that, it would be 20 or 30 or 40
1127 pages long.

1128 So it's impractical and so I'd move the admission of exhibits one through 6.

1129 And the land man is on the line.

1130

1131  **Chakalian, Gregory, EMNRD** 1:04:49

1132 Perfect. Thank you, Mr. Bruce.

1133 Without exception, Mr. McClure, do you have any questions for the land man?

1134

1135  **McClure, Dean, EMNRD** 1:04:56

1136 No questions, Mr. herring examiner.

1137

1138  **Chakalian, Gregory, EMNRD** 1:04:59

1139 Very good. Mr. Bruce will take this case under advisement.

1140

1141  +15*****12 1:05:03

1142 Thank you, Sir.

1143

1144  **Chakalian, Gregory, EMNRD** 1:05:05

1145 OK.

1146 Miss Vance has that enough time for you, OK.

1147 Very good. Let's go back.

1148

1149  **Paula M. Vance** 1:05:10

1150 Good. We're good to go.

1151

1152  **Chakalian, Gregory, EMNRD** 1:05:12

1153 OK.

1154 Thank you.

1155 Let's go back on the record 25533 and 3/4.

1156 So Miss Vance, is your witness still available?

1157

1158  **Paula M. Vance** 1:05:20

1159 Yes, he is.

1160 And he should be popping OK, good.

1161

1162  **Chakalian, Gregory, EMNRD** 1:05:23

1163 I see him. I see him.

1164 Mr. Mr. Wooten.

1165 OK, Mr. McClure, go right ahead.

1166

1167  **McClure, Dean, EMNRD** 1:05:32

1168 Thank you, miss sharing examiner, Mr. Wharton.

1169 Is it matador's intent to drill all of the wells that's dedicated to this unit within the
1170 next year?

1171

1172  **Isaac Evans** 1:05:44

1173 I'm not sure about all of them.

1174 I just know the 120 series is more near term.
1175 And if the Commission is going to require us to file a third extension, we will.

1176

1177  **McClure, Dean, EMNRD** 1:05:57

1178 Has the data that that Matador has gathered so far been sufficient to make a
1179 determination about the other series of wells?

1180

1181  **Isaac Evans** 1:06:09

1182 The the data they were monitoring was specifically that second bone formation.
1183 And they drilled the 1:25 and 1:26 last year and we're monitoring results from those
1184 to drill the second bone up here in these, the 121 through 124.

1185

1186  **McClure, Dean, EMNRD** 1:06:30

1187 OK. So within the next year, will Matador have enough information to determine if it
1188 wishes to drill the rest of the wells?

1189

1190  **Isaac Evans** 1:06:39

1191 I'm not really sure.
1192 That's not my expertise.

1193

1194  **McClure, Dean, EMNRD** 1:06:52

1195 OK. Thank thank you, Mr. Wharton.
1196 Thank you, Mr. Herring examiner.
1197 I have no further questions for these cases.

1198

1199  **Isaac Evans** 1:06:57

1200 Thank you.

1201

1202  **Chakalian, Gregory, EMNRD** 1:06:58

1203 For these cases, OK.

1204 Very good.

1205 All right.

1206 Thank you, miss Miss Vance.

1207 We'll take these cases under advisement.

1208

1209 **PV** **Paula M. Vance** 1:07:10

1210 Thank you.

1211

1212 **CE** **Chakalian, Gregory, EMNRD** 1:07:12

1213 We're off the record.

1214

1215 **PV** **Paula M. Vance** 1:07:12

1216 Sorry.

1217

1218 **CE** **Chakalian, Gregory, EMNRD** 1:07:13

1219 All right, let's let's move on to some more of Miss Vance's cases.

1220 Matador production company 25583 and eight, four.

1221

1222 **PV** **Paula M. Vance** 1:07:23

1223 Good morning, Mr. hearing examiner, Mr. McClure.

1224 Paul Advance with the Santa Fe Office of Holland and Heart on behalf of the
1225 applicant Matador production company.

1226 And these are pooling additional interest owners.

1227 I don't believe there's any other people in these cases so happy to move forward.

1228 So like I said, these two cases are pulling additional interest owners. We've included
1229 in our hearing packet a copy of the application file, the original order.

1230 Which were issued on October 31st, 2023.

1231 Our Landman is Reece Clark, who has previously testified before the division, and his
1232 credentials have been accepted as a matter of record.

1233 We had Mr. Clark's land statement, a land track map pooling exhibit, as well as a
1234 sample proposal in AFS that went out in a chronology of contacts and then following
1235 that is myself affirmed.

1236 Statement of notice with a sample letter that was timely mailed on August 22nd,
1237 2025 and the affidavit of notice of publication which was timely published on August
1238 26, 2025 and unless there are any questions, I would ask that the exhibits and sub.

1239 Exhibits be admitted into the record and that these two cases be taken under

1240 advisement at this time.

1241

1242 **CE Chakalian, Gregory, EMNRD 1:08:45**

1243 Thank you. Without exception, Mr. McClure, questions on these two cases.

1244

1245  **McClure, Dean, EMNRD 1:08:50**

1246 Examiner I will have a question for the land man for one of these cases.

1247

1248 **CE Chakalian, Gregory, EMNRD 1:08:55**

1249 OK, so M's Vance, it looks like we're taking case 25583 under advisement and we
1250 have questions for your Landman on 84.

1251 I see someone there. Who is it?

1252

1253 **IE Isaac Evans 1:09:07**

1254 Yes, this is Reese Clark.

1255

1256 **CE Chakalian, Gregory, EMNRD 1:09:10**

1257 I'm sorry. It's who?

1258

1259 **IE Isaac Evans 1:09:12**

1260 Yes, this is Reese Clark from matador.

1261

1262 **CE Chakalian, Gregory, EMNRD 1:09:14**

1263 Reese Clark M's van says Reese Clark been qualified as an expert.

1264

1265 **PV Paula M. Vance 1:09:19**

1266 Yes. And I thought I stated that, but yes, he has previously testified and his
1267 credentials have been accepted as a matter of record.

1268

1269 **CE Chakalian, Gregory, EMNRD 1:09:26**

1270 OK.

1271 I'm not familiar with his name and and I don't believe I've ever.

1272 Questioned him before.

1273 But Mr. Clark, would you raise your right hand?

1274 Do you swear or affirm under penalty of perjury that the testimony you're about to
1275 give is the truth, the whole truth?

1276 Nothing but the truth.

1277 Please spell your name for the record.

1278

1279  **Isaac Evans** 1:09:47

1280 REECECL, ARK.

1281

1282  **Chakalian, Gregory, EMNRD** 1:09:50

1283 Great. You can put your hand down as Miss Vance stated before.

1284 Have you been accepted as an expert before this division?

1285

1286  **Isaac Evans** 1:09:59

1287 That's correct.

1288

1289  **Chakalian, Gregory, EMNRD** 1:10:01

1290 When was that?

1291

1292  **Isaac Evans** 1:10:03

1293 Back in 2023.

1294

1295  **Chakalian, Gregory, EMNRD** 1:10:04

1296 Oh, OK. Back in 2023, all right.

1297 And in what field?

1298

1299  **Isaac Evans** 1:10:13

1300 Petroleum land man.

1301

1302  **Chakalian, Gregory, EMNRD** 1:10:14

1303 All right, Mr. McClure.

1304

1305  **McClure, Dean, EMNRD** 1:10:17

1306 Thank you, Mr. Examiner, Mr. Clark.

1307 I'm looking at your summary of interest table.

1308 Under Exhibit C2 on page 19 of 44.

1309

1310  **Isaac Evans** 1:10:35

1311 Yeah.

1312

1313  **McClure, Dean, EMNRD** 1:10:37

1314 Here it looks like we have two different persons that's highlighted yellow.

1315 You see where I'm referring to.

1316

1317  **Isaac Evans** 1:10:46

1318 Yes.

1319

1320  **McClure, Dean, EMNRD** 1:10:48

1321 Is Matador asking the division to force Poole both of these persons?

1322

1323  **Isaac Evans** 1:10:54

1324 That's correct.

1325

1326  **McClure, Dean, EMNRD** 1:10:56

1327 OK. Was Finkel energy incorporated?

1328 Provided notice of this case.

1329

1330  **Isaac Evans** 1:11:06

1331 I believe so, but I'm gonna defer to Miss Vance on that one.

1332

1333  **McClure, Dean, EMNRD** 1:11:13

1334 Mr. Herring, examiner, it would.

1335 The notice would fall under the attorney's statement.

1336 So you think it's appropriate for me to ask Miss Vance this question correct?

1337

1338  **Chakalian, Gregory, EMNRD** 1:11:23

1339 I I do you have any other questions for Mr. Clark before we go to Miss Vance?

1340

1341  **McClure, Dean, EMNRD** 1:11:28

1342 Yeah, good point.

1343 I I do not have any further questions for Mr. Clark.

1344

1345  **Chakalian, Gregory, EMNRD** 1:11:31

1346 OK.

1347 Very good.

1348 Thank you, Mr. Clark.

1349 Go ahead with M's Vance, please.

1350

1351  **McClure, Dean, EMNRD** 1:11:37

1352 M's Vance was. Are you aware of whether Benco was provided notice of this
1353 application?

1354

1355  **Paula M. Vance** 1:11:44

1356 I'm looking at our notice specific to this case and it looks like it was just the one
1357 party, so it seems that we'll need to provide notice to Banco and then come back.

1358

1359  **Chakalian, Gregory, EMNRD** 1:11:58

1360 So M's Vance.

1361 How much time do you need before you can before we can hear this case again?

1362

1363  **Paula M. Vance** 1:12:06

1364 I would have to do the calculation.

1365 We could get the notice out today and get the we'll send it out today.

1366

1367  **Chakalian, Gregory, EMNRD** 1:12:11

1368 Right.

1369

1370  **Paula M. Vance** 1:12:15

1371 And presumably let me just check one thing because.

1372 OK.

1373 Yeah, we will get the notice out today and I will get the NOP run today.

1374 You know, I think that probably if we do that, we would be ready mid-december.

1375

1376  **Chakalian, Gregory, EMNRD** 1:12:35

1377 OK.

1378

1379 **PV** **Paula M. Vance** 1:12:36

1380 So I'm not sure.

1381 I don't remember when when is the.

1382 Status conference if if the division would allow us to come back before the new year
1383 to be able to perfect notice, we'd be appreciative at the 1218 status.

1384

1385 **CE** **Chakalian, Gregory, EMNRD** 1:12:50

1386 OK.

1387

1388 **PV** **Paula M. Vance** 1:12:53

1389 Conference or if there is a contested hearing special docket later in the month, we
1390 would appreciate some time to just perfect notice at that point.

1391

1392 **CE** **Chakalian, Gregory, EMNRD** 1:13:04

1393 So when it's when it's specific.

1394 Notice this way.

1395 I believe it's 20 days, is it not?

1396

1397 **PV** **Paula M. Vance** 1:13:12

1398 Well, it's 20 days, but as a backup we always do the the NOP.

1399

1400 **CE** **Chakalian, Gregory, EMNRD** 1:13:17

1401 Publish.

1402

1403 **PV** **Paula M. Vance** 1:13:17

1404 Yeah, yeah.

1405

1406 **CE** **Chakalian, Gregory, EMNRD** 1:13:19

1407 OK.

1408 Which is shorter.

1409 It's 10 days for the NLP, right?

1410

1411 **PV** **Paula M. Vance** 1:13:24

1412 Ten business days, correct? But we do have a lot of holidays.

1413

1414 **CE Chakalian, Gregory, EMNRD** 1:13:26

1415 Right.

1416 OK.

1417 Well, it seems it seems like we would have time on the December 9.

1418 I think it's not.

1419 No, maybe not.

1420 Hold on, December 4 docket wouldn't there?

1421

1422 **PV Paula M. Vance** 1:13:41

1423 Did that give us enough time?

1424 Yeah, that gives us enough time.

1425

1426 **CE Chakalian, Gregory, EMNRD** 1:13:45

1427 I would think so.

1428 If you if you send it out today and publish today.

1429

1430 **PV Paula M. Vance** 1:13:47

1431 Uh.

1432

1433 **CE Chakalian, Gregory, EMNRD** 1:13:51

1434 Yeah.

1435

1436 **PV Paula M. Vance** 1:13:51

1437 I don't, I I'm not sure when the newspaper will be able to run it, but certainly it's
1438 plenty of time to get it done.

1439 So we would be ready to come back at the 12, four docket if the division will allow us
1440 to do that.

1441

1442 **CE Chakalian, Gregory, EMNRD** 1:14:05

1443 The interesting thing is when I count the days between today and then and not count
1444 today 'cause you can't count today and then there's a holiday.

1445 As you said, I don't know if the holiday is one day or two days.

1446 It might actually be better to put it on the December 9 special docket and not try to

1447 get it on the 4th.

1448 It seems like it's cutting it too close.

1449

1450  **Paula M. Vance** 1:14:27

1451 I think that that I would appreciate that. So yeah.

1452

1453  **Chakalian, Gregory, EMNRD** 1:14:30

1454 OK.

1455 All right.

1456 Well, I'll. I'll leave it to you to continue it to the December 9 special docket.

1457 We'll hear it first before any other cases. Now, if that docket is cancelled, we'll have

1458 to move it to some some other docket.

1459

1460  **Paula M. Vance** 1:14:46

1461 Understood.

1462

1463  **Chakalian, Gregory, EMNRD** 1:14:47

1464 All right, all right.

1465 Good luck with your notice.

1466 Anything else, Mr. McClure?

1467

1468  **McClure, Dean, EMNRD** 1:14:54

1469 Nothing from me, Mr. Examiner.

1470

1471  **Chakalian, Gregory, EMNRD** 1:14:56

1472 Right. Anything else, Miss Vance?

1473

1474  **Paula M. Vance** 1:14:58

1475 No.

1476

1477  **Chakalian, Gregory, EMNRD** 1:14:59

1478 All right.

1479 Thank you.

1480 We're off the record in in that case.

1481 Alright, let's move on now to some more, Miss Vass cases matador production.
1482 There's gonna be about four or five cases here to 558-586-8788.

1483

1484 **PV Paula M. Vance 1:15:19**

1485 Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland
1486 and Hart, on behalf of the applicant Matador production company.
1487 And again, I don't believe that there are any other parties in these cases.

1488

1489 **CE Chakalian, Gregory, EMNRD 1:15:31**

1490 Yes.

1491

1492 **PV Paula M. Vance 1:15:33**

1493 And so I'll move forward in these cases, Matador is seeking to pull a record title
1494 owner for purposes of getting the federal CA completed and approved in the hearing
1495 packet. We have included a copy of the application for in each of the hearing
1496 packets. We've included a copy.

1497 Of the application.

1498 And the original orders, each of which was issued on December 23rd, 2022, the we've
1499 also included.

1500 A statement from our Landman hochs holder, who has previously testified before the
1501 division and his credentials have been accepted as a matter of record. We've
1502 included with his sub exhibits a land track map pulling exhibit and then a chronology
1503 of contacts, I believe.

1504 And then a self affirmed statement from myself regarding the notice sample copy of
1505 the notice that went out on August 22nd, 2025.

1506 And then an affidavit of notice of publication which was timely published on August
1507 26, 2025.

1508 Unless there are any questions, I would ask that the exhibits and sub exhibits be
1509 admitted into the record and that these cases be taken under advisement at this
1510 time.

1511

1512 **CE Chakalian, Gregory, EMNRD 1:16:41**

1513 Thank you miss fans.

1514 They're accepted into evidence without objection.

1515 Is this the second or third extension?

1516

1517 **PV** **Paula M. Vance** 1:16:47

1518 This is not an extension, it's just pulling record title owner.

1519

1520 **CE** **Chakalian, Gregory, EMNRD** 1:16:52

1521 So the amendment has nothing to do with an extension. OK, I understand.

1522

1523 **PV** **Paula M. Vance** 1:16:55

1524 That's correct.

1525

1526 **CE** **Chakalian, Gregory, EMNRD** 1:16:55

1527 All right. OK.

1528 I believe Mr. McClure has reviewed these cases.

1529 I don't believe he has any questions here, so we'll take these cases under advisement.

1530

1531 **PV** **Paula M. Vance** 1:17:05

1532 Perfect. Thank you.

1533

1534 **CE** **Chakalian, Gregory, EMNRD** 1:17:06

1535 Let's move on now to EOG Resources.

1536 Two cases at lines 12 and 13 on our docket 25627 and 28.

1537 M's Vance, are these your cases?

1538

1539 **PV** **Paula M. Vance** 1:17:28

1540 I got ahead of myself. I thought I had a break.

1541

1542 **CE** **Chakalian, Gregory, EMNRD** 1:17:31

1543 No.

1544

1545 **PV** **Paula M. Vance** 1:17:32

1546 I'm so sorry.

1547 Good morning, Mr. hearing examiner. Mr. McClure, Apollo Vance with the Santa Fe

1548 Office of Holland and Heart, on behalf of the applicant, EOG Resources.

1549

1550 **DB** **Deana Bennett** 1:17:43

1551 Good morning, everyone.

1552 Dina Bennett with module Sperling, on behalf of Avant, operating to and we entered
1553 an appearance in the case where monitoring only and Miss Vance and I have had a
1554 chance to discuss, and she'll be providing an update during her presentation.

1555

1556 **CE Chakalian, Gregory, EMNRD 1:17:58**

1557 An update about what?

1558

1559 **DB Deana Bennett 1:17:59**

1560 About avant and EOG's discussion negotiations, I'm happy to provide the update as
1561 well too, but.

1562

1563 **CE Chakalian, Gregory, EMNRD 1:18:04**

1564 OK, but OK.

1565 But you don't have an objection. OK, very good.

1566

1567 **DB Deana Bennett 1:18:08**

1568 No. No objection.

1569

1570 **HK Hatley, Keri (LDZX) 1:18:11**

1571 Good morning, Mr. Examiner.

1572 Carrie Hatley, entering her appearance on behalf of COG operating and we're
1573 monitoring only.

1574

1575 **CE Chakalian, Gregory, EMNRD 1:18:17**

1576 Thank you.

1577

1578 **JE Jacob Everhart 1:18:19**

1579 Good morning, Mr. Examiner, Jacob Everhart.

1580 That's EV.

1581 ERHART with Benny Wozniak, New Mexico appearing on behalf of XTO Permian
1582 operating for monitoring purposes only and to preserve rights. We are not objecting.

1583

1584 **CE Chakalian, Gregory, EMNRD 1:18:33**

1585 Perfect. Thank you, Ms. Vance.

1586

1587 **PV Paula M. Vance** 1:18:36

1588 Thank you very much.

1589 So in both of these cases, it involves the same overlapping acreage.

1590 So it's a 1280 acre non standard spacing in both of the cases and EOG will be
1591 applying separately for administrative approval of the non standard spacing units in
1592 both cases the acreage is all of sections 12 and 13 and that's in Township 20.

1593 South Range 32 E.

1594 And that's in Lee County, New Mexico.

1595 So in case number 25627, the pool there is the Salt Lake Bone Spring pool and the
1596 pool code is 53560, and EOG seeks to initially dedicate that spacing unit to the
1597 Margie 24 federal com 501H5.

1598 51H502H503 H 504505506515, five 12513 and 514-H.

1599 And then in case number 25628, the pool there is the Hat Mesa Wolfcamp pool and
1600 the pool code is 96438 and THEOG seeks to initially dedicate that spacing unit to the
1601 Margie 24 federal com 701 H through.

1602 705 H in each of the hearing packets we have included the self. We've included a
1603 copy of the application, the compulsory pooling checklist.

1604 Along with the self affirm statement of our Landman Lacy stretcher, who has
1605 previously testified before the division and her credentials have been accepted as a
1606 matter of record, we have the C-102's. Well, we've got all of the standard sub
1607 exhibits.

1608 I won't.

1609 I won't bore you with listing them all out.

1610

1611 **CE Chakalian, Gregory, EMNRD** 1:20:18

1612 Thank you.

1613

1614 **PV Paula M. Vance** 1:20:21

1615 And then we have our geologist statement, Miss Tara George, who has previously
1616 testified before the division and her credentials have been accepted as a matter of
1617 record.

1618 Again, all of the standard geology exhibits we did test out the new evidentiary notice
1619 exhibit and we included it with my notice and not with the Land Man exhibit.

1620 So noted for next time, Mr. McClure.

1621 And so we've got along with the evidentiary notice exhibit, we have a sample cop
1622 myself, affirmed statement of notice along with a sample copy of the letter that went
1623 out, which was timely mailed September 19th, 2025.

1624 And then following that is the affidavit of notice of publication, which was timely
1625 published.

1626 On one one notice went out or one affidavit was September 24th, 2025 and we did.
1627 Follow up October 26th, 2025. Notice of publication.

1628 So unless there are any questions, I would ask that the exhibits and sub exhibits be
1629 admitted into the record and that these cases be taken under advisement at this
1630 time. That being said, we do plan to to Miss Bennett's point. Earlier, EOG has reached
1631 agreement with AV.

1632 And so we do plan to file.

1633 An updated revised hearing packet to reflect that they are no longer being pooled.

1634 And and so do we.

1635 We expect to do that after the hearing.

1636 And again, unless there are any questions, I would ask that the exhibits and sub
1637 exhibits or if you want to wait for the revised hearing packet that they be admitted
1638 into the record.

1639

1640 **CE Chakalian, Gregory, EMNRD 1:22:03**

1641 Vance. Couple questions.

1642 This revised hearing packet is it for both cases or just one?

1643

1644 **PV Paula M. Vance 1:22:09**

1645 Both cases.

1646

1647 **CE Chakalian, Gregory, EMNRD 1:22:12**

1648 All right, I think Mr. McClure has some questions on case 28, so there may be some
1649 more revisions coming.

1650 So Mr. McClure, who do you?

1651 Well, first of all, let me admit what we have now entered as exhibits into evidence
1652 without any objection.

1653 Right, miss Bennett.

1654

1655  **Deana Bennett** 1:22:33

1656 Section so long as they are updated to reflect that avant is not being pulled.

1657

1658  **Chakalian, Gregory, EMNRD** 1:22:38

1659 So there's a conditional objection that it sounds like.

1660

1661  **Deana Bennett** 1:22:40

1662 Yes, a conditional objection. Thank you.

1663

1664  **Chakalian, Gregory, EMNRD** 1:22:42

1665 All right, Mr. Eberhardt.

1666

1667  **Jacob Everhart** 1:22:46

1668 Mr. Examiner.

1669 No, no objection here.

1670

1671  **Chakalian, Gregory, EMNRD** 1:22:49

1672 You turned your camera on.

1673 That's why I I called on you.

1674

1675  **Jacob Everhart** 1:22:52

1676 Apologies.

1677

1678  **Chakalian, Gregory, EMNRD** 1:22:53

1679 No, not a problem.

1680 I just didn't know why you turned it on.

1681 Alright, so Mr. McClure, the exhibits as they currently exist have been admitted.

1682 Who do you have questions for?

1683

1684  **McClure, Dean, EMNRD** 1:23:04

1685 Only for Miss Vance, Mr. Herring examiner.

1686

1687  **Chakalian, Gregory, EMNRD** 1:23:06

1688 Oh, go right ahead please.

1689

1690  **McClure, Dean, EMNRD** 1:23:08

1691 Mr. Vance, for both of these cases, it looks like maybe written notice was conducted
1692 on September 19th, then again on October 24th. Is that accurate?

1693

1694  **Paula M. Vance** 1:23:19

1695 Yes.

1696 That is correct.

1697

1698  **McClure, Dean, EMNRD** 1:23:24

1699 OK. What was the very briefly, what was the underlying reason for the second notice?

1700

1701  **Paula M. Vance** 1:23:31

1702 I'm looking to see.

1703 I believe there was an updated.

1704 Yes. So there were three additional parties that we needed to provide notice to and
1705 you can see the tracking report.

1706 Sorry, typically we do.

1707 I have the dates on our tracking report. If you go to page.

1708 78 of 80 at least on the 27.

1709 Case 25627. That's the additional notice that went out.

1710

1711  **McClure, Dean, EMNRD** 1:24:08

1712 Yeah, I'm looking at the other case.

1713 Let me open up this case.

1714

1715  **Paula M. Vance** 1:24:15

1716 I can tell you on that one as well.

1717

1718  **McClure, Dean, EMNRD** 1:24:19

1719 OK, I do see there's 80 pages and you said it was on 76, is that right?

1720

1721  **Paula M. Vance** 1:24:24

1722 78 and then on the other packet, it's 65 of 67.

1723 It's those three parties were the additional notice that went out.

1724

1725  **McClure, Dean, EMNRD** 1:24:35

1726 OK. And see, that was actually what my follow up question is gonna be as well was.

1727

1728  **Paula M. Vance** 1:24:41

1729 And you'll see there's two Nops to reflect the two different times we did the notice.

1730

1731  **McClure, Dean, EMNRD** 1:24:48

1732 Yeah, very good.

1733 And and I guess the only my only question then was and just to confirm what you

1734 just kind of laid out to me then is there's a list of three persons that's on the last

1735 page of the notice spreadsheet that is for the second notice or in the?

1736 Rest of it was for the first notice.

1737 Is that correct?

1738

1739  **Paula M. Vance** 1:25:07

1740 That's correct.

1741

1742  **McClure, Dean, EMNRD** 1:25:09

1743 OK.

1744 Also, just to draw your attention for case 628.

1745 To your CPAC.

1746 In the copy that we have, it appears that your signature is not there.

1747 So when you submitted amended.

1748 So when you submit your minute exhibit packet, if we could rectify that as well.

1749 I have.

1750 I have no more questions, Mr. Herring examiner.

1751

1752  **Chakalian, Gregory, EMNRD** 1:25:44

1753 All right.

1754 Thank you.

1755 So M's Bennett, did you have anything further?

1756

1757  **Deana Bennett** 1:25:48

1758 No, I don't thank you very much.

1759

1760 **CE Chakalian, Gregory, EMNRD** 1:25:49

1761 All right.

1762 Sounds good, Mr. Everhart.

1763

1764 **JE Jacob Everhart** 1:25:52

1765 No, sorry, I do not.

1766

1767 **CE Chakalian, Gregory, EMNRD** 1:25:54

1768 Alright, so Miss Vance.

1769 When do you wanna bring this case back around?

1770

1771 **PV Paula M. Vance** 1:26:01

1772 Well, it shouldn't take that long to get these revised hearing packets filed.

1773 So whenever the earliest opportunity to come back to the division.

1774

1775 **CE Chakalian, Gregory, EMNRD** 1:26:10

1776 OK.

1777 All right.

1778 And that's both cases, right, Mr. McClure?

1779

1780  **McClure, Dean, EMNRD** 1:26:18

1781 Well, it's the one case for the extern.

1782 Al.

1783

1784 **CE Chakalian, Gregory, EMNRD** 1:26:24

1785 That's right.

1786 That's right. OK.

1787 Very good.

1788 So so both cases need to come back around so.

1789 When?

1790 We are actually.

1791 We're considering Miss Vance having another docket on next Tuesday.

1792 For for many, there are many cases here that need to come back around,

1793 unfortunately, and we're trying to keep these cases from bumping other cases off.

1794 The December 9 or excuse me, I keep saying December 9, December 4 docket,
1795 because we're gonna get too far out there, so.
1796 We, but we do need time for Mr. McClure to.
1797 Review the additional documentation so.
1798 If you're able to commit to submitting these revised exhibit packets by close of
1799 business tomorrow, Friday.
1800 The 14th of November.
1801 We can hear them on November 18.

1802

1803 **PV Paula M. Vance** 1:27:28

1804 I can do that.

1805

1806 **CE Chakalian, Gregory, EMNRD** 1:27:29

1807 You can do that OK.

1808 We haven't decided what time to start on the 18th. We might not start until later
1809 in the morning to give Mr. McClure a little bit additional time, depending on how
1810 many cases there are, but we'll send out notice for that.

1811

1812 **PV Paula M. Vance** 1:27:44

1813 I appreciate that.

1814

1815 **CE Chakalian, Gregory, EMNRD** 1:27:45

1816 Alright, so November 18 for both of these cases, we're off the record. Thank you.

1817 Calling Mubaran oil 25634.

1818

1819 **JM Jaclyn M. McLean** 1:27:55

1820 Good morning. Jackie McLean, on behalf of Newmar and Oil company.

1821

1822 **DB Deana Bennett** 1:28:00

1823 Good morning, Mr. Examiner.

1824 Deana Bennett, on behalf of Avant, operating two and we did originally object to the
1825 case proceeding by affidavit, but on November 3rd we withdrew our objection and
1826 are now monitoring.

1827

1828 **CE Chakalian, Gregory, EMNRD** 1:28:13

1829 Perfect. Thank you, miss Bennett.

1830

1831 **HK Hatley, Keri (LDZX)** 1:28:15

1832 Good morning, Mr. Examiner.

1833 Kerry Hatley, on behalf of Burlington Resources, we entered an appearance, but we

1834 withdrew it two days ago.

1835 So we are no longer in this case.

1836 Thank you, Sir.

1837

1838 **CE Chakalian, Gregory, EMNRD** 1:28:25

1839 Thank you, miss Hatley.

1840 All right.

1841 Miss McLean.

1842

1843 **JM Jaclyn M. McLean** 1:28:33

1844 Yes, thank you.

1845 In case number 25634, Mubarak seeks an order pulling all uncommitted entries and

1846 the second Bone Spring interval of the Bone Spring Formation underlying an 876.42

1847 acre more or less non standard horizontal spacing unit comprised of the north half.

1848 Of Section 19, Township 18 S range 30 E The North half of section 24, Township 18 S,

1849 range 29 E.

1850 And the north half of section 23, excluding the east half NE quarter of Township 18 S

1851 range 29 E in Eddy County and this unit will be yes.

1852

1853 **CE Chakalian, Gregory, EMNRD** 1:29:13

1854 M's McLean.

1855 Sorry to interrupt you, but, but let's talk about that excluding for just a moment, OK.

1856 Can you bring up, do you?

1857 Can you share your screen and bring up a map of this area?

1858

1859 **JM Jaclyn M. McLean** 1:29:31

1860 Can so I can bring up our exhibits, which can show you.

1861

1862 **CE** **Chakalian, Gregory, EMNRD** 1:29:37

1863 OK.

1864 Sure.

1865

1866 **JM** **Jaclyn M. McLean** 1:29:41

1867 That exclusionary, the the non perf zone.

1868

1869 **CE** **Chakalian, Gregory, EMNRD** 1:29:43

1870 Yeah.

1871

1872 **JM** **Jaclyn M. McLean** 1:29:45

1873 Basically, I'm happy to do that.

1874 Give me one second.

1875

1876 **CE** **Chakalian, Gregory, EMNRD** 1:29:49

1877 Sounds good.

1878 Thank you.

1879 You know, let's take a 5 minute break and I'll be back at 10:00. So 4 minute break.

1880 Thank you, miss McLean.

1881

1882 **JM** **Jaclyn M. McLean** 1:29:57

1883 OK.

1884

1885 **CE** **Chakalian, Gregory, EMNRD** 1:33:59

1886 All right, Miss McLean, Are you ready?

1887

1888 **JM** **Jaclyn M. McLean** 1:34:03

1889 I'm ready.

1890 Let me share.

1891

1892 **CE** **Chakalian, Gregory, EMNRD** 1:34:06

1893 Thank you.

1894

1895 **JM** **Jaclyn M. McLean** 1:34:13

1896 All right.

1897 Are you able to see this?

1898

1899 **CE Chakalian, Gregory, EMNRD 1:34:15**

1900 Perfectly.

1901

1902 **JM Jaclyn M. McLean 1:34:16**

1903 Map this is exhibit A2 and this shows.

1904

1905 **CE Chakalian, Gregory, EMNRD 1:34:18**

1906 Perfectly.

1907

1908 **JM Jaclyn M. McLean 1:34:22**

1909 Up here, the location of the wells and in the blue shading is that exclusion.

1910 No perf zone.

1911 We also have on the C-102 that is reflected here in this plat and that's with the red
1912 dotted area.

1913 Yeah, would be the no perf sound.

1914

1915 **CE Chakalian, Gregory, EMNRD 1:34:46**

1916 So M's McLean can you make a brief legal argument how the division can approve
1917 this with the No perf zone?

1918

1919 **JM Jaclyn M. McLean 1:34:56**

1920 Well, we have separately applied administratively for a non standard spacing unit.

1921 And so I believe that that is how this works is with that approval of the non standard
1922 spacing unit, it is still pending before the division. We've passed the 20 day objection
1923 period.

1924 That's cleared.

1925 And now we're just waiting for that approval.

1926

1927 **CE Chakalian, Gregory, EMNRD 1:35:26**

1928 All right.

1929 Thank you.

1930 All right. So we'll deal with any questions about that when it's time for Mr. McClure.

1931 So please proceed with your presentation.

1932

1933 **JM Jaclyn M. McLean 1:35:35**

1934 Thank you.

1935 Do you want me to continue sharing or should I stop?

1936

1937 **CE Chakalian, Gregory, EMNRD 1:35:39**

1938 No you can.

1939

1940 **JM Jaclyn M. McLean 1:35:39**

1941 Or what? OK.

1942

1943 **CE Chakalian, Gregory, EMNRD 1:35:39**

1944 You can stop sharing for now. Thank you.

1945

1946 **JM Jaclyn M. McLean 1:35:41**

1947 Just wanna make sure.

1948

1949 **CE Chakalian, Gregory, EMNRD 1:35:43**

1950 Mm-hmm.

1951

1952 **JM Jaclyn M. McLean 1:35:44**

1953 OK so.

1954 I believe that I was just giving you the legal description and the excluded acreage

1955 that we burn is proposing for this no perf zone and the spacing unit will be dedicated

1956 to the IOU wells.

1957

1958 **CE Chakalian, Gregory, EMNRD 1:35:50**

1959 Yes.

1960

1961 **JM Jaclyn M. McLean 1:36:04**

1962 Like I said, we've separately requested administrative approval of the non standard

1963 spacing unit and are waiting on that.

1964 Our exhibits were submitted timely for this case and include the land, testimony and

1965 exhibits of Braxton Blandford, who has been previously admitted to testify as an
1966 expert in petroleum land matters, as well as geology testimony and exhibits from
1967 Charlie Crosby, who is also previously been admitted to test.
1968 As an expert.
1969 Geologist before the division, we've also included our notice testimony along with
1970 copies of the notice letter, which was kindly sent to all parties on September 10th,
1971 2025 and we published on September 18th, 2025.
1972 With that, it sounds like there will be questions. So we are happy to take those, but I
1973 ask for the exhibits to be admitted into.
1974 Case number 25634.

1975

1976  **Chakalian, Gregory, EMNRD** 1:37:01

1977 Thank you. Without objection, Mr. McClure.

1978

1979  **McClure, Dean, EMNRD** 1:37:07

1980 Thank you, miss hearing examiner.

1981 I will have questions for the land man.

1982

1983  **Chakalian, Gregory, EMNRD** 1:37:10

1984 And who is your land man?

1985 Miss McLean.

1986

1987  **Jaclyn M. McLean** 1:37:12

1988 Braxton Blandford and I believe he is on.

1989

1990  **Chakalian, Gregory, EMNRD** 1:37:14

1991 Great.

1992 Good morning.

1993 Please raise your right hand.

1994 Do you swear or affirm under penalty of perjury that the testimony you're about to
1995 give is the truth, the whole truth, and nothing but the truth?

1996

1997  **Braxton Blandford** 1:37:34

1998 Yes, Sir.

1999

2000  **Chakalian, Gregory, EMNRD** 1:37:35

2001 Alright great. You can put your hand down.

2002 Thank you.

2003 Will you spell your name, please?

2004

2005  **Braxton Blandford** 1:37:40

2006 Braxton Braxton Blandford BLAND.

2007 Ford.

2008

2009  **Chakalian, Gregory, EMNRD** 1:37:47

2010 All right, perfect.

2011 And I recognize you. So I know you have been qualified as a expert in what field, Sir?

2012

2013  **Braxton Blandford** 1:37:56

2014 Petroleum land.

2015

2016  **Chakalian, Gregory, EMNRD** 1:37:58

2017 OK, Mr. McClure.

2018

2019  **McClure, Dean, EMNRD** 1:38:00

2020 Thank you, Mr. Herring. Examiner, Mr. Blandford.

2021 Has a discussion with the BLM taking place in regards to this exclusionary area.

2022

2023  **Braxton Blandford** 1:38:15

2024 I have not had discussions I'm unaware of if either.

2025 Some someone else in the company has.

2026

2027  **McClure, Dean, EMNRD** 1:38:25

2028 Are you aware?

2029

2030  **Braxton Blandford** 1:38:25

2031 The only discussions I would have had is putting together Comm agreements.

2032

2033  **McClure, Dean, EMNRD** 1:38:32

2034 And have you put together a calm agreement? A singular calm agreement that
2035 covers this entire area but excludes that exclusionary area?

2036

2037  **Braxton Blandford** 1:38:41

2038 Yes, Sir.

2039

2040  **McClure, Dean, EMNRD** 1:38:43

2041 And has it been submitted to the OR have you?

2042 I suppose it hasn't been submitted to the BLM pending this order, is that correct?

2043

2044  **Braxton Blandford** 1:38:56

2045 It's still out for execution.

2046 I plan to submit it here soon.

2047 I haven't gotten all of the signatures back yet.

2048

2049  **McClure, Dean, EMNRD** 1:39:05

2050 Are you aware of any other COM agreements?

2051 That is similar in nature to this one where there's two non connected areas being
2052 submitted in the same Comm.

2053

2054  **Braxton Blandford** 1:39:20

2055 There's not one that comes to mind.

2056

2057  **McClure, Dean, EMNRD** 1:39:27

2058 Do you include anywhere within your exhibits?

2059 Where the pause points and resuming points are for the perforations for the
2060 proposed wells.

2061

2062  **Braxton Blandford** 1:39:44

2063 Not beyond, not beyond the fact that.

2064 The east half, northeast of section 23 is the excluded portion and the the remainder
2065 of the north half of those 3 sections is included in the Croatian unit.

2066

2067  **McClure, Dean, EMNRD** 1:40:05

2068 As newborn considered drilling you wells instead of three mile wells with missing.
2069 Completed lateral.

2070

2071  **Braxton Blandford** 1:40:16

2072 I would have to defer to the technical team on that.

2073 I did these wells where, you know planned this way and to drill the the I guess it
2074 would be 2.7 mile 2.75 mile laterals and the excluded portion is so that we don't
2075 interfere with that existing.

2076 Second bone spring.

2077 Well, that you see on the exhibit.

2078

2079  **McClure, Dean, EMNRD** 1:40:45

2080 And in regards to the technical team, is the geologist that we have available a part of
2081 that team.

2082

2083  **Braxton Blandford** 1:40:54

2084 It would be him and an engineer, but yes, the geologist would be part of that.

2085

2086  **McClure, Dean, EMNRD** 1:41:03

2087 Are you aware of any discussions associated with potential pad locations of a UL? If a
2088 U wells were to be drilled for that?

2089 West.

2090 Unconnected area.

2091

2092  **Braxton Blandford** 1:41:20

2093 I'm I'm not aware of discussions regarding drilling any U turns.

2094

2095  **McClure, Dean, EMNRD** 1:41:29

2096 Has newborn drilled U-turn wells in the past?

2097

2098  **Braxton Blandford** 1:41:33

2099 Not to my knowledge.

2100

2101  **McClure, Dean, EMNRD** 1:41:45

2102 This particular case is limited to only the 2nd Bone Spring. Is that correct?

2103

2104  **Braxton Blandford** 1:41:50

2105 That's accurate.

2106

2107  **McClure, Dean, EMNRD** 1:41:53

2108 What is the status of the rest of the Bone Spring for this area?

2109

2110  **Braxton Blandford** 1:41:59

2111 As far as.

2112

2113  **McClure, Dean, EMNRD** 1:42:03

2114 OK, let me re ask my question.

2115 In regards to completing wells or at least proposing wells, what is the status for the

2116 rest of the Bone Spring in this area?

2117

2118  **Braxton Blandford** 1:42:20

2119 I'm sorry, I I'm still not sure I understand the question.

2120

2121  **McClure, Dean, EMNRD** 1:42:23

2122 Yeah. Let me ask it again, may provide a little additional context.

2123 Are there other compulsory pooling cases?

2124 For this same area, that is for the Bone Spring one for instance.

2125

2126  **Braxton Blandford** 1:42:45

2127 Not sure if there is or not. I set it up as to pull the second Bone Spring because.

2128 In potential future developments we've talked about, we would have.

2129 A differing, potentially a differing Croatian unit.

2130 So I thought it made the most sense to.

2131 Pull the north half of these three sections, excluding that NE half northeast of section

2132 23.

2133 But dude, as to the second Bone Spring only and then have another case for

2134 potential future development that might have a different Croatian unit.

2135

2136  **McClure, Dean, EMNRD** 1:43:26

2137 Now is the only reason to vertically limit this case to the bone. Spring two is the only

2138 reason for that is because of that existing horizontal well.

2139 That's within that excluded area.

2140

2141  **Braxton Blandford** 1:43:38

2142 No.

2143 You're asking if the only reason to limit it to the second Bone Spring is because of
2144 that.

2145 Existing second Bone Spring well.

2146

2147  **McClure, Dean, EMNRD** 1:43:54

2148 Yeah, let me re ask my question is the is the reason this is only limited to the Bone
2149 Spring two because of that horizontal well in the exclude area?

2150

2151  **Braxton Blandford** 1:44:04

2152 No, Sir. I mean the the the reason for limiting it to the second Bone Spring was as I
2153 said.

2154 For potential future developments that may involve different.

2155 Prohasion units or benches like if we were to drill a a different bench in in the Bone
2156 Spring, it could potentially be set up with a different probation unit. I I guess that
2157 that would be the reason.

2158 Reason then, because because the existing well is the second Bone spring and you're
2159 not wanting to interfere with that.

2160 So.

2161

2162  **McClure, Dean, EMNRD** 1:44:47

2163 OK, let me re ask my question is I think you changed.

2164 You might have changed courses a little bit in the middle of your answer.

2165 So then is it accurate to say that the reason to limit this to the Bone Spring two is
2166 because of that existing horizontal well and the exclusion zone?

2167

2168  **Braxton Blandford** 1:45:00

2169 Yes.

2170 Yes.

2171

2172  **McClure, Dean, EMNRD** 1:45:05

2173 OK.

2174 So you reference different paration units for the other zones.

2175 Would it be accurate to say that those other consideration units would be the north
2176 half of these three sections, but include that excluded area? Is that accurate?

2177

2178  **Braxton Blandford** 1:45:22

2179 That, that could, that could be a potential development plan.

2180

2181  **McClure, Dean, EMNRD** 1:45:27

2182 OK. Are you aware of any death severances within the Bone Spring within the
2183 proposed unit?

2184

2185  **Braxton Blandford** 1:45:35

2186 I'm not aware of Deb severances.

2187

2188  **McClure, Dean, EMNRD** 1:45:39

2189 OK. And does considering the excluded area, are you aware of any depth seferences
2190 within the Bone Spring in that area?

2191

2192  **Braxton Blandford** 1:45:48

2193 Outside of the excluded area.

2194

2195  **McClure, Dean, EMNRD** 1:45:51

2196 Within the excluded within the excluded area, are you aware of any death severances
2197 within the Bone Spring?

2198

2199  **Braxton Blandford** 1:45:51

2200 Or in.

2201 No, Sir.

2202

2203  **McClure, Dean, EMNRD** 1:46:13

2204 If I were to ask you to amend the form C-102 to include the pause points and
2205 resumption points for the perforations, do you understand what I'm asking for?

2206

2207  **Braxton Blandford** 1:46:25

2208 Yeah, yes, the the first and last perf outside of outside of the excluded area is what
2209 you're asking for.

2210

2211  **McClure, Dean, EMNRD** 1:46:36

2212 Yes, essentially I wanna know where you're pausing it before you go into the
2213 exclusion area and then when you're resuming perforations, when you leave the
2214 exclusion area, does that clarify?

2215

2216  **Braxton Blandford** 1:46:48

2217 I believe so.

2218

2219  **McClure, Dean, EMNRD** 1:46:50

2220 OK. Thank thank you, Mr. Bradford.

2221 Mr. Herring, examiner, if I could question the geologist now.

2222

2223  **Chakalian, Gregory, EMNRD** 1:46:57

2224 OK. And and who is that Miss McLean?

2225

2226  **Jaclyn M. McLean** 1:47:01

2227 Charles Crosby.

2228

2229  **Chakalian, Gregory, EMNRD** 1:47:03

2230 OK, Mr. Crosby.

2231

2232  **Braxton Blandford** 1:47:10

2233 Working.

2234 Sorry, my computer was not connecting, so I'm in the office next to Braxton, so I'm
2235 using his.

2236

2237  **Chakalian, Gregory, EMNRD** 1:47:19

2238 Perfect. Would you raise your right hand?

2239 You swear? A firm under penalty of perjury, that the testimony you're about to give is
2240 the truth, the whole truth, nothing but truth.

2241

2242  **Braxton Blandford** 1:47:28

2243 Yes.

2244

2245  **Chakalian, Gregory, EMNRD** 1:47:29

2246 All right, you can put your hand down now.

2247 How do you spell your name please?

2248

2249  **Braxton Blandford** 1:47:33

2250 Charles C.

2251 HARLES Crosby Crosby.

2252

2253  **Chakalian, Gregory, EMNRD** 1:47:41

2254 Have you been accepted as an expert before this division?

2255

2256  **Braxton Blandford** 1:47:44

2257 Yes, Sir.

2258

2259  **Chakalian, Gregory, EMNRD** 1:47:45

2260 In what field?

2261

2262  **Braxton Blandford** 1:47:47

2263 Geology.

2264

2265  **Chakalian, Gregory, EMNRD** 1:47:48

2266 OK, Mr. McClure.

2267

2268  **McClure, Dean, EMNRD** 1:47:52

2269 Thank you, Mr. Herring. Examiner, Mr. Crawford.

2270

2271  **Chakalian, Gregory, EMNRD** 1:47:57

2272 Crosby.

2273

2274  **McClure, Dean, EMNRD** 1:47:58

2275 A Crosby.

2276 Excuse me, I apologize.

2277 I was sending a message to Mr. Lowe.

2278

2279  **Braxton Blandford** 1:48:02

2280 You're good.

2281

2282  **McClure, Dean, EMNRD** 1:48:09

2283 Mr. Crosby, if I could draw your attention to your cross section in exhibit B3.

2284

2285  **Jaclyn M. McLean** 1:48:19

2286 I can share that.

2287

2288  **Braxton Blandford** 1:48:20

2289 Yes, Sir.

2290

2291  **Jaclyn M. McLean** 1:48:20

2292 Give me a second. I'll share the screen.

2293

2294  **McClure, Dean, EMNRD** 1:48:25

2295 Yeah, I think it's.

2296 I guess I don't have a page wrote in my notes.

2297 I just have exhibit B3.

2298

2299  **Jaclyn M. McLean** 1:48:31

2300 It's page 32 of the PDF.

2301 For me, I'll share this this the cross section here.

2302 It's let me see if I can.

2303 Fit it to one screen OK.

2304 Is this what you're looking at, Mr. McClure?

2305

2306  **McClure, Dean, EMNRD** 1:48:57

2307 Are you?

2308 Yes it is.

2309 Yes, it is M's McLean.

2310 Thank you, Mr. Crosby.

2311 Can you are you seeing what M's McLean is sharing on her screen?

2312

2313  **Braxton Blandford** 1:49:07

2314 Yes, Sir.

2315

2316  **McClure, Dean, EMNRD** 1:49:09

2317 Do you see that?

2318 That little map that shows your A to a prime.

2319 That's overlaying that cross section towards the bottom left there.

2320

2321  **Braxton Blandford** 1:49:20

2322 Yes, Sir.

2323

2324  **McClure, Dean, EMNRD** 1:49:22

2325 Can you remove that? If I ask you to remove that and submitted amended cross

2326 section without that, do you understand what I'm asking for?

2327

2328  **Braxton Blandford** 1:49:31

2329 Yes, you would just like me to take the reference map off the cross section.

2330

2331  **McClure, Dean, EMNRD** 1:49:36

2332 Yes, it is accurate to say that that exact same reference map is in the preceding page

2333 to this one. If in the exhibit, correct.

2334

2335  **Braxton Blandford** 1:49:45

2336 Yes, Sir.

2337

2338  **McClure, Dean, EMNRD** 1:49:47

2339 And I know I've made this comment to me.

2340 You Boren, in general, at least once and in about three to four dozen different cases.

2341 Is there any way that you could communicate to the rest of the geologists within

2342 newborns team to quit putting that little map overlaying their cross section?

2343

2344  **Braxton Blandford** 1:50:10

2345 I sure can.

2346

2347  **McClure, Dean, EMNRD** 1:50:13

2348 OK.

2349 Thank you.

2350 Mr. Crosby, were you a part of the team that was making the decision between doing
2351 a three mile well versus?

2352 A2 mile well and AU well.

2353

2354  **Braxton Blandford** 1:50:33

2355 I was part of the team that put together this well planned.

2356

2357  **McClure, Dean, EMNRD** 1:50:38

2358 Was AU turn well proposed within that or let me back up?

2359 Was AU turn well considered by a newborn?

2360

2361  **Braxton Blandford** 1:50:48

2362 No, Sir.

2363 Not to my knowledge.

2364

2365  **McClure, Dean, EMNRD** 1:50:51

2366 Why not?

2367 What?

2368

2369  **Braxton Blandford** 1:50:53

2370 We feel like this is the uh best way to efficiently develop the acreage.

2371 With a standard lay down horizontal.

2372

2373  **McClure, Dean, EMNRD** 1:51:13

2374 Understanding that it hadn't been discussed then.

2375 Here is here within the hearing.

2376 Do you have a reason why you believe?

2377 A single horizontal well would be better.
2378 Than having a horizontal well and AU turn well.

2379

2380  **Braxton Blandford** 1:51:35

2381 I apologize.

2382 You were breaking up in the first part of your question.

2383 Could you please repeat?

2384

2385  **McClure, Dean, EMNRD** 1:51:40

2386 OK.

2387 I sure will.

2388 I understand that the technical team hasn't discussed this previous to the hearing,
2389 but having said that, you being an expert here with us today.

2390 Do you see a reason why a single horizontal well will be preferable to having a
2391 horizontal well and AU turn well?

2392

2393  **Braxton Blandford** 1:52:05

2394 The single extended lateral horizontal well we believe would, you know, prevent
2395 waste as far as having you know it's it's more efficient in our view.

2396 And as an operator that's been.

2397 Incredibly active in this part of the basin, we feel like we've got a pretty good grip on
2398 the most efficient way to develop these reservoirs.

2399

2400  **McClure, Dean, EMNRD** 1:52:30

2401 Now when you reference prevention of waste, are you referring to recovering
2402 hydrocarbons or cost efficiency?

2403

2404  **Braxton Blandford** 1:52:42

2405 I would.

2406 I would say both. I mean we we think this is the best way to efficiently develop the
2407 reservoir.

2408 And I think our track record, you know in this part of the basin, we feel confident in
2409 that assumption.

2410

2411  **McClure, Dean, EMNRD** 1:53:01

2412 Both recovering hydrocarbons and efficiency.

2413 Can you elaborate on how it increases hydrocarbon recovery?

2414

2415  **Braxton Blandford** 1:53:13

2416 I guess what I was alluding to in that statement is we feel like this is the most
2417 effective and proven way to develop the second Bone spring sand in this area.

2418

2419  **McClure, Dean, EMNRD** 1:53:28

2420 I guess why do you feel a single horizontal well is more efficient to producing from
2421 the Bone Spring to in this area?

2422 Versus a horizontal well for the east portion and AU turn well for the West portion.

2423

2424  **Braxton Blandford** 1:53:38

2425 Umm.

2426 I would I guess I would say that your less surface locations.

2427 Your you know you're drilling a single well instead of I guess in your scenario, not
2428 ours. Instead of two 2 Millers and a usonl in the western portion of section 23.

2429

2430  **McClure, Dean, EMNRD** 1:54:10

2431 OK. But.

2432 Since this wasn't considered by me, you Boren, I guess.

2433 Clearly there hasn't been any cost analysis or anything like that done between the
2434 two scenarios.

2435 Is that correct?

2436

2437  **Braxton Blandford** 1:54:24

2438 Not to my knowledge.

2439

2440  **McClure, Dean, EMNRD** 1:54:37

2441 Ask Mr. Branford or.

2442 Your guys is land man.

2443 Just a bit ago.

2444 About the rest of the Bone Spring in this area, and possible proposes proposals for
2445 the Bone Spring one and the Bone Spring three as such.

2446 Are you aware of the status?

2447 Of any other wells proposed on spring in the area.

2448

2449  **Braxton Blandford** 1:55:03

2450 I'm not.

2451

2452  **McClure, Dean, EMNRD** 1:55:05

2453 OK.

2454 Thank you, Mr. Crosby.

2455 Mr. herring examiner.

2456 I don't think I have any more questions for the.

2457 Experts.

2458 But I do.

2459 I do wonder if we may want more from Miss McLean in regards to if we have any

2460 prior orders that she's aware of that the division has even issued in something similar

2461 to this.

2462

2463  **Chakalian, Gregory, EMNRD** 1:55:46

2464 Miss McLean.

2465

2466  **Jaclyn M. McLean** 1:55:49

2467 I mean, I think that that's not really properly before the examiners at this hearing,

2468 because we have separately as is provided for in the rules applied for

2469 administrative approval of the non standard spacing unit.

2470 And so perhaps that would be.

2471 Better done with Mr. Lowe.

2472 'Cause, I am sure he's the one reviewing that.

2473 All we've asked for is to pull this acreage.

2474 And I think that can be accomplished through this hearing and with an order from

2475 the division indicating that we have applied administrative leave for approval.

2476 Of the non standard spacing unit.

2477 And then you know the division can decide that question administratively.

2478 But there was no objection to our administrative application.

2479 So at this point, all that's needed for that is the division to decide.

2480 So I just, I just don't think that whether or not approval of a non standard spacing

2481 unit has been done or is appropriate.

2482 Is actually before the division today.

2483

2484  **Chakalian, Gregory, EMNRD** 1:57:15

2485 OK.

2486 Thank you, Mr. McClure.

2487 Do you want to discuss this offline or how do you want to proceed?

2488

2489  **McClure, Dean, EMNRD** 1:57:23

2490 I guess if I can reclarify my question to get one more response from Miss McLean,

2491 maybe Miss McLean, I guess a question.

2492

2493  **Chakalian, Gregory, EMNRD** 1:57:28

2494 Sure, go ahead.

2495

2496  **McClure, Dean, EMNRD** 1:57:32

2497 Maybe I can reclarify my question here.

2498 Are you aware of any other compulsory pooling order that the division is issued

2499 where it has two different areas that's not connected within the same order?

2500

2501  **Jaclyn M. McLean** 1:57:47

2502 I am not.

2503 I don't think anyone is.

2504

2505  **McClure, Dean, EMNRD** 1:57:52

2506 OK.

2507 Well, I mean, I guess that's my. Yeah, I was wondering if this is precedent setting, I

2508 guess is where I'm getting at or if like the OCC or the division is ruled on this concept

2509 in the past or this is the first time it's ever been before us.

2510

2511  **Chakalian, Gregory, EMNRD** 1:58:11

2512 Well, I think I think M's McLean has given you her answer.

2513

2514  **McClure, Dean, EMNRD** 1:58:14

2515 Yeah, she has.

2516

2517  **Chakalian, Gregory, EMNRD** 1:58:14

2518 You want to discuss this off?

2519 Why don't we take 5 minutes and discuss this offline? So we're going to have a 5

2520 minute break.

2521

2522  **McClure, Dean, EMNRD** 1:58:17

2523 Yeah.

2524

2525  **Chakalian, Gregory, EMNRD** 1:58:20

2526 It's 1024.

2527 We'll come back on the record at 10:29. Thank you.

2528

2529  **Jaclyn M. McLean** 1:58:24

2530 Thank you.

2531

2532  **Chakalian, Gregory, EMNRD** 2:02:35

2533 All right, Miss McLean, we are back.

2534 It is 10:29 AM on the 13th of November. We were just discussing your case.

2535 We will take it.

2536 No, we won't miss McLean.

2537 Please submit a revised hearing packet without the overlay.

2538

2539  **Jaclyn M. McLean** 2:02:54

2540 Oh, for exhibit B3.

2541

2542  **Chakalian, Gregory, EMNRD** 2:02:56

2543 Yes.

2544

2545  **Jaclyn M. McLean** 2:02:57

2546 OK.

2547 Great, yes.

2548 And I was just say we just for clarification Muvern has done this before.

2549 I believe we're we're looking.

2550

2551 **CE** **Chakalian, Gregory, EMNRD** 2:03:04

2552 Huh.

2553

2554 **JM** **Jaclyn M. McLean** 2:03:05

2555 It's the parkchester wells.

2556 We're not sure if it was pooled acreage that, but we are trying to get the APDS and
2557 things, but we can submit all that to Mr. Lowe if he has questions.

2558

2559 **CE** **Chakalian, Gregory, EMNRD** 2:03:13

2560 OK.

2561 Perfect. Perfect.

2562

2563 **JM** **Jaclyn M. McLean** 2:03:18

2564 So we can clarify that. And in the meantime.

2565

2566 **CE** **Chakalian, Gregory, EMNRD** 2:03:21

2567 Let's do this. M's McLean, let's do this.

2568 This case has to come back so that Mister McClure can review the exhibit without the
2569 overlay.

2570 Why don't you continue this case of the November 18 docket?

2571 Not sure what time that'll start.

2572 Probably won't start at 9:00.

2573 Probably will start at 10 or 11 or something like that on on next Tuesday.

2574 In the meantime, in the meantime, that gives you some time to explore.

2575 Any other cases that the division has?

2576 Has granted this type of compulsory pooling application. You can search through the
2577 database of orders if you like, it'll give Mr. McClain.

2578 Some time to do some more research as well and and please have your witnesses
2579 available. The geologist and the land man, just in case he has questions next
2580 Tuesday.

2581

2582 **JM** **Jaclyn M. McLean** 2:04:14

2583 Will do.

2584

2585 **CE Chakalian, Gregory, EMNRD** 2:04:15

2586 All right. Perfect then.

2587 And with that in mind, we will continue.

2588 Or well, you will continue this case to November 18 to continue the evidentiary
2589 hearing and we are off the record in this case.

2590

2591 **JM Jaclyn M. McLean** 2:04:29

2592 Thank you.

2593

2594 **CE Chakalian, Gregory, EMNRD** 2:04:30

2595 Thank you.

2596 Let's move on.

2597 Now it's 1030.

2598 Now let's move on now to Longfellow Energy.

2599 This is case number 25635.

2600

2601 **CS Catalano, Samantha** 2:04:43

2602 Good morning, Mr. Han. Examiner and Mr. McClure.

2603 Samantha Catalano of Spencer Fain, representing Longfellow Energy.

2604

2605 **CE Chakalian, Gregory, EMNRD** 2:04:50

2606 Good morning.

2607

2608 **CS Catalano, Samantha** 2:04:52

2609 Morning and I don't believe we have any other parties here this morning, Mr. Herring
2610 simmler.

2611

2612 **CE Chakalian, Gregory, EMNRD** 2:04:57

2613 Wonderful. And. And so did you enter an appearance?

2614 Was it miss Shaheen?

2615 And now it's you.

2616

2617 **CS Catalano, Samantha** 2:05:04

2618 Miss Shaheen is still counsel for Longfellow Energy, and I did enter an appearance
2619 yesterday.

2620

2621 **CE Chakalian, Gregory, EMNRD 2:05:07**

2622 OK.

2623 Oh, perfect.

2624 All right. Thank you.

2625 How do you spell your name?

2626 Since we don't, we've not heard from you before.

2627

2628 **CS Catalano, Samantha 2:05:14**

2629 Certainly.

2630 Certainly it's Samantha SA.

2631 MANTHA, Catalano Catalan, as in Nancy O.

2632

2633 **CE Chakalian, Gregory, EMNRD 2:05:25**

2634 OK. And are you in the Santa Fe office?

2635

2636 **CS Catalano, Samantha 2:05:28**

2637 Yes, I am.

2638

2639 **CE Chakalian, Gregory, EMNRD 2:05:28**

2640 All right, very good. OK.

2641 So why don't you present your case?

2642 We have you seen how we do it here by affidavit.

2643

2644 **CS Catalano, Samantha 2:05:37**

2645 Yes, Mr. Henry examiner. And this is my second time presenting before the division.

2646

2647 **CE Chakalian, Gregory, EMNRD 2:05:42**

2648 OK.

2649 Go right ahead.

2650

2651 **CS Catalano, Samantha 2:05:44**

2652 Thank you.

2653 And this application Longfellow seeks to pool all uncommitted mineral interests in
2654 the Yeso formation and a standard 640 acre more or less horizontal spacing and
2655 proration unit comprised of the north half of section 24, Township 20.
2656 Excuse me, Township 17 S, range 27 E and the north half of section 19 Township 17
2657 S, range 28 E and Eddy County, New Mexico.
2658 To drill 5/2 mile wells in the well family, Bonzo 1925 federal com ABX. We submitted
2659 our application package on November 6th which contains the self affirm statements
2660 of Landman, Stuart Gaston as exhibit A and geologist Jacob S de Hammer as Exhibit
2661 B, both of whose?
2662 Credentials have been qualified and accepted by the division as experts.
2663 Both are also here to answer any questions that the division may have.
2664 The self affirmed statements of Mr. Gaston and Mr. de Hammer have the usual
2665 exhibits attached.
2666 We timely sent out notice to all interested parties on September 19, 2025, and also
2667 published notice on September 23rd, 2025, which was timely. All of the notice
2668 materials are contained in exhibit CI now respectfully request that the exhibits be
2669 admitted into the record.
2670 And that this case be accepted under advisement at this time, and I will stand for any
2671 questions.

2672

2673 **CE Chakalian, Gregory, EMNRD 2:07:08**

2674 Alright, thank you miss Catalano.

2675 Can you tell me the experts? Have they been previously qualified by this division?

2676

2677 **CS Catalano, Samantha 2:07:16**

2678 Yes, Mr. Hanks, I know they have them.

2679

2680 **CE Chakalian, Gregory, EMNRD 2:07:18**

2681 Both of them.

2682

2683 **CS Catalano, Samantha 2:07:20**

2684 Yes, Sir.

2685 And they are also here as well.

2686

2687 **CE Chakalian, Gregory, EMNRD 2:07:22**

2688 Perfect. Thank you.

2689 Alright, without exception. Miss Catalano, Mr. McClure questions.

2690

2691  **McClure, Dean, EMNRD** 2:07:29

2692 Oh, thank you, Ms. Mary examiner.

2693 I do have questions for the land man.

2694

2695  **Chakalian, Gregory, EMNRD** 2:07:32

2696 Great. Would you call your land man?

2697

2698  **Catalano, Samantha** 2:07:34

2699 Yes, I believe that Mister Stewart Gaston is on the line with us.

2700

2701  **Stuart Gaston** 2:07:41

2702 Yes.

2703

2704  **Chakalian, Gregory, EMNRD** 2:07:42

2705 When you turn your camera, there we go.

2706 OK. Would you raise your right hand?

2707 You swear affirm under penalty of perjury, that the testimony you're about to give is
2708 the truth.

2709 The whole truth and nothing but the truth.

2710

2711  **Stuart Gaston** 2:07:53

2712 Yes, Sir, I do.

2713

2714  **Chakalian, Gregory, EMNRD** 2:07:55

2715 Thank you.

2716 You can put your hand down.

2717 Spell your name for the record.

2718

2719  **Stuart Gaston** 2:07:58

2720 It is Stewart Stuart Gaston Gaston.

2721

2722  **Chakalian, Gregory, EMNRD** 2:08:05

2723 And you've been previously qualified as an expert before this division.

2724

2725  **Stuart Gaston** 2:08:09

2726 Yes, Sir, I have.

2727

2728  **Chakalian, Gregory, EMNRD** 2:08:10

2729 In what field?

2730

2731  **Stuart Gaston** 2:08:11

2732 In petroleum Land Management.

2733

2734  **Chakalian, Gregory, EMNRD** 2:08:13

2735 Perfect, Mr. McClure.

2736

2737  **McClure, Dean, EMNRD** 2:08:15

2738 Thank you, Mr. Herring. Examiner, Mr. Gaston, are you familiar with?

2739 The interest that may be owned by Canon expiration company.

2740

2741  **Stuart Gaston** 2:08:28

2742 Yes, Sir, I am.

2743

2744  **McClure, Dean, EMNRD** 2:08:29

2745 Can you provide?

2746 A little bit more details I guess about that potential interest.

2747

2748  **Stuart Gaston** 2:08:36

2749 Yes, Sir. We believe that it's a contractual interest across the West half of section 24.

2750 Specifically, their interest derived from the Southwest quarter of the section, which is
2751 not a part of this.

2752 Compulsory pooling order.

2753

2754  **McClure, Dean, EMNRD** 2:08:59

2755 So then they don't own an interest in the proposed unit.

2756

2757  **Stuart Gaston** 2:09:05

2758 Examine the answer. I'm going to have to wait till our division or title opinion comes
2759 out, but we included them on the notice as a as a catch all.

2760 They did not own.

2761 A leasehold interest in the Northwest quarter of Section 24.

2762

2763  **McClure, Dean, EMNRD** 2:09:27

2764 But did I hear you correctly that you're still doing research into the matter then?

2765

2766  **Stuart Gaston** 2:09:33

2767 Yes, Sir, we are.

2768

2769  **McClure, Dean, EMNRD** 2:09:35

2770 And when do you?

2771

2772  **Stuart Gaston** 2:09:35

2773 And we will defer to.

2774

2775  **McClure, Dean, EMNRD** 2:09:38

2776 So when do you think that?

2777 Research will be concluded.

2778

2779  **Stuart Gaston** 2:09:43

2780 Shortly, Sir, we we've submitted our all of our title material to our division order or
2781 title attorneys and we'll be.

2782 Having an answer, you know in short order.

2783

2784  **McClure, Dean, EMNRD** 2:10:01

2785 Not a specific time frame, but just like a magnitude of time.

2786 Are we talking like tomorrow? Next week, next month? Six months from now.

2787

2788  **Stuart Gaston** 2:10:12

2789 You know, course of business, of getting the division Ware title opinion maybe 4-6
2790 months if if the Court needs us to have an expedited answer on this particular

2791 matter, we can certainly request that from our title attorneys and.
2792 Might have a a expedited answer quicker than the four to six month time period.

2793

2794  **McClure, Dean, EMNRD** 2:10:36

2795 OK, now of the interest that can and may potentially own.
2796 Who are you contributing that interest to currently?

2797

2798  **Stuart Gaston** 2:10:46

2799 Currently, Sir bear with me. It would be the other owners in that.
2800 Contract area, particularly Andrews oil pin Rock Oil and I believe it was Hill court.
2801 So it if you can.
2802 I'm I'm looking at the exhibit page right now, Sir.
2803 It would be tracked or unit tracked 7.
2804 So Riley, sorry, I I sent hillcorp. I meant Riley.
2805 I apologize.
2806 Andrew's penrock, Longfellow and Riley in unit track 7 on. I guess that is page thirty
2807 of one.
2808 113.

2809

2810  **McClure, Dean, EMNRD** 2:11:37

2811 OK.
2812 Thank you, Mr. Ads, and I do see what you're referring to like. This is like your table
2813 of interest for each of the different tracks. So there's.
2814 Five different persons listed there, correct?

2815

2816  **Stuart Gaston** 2:11:52

2817 That is correct, Sir. Yes, Sir.

2818

2819  **McClure, Dean, EMNRD** 2:11:56

2820 So then if they own an interest, how much interest is would that be?

2821

2822  **Stuart Gaston** 2:12:04

2823 It.

2824 Was, you know, I think similar interest to Andrews and Penrock so.

2825

2826  **McClure, Dean, EMNRD** 2:12:15

2827 OK, I see in your foot.

2828 Oh, go ahead. Sure.

2829

2830  **Stuart Gaston** 2:12:18

2831 Oh, sorry. Sorry. Maybe.

2832 Sub.

2833 A small interest. Yes, Sir.

2834

2835  **McClure, Dean, EMNRD** 2:12:27

2836 OK.

2837 I don't say I see in your foot note at the like just below this table you reference.

2838 10% of the interest shown in record and Scott Wilson and Richard Barr. Does that

2839 mean that they potentially own 10% of what you're contributing to somebody else

2840 here or not?

2841

2842  **Stuart Gaston** 2:12:48

2843 No, Sir. I believe that interest was split up between multiple parties that that 10% was
2844 split up into multiple parties.

2845

2846  **McClure, Dean, EMNRD** 2:12:49

2847 OK.

2848 OK.

2849 So is it potentially that they owned a total of 10% in that track? Is that correct?

2850

2851  **Stuart Gaston** 2:13:09

2852 I'd have to go back and look, Sir, but I do not believe it was as high as 10%.

2853

2854  **McClure, Dean, EMNRD** 2:13:17

2855 Whatever percentage they potentially own currently, you just have it split out equally
2856 among the other owners.

2857 Is that correct?

2858

2859  **Stuart Gaston** 2:13:30

2860 I would need to investigate further and again you know we'll have a title opinion that
2861 completely identifies the ownership there.

2862

2863  **McClure, Dean, EMNRD** 2:13:45

2864 OK. I guess if I were to tell you that.

2865 The information I would like to.

2866 See is what interest is in dispute currently? If I were to ask you to provide us with.

2867 Some sort of supplemental or in addition to one of these existing exhibits that kind
2868 of breaks that out.

2869 Do you understand what I would be asking for?

2870

2871  **Stuart Gaston** 2:14:13

2872 I do and and I can pull up some ownership reports right now to try and give you the
2873 correct answer if you'll bear with me for two seconds, I'll pull it up.

2874 Let me get back into on this one, Sir, and I can give you a correct answer.

2875

2876  **McClure, Dean, EMNRD** 2:15:10

2877 OK, Mr. Gaston.

2878 It looks like there's an incorrect pool included on the form C-102's. If I were to ask for
2879 those to be amended to include the correct pool, do you understand what I'm asking
2880 for?

2881

2882  **Stuart Gaston** 2:15:26

2883 I can certainly relay that to a regulatory group and get those corrected.

2884

2885  **McClure, Dean, EMNRD** 2:15:32

2886 A very good and if you have a pen and paper I can provide you with that poo code
2887 and pull for that.

2888

2889  **Stuart Gaston** 2:15:38

2890 Absolutely, yes, Sir.

2891

2892  **McClure, Dean, EMNRD** 2:15:40

2893 OK, the correct pool would be the Red Lake Goriotta Yazo northeast and the pool
2894 code for that is.

2895 9/6.

2896 836.

2897

2898  **Stuart Gaston** 2:15:56

2899 836.

2900

2901  **McClure, Dean, EMNRD** 2:15:58

2902 Yes, Sir.

2903 Umm.

2904 Mr. Herring examined.

2905 I don't have any further.

2906 Thank you, Mr. Gaston.

2907 Mr. Herring, examiner, I don't have any further questions for the experts.

2908

2909  **Stuart Gaston** 2:16:09

2910 Thank you.

2911

2912  **McClure, Dean, EMNRD** 2:16:12

2913 I'd only ask that they provide that supplemental exhibit.

2914 We were just discussing and corrected form C102's.

2915

2916  **Chakalian, Gregory, EMNRD** 2:16:20

2917 OK. And miss catalano.

2918 Can you do that by tomorrow?

2919 Close of business.

2920

2921  **Catalano, Samantha** 2:16:30

2922 So Mr. hearing examiner, just to confirm the request by tomorrow, close of business

2923 is for the supplement to the exhibits that discusses the breakup and interest in the

2924 dispute and also the corrected C10.

2925 Two, is that correct?

2926

2927  **Chakalian, Gregory, EMNRD** 2:16:43

2928 Mr. McClure.

2929

2930  **McClure, Dean, EMNRD** 2:16:45

2931 Yes, that is correct.

2932

2933  **Chakalian, Gregory, EMNRD** 2:16:47

2934 Miss catalano.

2935

2936  **Catalano, Samantha** 2:16:49

2937 I believe that is that we can do that by tomorrow, close up day.

2938 Yes, Sir.

2939

2940  **Chakalian, Gregory, EMNRD** 2:16:52

2941 All right. So the case is not taken under advisement yet.

2942 We need that amended exhibit packet with cover letter with those changes that you
2943 just confirm with Mr. McClure, and you need to move this case to the November 18
2944 docket if you want us to hear it again in in a timely fashion.

2945

2946  **Catalano, Samantha** 2:17:16

2947 Mr.

2948 Hearing examiner to move the case to that docket.

2949 Should I file a motion requesting that?

2950

2951  **Chakalian, Gregory, EMNRD** 2:17:23

2952 I believe that's how it works.

2953 Fred, do you? Would you give her some information?

2954

2955  **Tschantz, Freya, EMNRD** 2:17:29

2956 Yes, it is a Filene.

2957 There's \$150.00 filing fee for a motion to continue, and it's submitted as other filings
2958 are through the permitting portal.

2959

2960  **Catalano, Samantha** 2:17:40

2961 OK.

2962 Thank you.

2963

2964  **Chakalian, Gregory, EMNRD** 2:17:42

2965 And then the Freya is the amended exhibit packet that she's filing.

2966 Is it also filed at the same time as the motion to continue or is it a separate issue?

2967

2968  **Tschantz, Freya, EMNRD** 2:17:53

2969 It would be a separate filing.

2970

2971  **Chakalian, Gregory, EMNRD** 2:17:55

2972 OK.

2973 OK. And Freya, if she filed the exhibit packet.

2974 By close of business 5:00 PM tomorrow, there's no fee for that, right?

2975

2976  **Tschantz, Freya, EMNRD** 2:18:10

2977 There are only fees for the motion to continue and the application to initiate the
2978 case.

2979

2980  **Chakalian, Gregory, EMNRD** 2:18:15

2981 OK.

2982 Very good.

2983 All right, if she filed the motion to continue on Monday, would that still get it on

2984 Tuesday's docket?

2985

2986  **Tschantz, Freya, EMNRD** 2:18:27

2987 I would like to prepare a worksheet on Monday so if she could file it early Monday.

2988

2989  **Chakalian, Gregory, EMNRD** 2:18:30

2990 All right.

2991

2992  **Tschantz, Freya, EMNRD** 2:18:34

2993 No later than noon.

2994

2995  **Chakalian, Gregory, EMNRD** 2:18:34

2996 OK.

2997 All right. OK, Ms. Catalano.

2998

2999 **CS Catalano, Samantha** 2:18:39

3000 Yes, thank you, Mr. Herring. Zimmer.

3001

3002 **CE Chakalian, Gregory, EMNRD** 2:18:41

3003 All right, we're off the record in this case.

3004 Thank you.

3005 Moving on to Mr. NM operating 25642.

3006

3007 **JM Jaclyn M. McLean** 2:18:50

3008 On behalf of MRNM.

3009

3010 **CE Chakalian, Gregory, EMNRD** 2:18:52

3011 Thank you.

3012

3013 **PV Paula M. Vance** 2:18:54

3014 Good morning, Mr. Heringy examiner Paula Vance with the Santa Fe Office of
3015 Holland and Hart, on behalf of Mac Energy Corporation, and we are objecting to this
3016 case moving forward.

3017

3018 **CE Chakalian, Gregory, EMNRD** 2:19:03

3019 Right. We received your objection.

3020 I think it was yesterday.

3021

3022 **PV Paula M. Vance** 2:19:07

3023 Correct.

3024

3025 **CE Chakalian, Gregory, EMNRD** 2:19:08

3026 All right, now this was a case in which we've seen this case before and there was, was
3027 there an objection before when we heard it in October or is this the first objection?

3028

3029 **JM Jaclyn M. McLean** 2:19:21

3030 There is an injection.

3031

3032 **PV Paula M. Vance** 2:19:21

3033 There wasn't a there was an objection and we withdrew it in good faith. However,
3034 those negotiations stalled out and so we have renewed our objection and we would
3035 ask that this be set for a status conference along with our case, which is set for a
3036 status conference next.

3037

3038  **Chakalian, Gregory, EMNRD** 2:19:30

3039 OK.

3040

3041  **Paula M. Vance** 2:19:40

3042 Week so we can discuss scheduling and contested hearing.

3043

3044  **Chakalian, Gregory, EMNRD** 2:19:44

3045 And what is your case?

3046 Number Miss Vance.

3047

3048  **Paula M. Vance** 2:19:47

3049 Oh, I wrote down.

3050 It's 25698.

3051

3052  **Chakalian, Gregory, EMNRD** 2:19:53

3053 Freya, would you join those two cases?

3054

3055  **Tschantz, Freya, EMNRD** 2:19:57

3056 Yes.

3057

3058  **Chakalian, Gregory, EMNRD** 2:19:59

3059 All right, Miss McLean.

3060

3061  **Jaclyn M. McLean** 2:20:01

3062 Yes. And we filed an objection to that case already.

3063

3064  **Chakalian, Gregory, EMNRD** 2:20:04

3065 OK.

3066

3067  **Jaclyn M. McLean** 2:20:07

3068 And we would just like to see this get set for a contested hearing.
3069 We didn't want to mess around to begin with, and we don't want to keep doing it.

3070

3071 **CE Chakalian, Gregory, EMNRD 2:20:10**

3072 Sorry.

3073 OK.

3074 So, Miss Vance, I know that.

3075 Your your case is coming up when. When did you say it was coming up?

3076

3077 **PV Paula M. Vance 2:20:26**

3078 Oh, it was.

3079 Well, we did file it through this hearing. However, as Miss McLean said, she objected.

3080 Or Mr. New Mexico objected.

3081 And so it's on the status conference for 11/20 next correct next week.

3082

3083 **CE Chakalian, Gregory, EMNRD 2:20:40**

3084 The 20th I see, OK.

3085 Well, I know that we'll hear your case then, but why don't we discuss possible.

3086 I mean, you have three dates.

3087 You have two dates in January that Miss Chance send out earlier.

3088 And you have one date in February. So I'm gonna start with Miss McLean. Miss

3089 McClain.

3090

3091 **JM Jaclyn M. McLean 2:21:03**

3092 Any of the earlier, the better.

3093

3094 **CE Chakalian, Gregory, EMNRD 2:21:05**

3095 Right, I figured you'd say that.

3096 Yes, that'd be the January 13 docket.

3097 It's a trailing docket.

3098 There's already 3 cases on it, if I'm not mistaken.

3099 But you know how these cases go?

3100 They evaporate as as as we get closer to the hearing date, they miraculously

3101 evaporate.

3102 So Miss Vance, January 13.

3103

3104 **PV Paula M. Vance** 2:21:26

3105 No, we would like to push out to the latest possible date, which is that February 10th.
3106 And so I would like to, you know, I'm not sure if Miss McLean is aware, but Mack has
3107 had several conversations with XTO.
3108 They've been meeting with XTO, who is the interest holder for the contested
3109 overlapping acreage, and Mac is looking to acquire that acreage.
3110 But now it's my understanding has verbal.
3111 Support from XTO and so you know I would like the reason why I'm asking for the
3112 latest possible date is similar to how we withdrew our objection before to engage in
3113 good faith negotiations. We would like to allow for time for the parties to negotiate
3114 and so perhaps.
3115 Maybe Miss McLean can take that information and talk with her client and we can
3116 maybe agree to a later contested hearing date at least later than that first initial one.
3117 In January.

3118

3119 **CE Chakalian, Gregory, EMNRD** 2:22:28

3120 McLean.

3121

3122 **JM Jaclyn M. McLean** 2:22:30

3123 I think you know we are not of the same opinion that Mac is trying to negotiate in
3124 good faith that we have our own sets of discussions.
3125 Everyone's discussing everything.
3126 This is why we just need to get it set.
3127 Put it all out there in front of the division.
3128 It will all come to light, I'm sure as we get closer.
3129 If they are discussing, then we'll do a deal. If they aren't, then let's get the division to
3130 weigh in on it. So.
3131 I MRNM.
3132 Has been trying to get this set for hearing Mac only filed their application after we'd
3133 already filed ours and we would like to get this set on the January 13th hearing date.
3134 You know, if we can come to an agreement, great. But let's put pressure on everyone
3135 and let's get this set.
3136 We're tired of the delay.

3137

3138 **CE** **Chakalian, Gregory, EMNRD** 2:23:22

3139 Miss McLean, when was? When was your case filed?

3140

3141 **JM** **Jaclyn M. McLean** 2:23:26

3142 Our case was filed.

3143 Let me get the original.

3144 Sorry.

3145 Got lots of screens open today with the various.

3146 The various hearings.

3147 Better get my screen to 5-6.

3148 Before I skip.

3149 We filed our application.

3150 On September 9th.

3151

3152 **CE** **Chakalian, Gregory, EMNRD** 2:24:02

3153 OK, September 9 and that means you sent out well proposals the month before?

3154

3155 **JM** **Jaclyn M. McLean** 2:24:10

3156 I believe they were sent out even before that.

3157 Honestly.

3158 I can find that for you if you give me one second.

3159

3160 **CE** **Chakalian, Gregory, EMNRD** 2:24:23

3161 Yeah, sure.

3162 Go ahead.

3163 I'm curious how long Mac has been aware of your proposal.

3164

3165 **PV** **Paula M. Vance** 2:24:31

3166 Well, we would not have received it.

3167

3168 **JM** **Jaclyn M. McLean** 2:24:34

3169 Yeah, because they don't own an interest in our acreage.

3170

3171 **CE Chakalian, Gregory, EMNRD** 2:24:34

3172 Both wooden.

3173

3174 **PV Paula M. Vance** 2:24:38

3175 Similar similar to MRNM would not have received our proposals because they don't
3176 own an interest in the overlapping acreage either.

3177

3178 **CE Chakalian, Gregory, EMNRD** 2:24:38

3179 OK.

3180 Right.

3181 I understand.

3182 I remember that now.

3183 So, Miss Miss Vance, when so miss, Miss McLean, you don't need to tell me when you
3184 said that.

3185 Well, proposals, because of what Miss Vance just alerted me to and reminded me of
3186 that neither party has that overlapping acreage interest.

3187 Miss Vance, when did you become aware of?

3188 Of M.

3189 RMRNM operatings proposal.

3190

3191 **PV Paula M. Vance** 2:25:19

3192 So myself getting involved was at the end of September, it looks like and may I just
3193 add one thing regarding the the negotiations.

3194

3195 **CE Chakalian, Gregory, EMNRD** 2:25:26

3196 OK.

3197

3198 **PV Paula M. Vance** 2:25:33

3199 So I so Mac has engaged in good faith negotiations.

3200

3201 **CE Chakalian, Gregory, EMNRD** 2:25:33

3202 Sure.

3203

3204 **PV Paula M. Vance** 2:25:37

3205 They did reach out to Miss MRNM, but the only feedback that Mr. and M said
3206 provided was telling.
3207 Mac that they needed to shorten their laterals rather than having any sort of fruitful
3208 negotiation.
3209 And that is not fruitful. Negotiations for the parties to try to accommodate one
3210 another so that that's not true. And that's where the that's where the negotiations
3211 stalled out. Now, again, I think, you know, I understand that they want to move
3212 forward.

3213

3214 **CE Chakalian, Gregory, EMNRD** 2:25:58

3215 OK.

3216

3217 **PV Paula M. Vance** 2:26:06

3218 We would like a later date, so I would propose split the baby and let's agree to the
3219 January 27th date.

3220

3221 **CE Chakalian, Gregory, EMNRD** 2:26:14

3222 OK, Miss Miss McLean had hold. Hold on. Miss Vance. Miss McLean, had you heard
3223 about that?

3224

3225 **PV Paula M. Vance** 2:26:14

3226 And and I and.

3227

3228 **CE Chakalian, Gregory, EMNRD** 2:26:21

3229 What Miss Vance just added about the negotiations?

3230

3231 **JM Jaclyn M. McLean** 2:26:26

3232 I mean, I think that.

3233 That's true that the MRNM proposed that, however, Miss Vance has told me so many
3234 times, like, oh, they've been reaching out. They've been reaching out.

3235 And Mac has not continued to reach out.

3236 I do think that Mac was aware of these proposals well ahead of this hearing because
3237 they are related by blood.

3238 Or company structure.

3239 Something to Chase who holds an interest and that's how Matt got tipped off on this

3240 and they wanted a piece of the pie too, so.
3241 There are some other dealings happening kind of behind the scenes and the an
3242 MRNM had begun talking to chase.
3243 A year ago, you know a really long time ago.
3244 And they have had discussions with Chase, who did own this interest.
3245 Now it is like reverting.
3246 It to XTO through contract stop. You know it's all very, very complicated.
3247

3248 **CE** **Chakalian, Gregory, EMNRD** 2:27:33
3249 OK.

3250

3251 **JM** **Jaclyn M. McLean** 2:27:34

3252 So this has been going on for some time.
3253 Which is why you know we want to get it heard and asking someone to split the
3254 baby happens all the time.
3255 The division even asks people to do that in their orders.
3256 So you know I I.
3257 We're available.
3258 At anytime I would like to get this set as soon as possible.
3259 This has been dragging on Mac.
3260 Entered an objection. You know, at the hearing, the day before the hearing, the last
3261 go around.
3262 Now they've done it again. Like when is this gonna end?
3263 So let's just get it set.
3264 I'm sorry if they want to stall further, but I just don't think that's acceptable.
3265

3266 **CE** **Chakalian, Gregory, EMNRD** 2:28:19

3267 OK, I've heard from both parties. I've made-up my mind.
3268 Miss. Miss McLean, I'm gonna set it for the 2nd docket in January the 27th. However,
3269 if witnesses are not available, then I'll set it for the 13th.
3270 But I will not set it for the February docket.
3271 So it is up to the parties to notify the division.
3272 We'll issue a pre hearing order.
3273 We will join both cases together for the pre hearing order.
3274 It'll be January 27 will be that hearing date, but if parties let me know that their

3275 witnesses are not available on that day, we will pick the alternate day which will be
3276 the sooner day of January the 13th.

3277 Miss Vance, anything further?

3278

3279 **PV Paula M. Vance** 2:29:10

3280 I know that works for us.

3281 Thank you.

3282

3283 **CE Chakalian, Gregory, EMNRD** 2:29:12

3284 All right. And and just to let the parties know, I I won't be continuing this hearing.

3285 This is this is, as Miss McLean said, has been ongoing even before it got to the to the
3286 division in September.

3287 It's been two months now. You're it'll be another two months.

3288 So this will be on our docket for almost five months at that point.

3289 It's getting old, so anything further, Miss McLean?

3290

3291 **JM Jaclyn M. McLean** 2:29:37

3292 No, thank you.

3293

3294 **CE Chakalian, Gregory, EMNRD** 2:29:38

3295 All right.

3296 Thank you.

3297 We're off the record.

3298 In that case, let's move on to Civitas Permian.

3299 These are two cases.

3300 256-442-5651.

3301

3302 **GG Gabrielle Gerholt** 2:29:53

3303 Thank you, Mr. Hein. Examiner Gabriel Gerhol, on behalf of Cibitas Permian

3304 Operating LLC and no other appearances have been entered in these matters.

3305

3306 **CE Chakalian, Gregory, EMNRD** 2:30:03

3307 Go right ahead.

3308

3309 **GG Gabrielle Gerholt** 2:30:04

3310 Thank you. In case number 25644, we are requesting an additional year to drill the
3311 Modelo 2223 Fed COM 211 H that has been dedicated to a standard 640 acre
3312 horizontal well spacing unit within the purple Sage Wolfcamp gas pool.
3313 In the South half of sections 22 and 23, Township 24 S range 26 E.
3314 Eddy County and case number 25651.
3315 We are also requesting an additional year to drill the Modelo 2223 Fed COM 131 H
3316 that has been dedicated to its standard 640 acre horizontal well spacing unit within
3317 the Willow Lake Bone Spring W, which is limited by a bone spring form.
3318 Depth severance from the stratigraphic equivalent of 8062 feet to the base of the
3319 Bone Spring formation.
3320 And the South half of sections 22 and 23, again Township 23.
3321 Excuse me.
3322 24 S.
3323 Range 26 E.
3324 The evidence packets for these cases include copies of the applications, the original
3325 pooling orders, the self affirm, statements of Landman, Gianna Romero.
3326 M's Romero has previously testified and has been recognized as an expert expert
3327 before the division, and she is available today. If there are questions, Miss Romero's
3328 statement is exhibit C and includes all the standard land exhibits.
3329 Exhibit D is myself affirmed statement of notice.
3330 With a copy of the letter that was timely mailed on September 17th 2025 to all
3331 interest owners within the unit.
3332 In addition, we published notice and you'll find our notice of publication affidavit
3333 included as Exhibit E, which was timely published on October 2nd, 2025. And unless
3334 there's any questions, I would respectfully request that all exhibits and sub exhibits
3335 be admitted into the record and that these.
3336 Cases be taken under advisement.

3337

3338 **CE Chakalian, Gregory, EMNRD 2:32:03**

3339 Thank you, Miss Gerholt admitted. Without objection and taken under advisement
3340 for both of them. Thank you.

3341

3342 **GG Gabrielle Gerholt 2:32:10**

3343 Thank you.

3344

3345 **CE Chakalian, Gregory, EMNRD** 2:32:11

3346 Moving on to mubar oil, this is number 19 on our docket.

3347 It is 25648.

3348 It is joined with 25649 and 50.

3349

3350 **PV Paula M. Vance** 2:32:25

3351 Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland
3352 and Hart, on behalf of the applicant, Mubarn Oil company.

3353 And I just wanted to draw attention.

3354 Did you say you need to stop at 11?

3355

3356 **CE Chakalian, Gregory, EMNRD** 2:32:37

3357 11:30 thank you.

3358

3359 **PV Paula M. Vance** 2:32:38

3360 Oh, OK, OK.

3361 I just wanted OK in all three of the.

3362

3363 **CE Chakalian, Gregory, EMNRD** 2:32:42

3364 I believe we have another entry of appearance in your case ending in 50.

3365

3366 **PV Paula M. Vance** 2:32:48

3367 No.

3368 Yes, we do, Mr. Holiday.

3369 I think he's he was on me.

3370

3371 **BH Benjamin Holliday** 2:32:56

3372 Hey, guys. Can you hear me?

3373 Apologies, didn't know these were combined together.

3374 Ben Holiday, entering an appearance on behalf of Energy in case number 25650 only.

3375 We're just observing.

3376

3377 **CE Chakalian, Gregory, EMNRD** 2:33:10

3378 And how do you say the name of that energy company?

3379

3380 **BH Benjamin Holliday** 2:33:13

3381 I knew you were gonna ask that.

3382 Iqis. It's a Greek word.

3383

3384 **CE Chakalian, Gregory, EMNRD** 2:33:16

3385 OK.

3386 Thank you, Sir.

3387 I couldn't help myself.

3388

3389 **BH Benjamin Holliday** 2:33:20

3390 Yes, Sir.

3391

3392 **CE Chakalian, Gregory, EMNRD** 2:33:20

3393 All right, go ahead, Miss Vance.

3394

3395 **BH Benjamin Holliday** 2:33:21

3396 Yeah, I believe me.

3397 I've asked many times.

3398

3399 **CE Chakalian, Gregory, EMNRD** 2:33:25

3400 Is Vance.

3401

3402 **PV Paula M. Vance** 2:33:27

3403 Oh, thank you. OK.

3404 So in all three of these cases, we're just opening to pool additional parties. So in each
3405 of the application or each of the hearing packets, rather we included a copy of the
3406 applications, the original orders.

3407 And those dates are various between June and July of this year. And then we also
3408 included a statement from our Landman, Peyton Warren, who has previously testified
3409 before the division, and her credentials have been accepted as a matter of record.

3410 We included a land track map, a updated pulling exhibit, as well as a.

3411

3412 **CE Chakalian, Gregory, EMNRD** 2:34:01

3413 Miss Vance, we know what's in the packet. Thank you.

3414 Let me ask you a question about the notice. Is it time?

3415 Is it timely?

3416

3417  **Paula M. Vance** 2:34:08

3418 It is timely.

3419

3420  **Chakalian, Gregory, EMNRD** 2:34:09

3421 When when did you send out notice?

3422

3423  **Paula M. Vance** 2:34:12

3424 Notice went out on the letter September 19th, 2025.

3425 I almost said 23.

3426

3427  **Chakalian, Gregory, EMNRD** 2:34:17

3428 Perfect and publication.

3429

3430  **Paula M. Vance** 2:34:19

3431 Publication was September between September 23rd and 25th across the three

3432 different cases 20/20/25 or 2025.

3433

3434  **Chakalian, Gregory, EMNRD** 2:34:28

3435 Perfect then.

3436 We'll then we'll admit your exhibits without without any protest, and we'll take your

3437 three cases under advisement.

3438

3439  **McClure, Dean, EMNRD** 2:34:36

3440 I'm Mr. hearing examiner. Before we take one of the case.

3441

3442  **Paula M. Vance** 2:34:36

3443 Thank you.

3444

3445  **Chakalian, Gregory, EMNRD** 2:34:38

3446 Sorry, Mr.

3447 Sorry, Mr. McClure.

3448

3449  **McClure, Dean, EMNRD** 2:34:42

3450 Mr. Herring, examiner, before we take one of the cases under advisement, can I ask a
3451 clarifying question of Miss Vance for it?

3452

3453  **Chakalian, Gregory, EMNRD** 2:34:48

3454 By all means, which case.

3455 Which case are we are?

3456 We are you asking about?

3457

3458  **McClure, Dean, EMNRD** 2:34:51

3459 This case docket #20 case 25649.

3460

3461  **Chakalian, Gregory, EMNRD** 2:34:57

3462 Go right ahead.

3463

3464  **McClure, Dean, EMNRD** 2:34:59

3465 I thank you, Mr. Herring. Examiner, Miss Vance.

3466 There appears that notice was conducted September 19th and then again on
3467 October 24th for this case.

3468 Is that accurate?

3469

3470  **Paula M. Vance** 2:35:12

3471 Yes, and I believe it was because there was an updated address that's correct.

3472 There was an updated address for one of the parties and mubar, and that's Miss
3473 Carol Schumat.

3474 SHUMATE.

3475 And and my understanding is that the land man is in communication with that party.

3476

3477  **McClure, Dean, EMNRD** 2:35:34

3478 OK. And the notice spreadsheet for the October 24th?

3479 Notice this would be the second one, the one on page 31 of 33. Is that correct?

3480

3481  **Paula M. Vance** 2:35:46

3482 Correct. And it's showing that it's delivered at and signed for.

3483

3484  **McClure, Dean, EMNRD** 2:35:52

3485 OK. Thank. Thank you, Ms. fan. So thank you.

3486 M's Examiner that was the only clarifying question I wanted on the record.

3487

3488  **Chakalian, Gregory, EMNRD** 2:35:57

3489 Thank you. OK, Ms. Vance.

3490 We're off the record in those three cases. Thank you.

3491

3492  **Paula M. Vance** 2:36:02

3493 Perfect.

3494

3495  **Chakalian, Gregory, EMNRD** 2:36:03

3496 I'm now gonna move to some more of your cases.

3497 These are matador production.

3498 There are several cases. I'll read the case numbers 256-525-3545, 657-5859 and 60.

3499

3500  **Paula M. Vance** 2:36:17

3501 Good morning, Mr. hearing examiner. Mr. McClure paulavance with the Santa Fe

3502 Office of Holland and Hart, on behalf of the applicant, MRC Permian Company.

3503 These are all extensions and I believe that.

3504 Miss that Hardy McLean has entered an appearance on behalf of a party.

3505

3506  **Yarithza Peña** 2:36:34

3507 Good morning, Mr. hearing examiner.

3508 This is yadita penya with Hardy McLean on behalf of PB EXLC only in case 25653 and

3509 we are not objecting.

3510 We're just monitoring.

3511

3512  **Chakalian, Gregory, EMNRD** 2:36:46

3513 Perfect M's Vance.

3514

3515  **Yarithza Peña** 2:36:47

3516 Thank you.

3517

3518  **Chakalian, Gregory, EMNRD** 2:36:50

3519 These cases look good.

3520 Why don't you give me a sentence or two about them so we can take them under

3521 advisement?

3522

3523  **Paula M. Vance** 2:36:56

3524 OK.

3525 There are extensions, there's no objections. Notice was timely.

3526 September 19th, 2025 for the letter and affidavit was September 25th through the

3527 26th for all of the cases, 2025, unless there were any questions, I would ask that the

3528 exhibits and the exhibits in the statement be accepted as a matter of record.

3529

3530  **Chakalian, Gregory, EMNRD** 2:37:03

3531 Perfect.

3532

3533  **Paula M. Vance** 2:37:17

3534 And the cases be taken under advisement.

3535

3536  **Chakalian, Gregory, EMNRD** 2:37:19

3537 Thank you, miss Mr. McClure.

3538 You don't have any questions, do you?

3539

3540  **McClure, Dean, EMNRD** 2:37:23

3541 Mr. Henning. Examiner, actually, I do have a quick question for these cases for the

3542 land man, before we take under advisement.

3543

3544  **Chakalian, Gregory, EMNRD** 2:37:29

3545 Alright, sounds good.

3546

3547  **Paula M. Vance** 2:37:30

3548 OK.

3549

3550  **Chakalian, Gregory, EMNRD** 2:37:30

3551 So who is your land man?

3552

3553 **PV** **Paula M. Vance** 2:37:32

3554 It is Isaac Evans, and I know he's on here.

3555

3556 **CE** **Chakalian, Gregory, EMNRD** 2:37:36

3557 Alright, perfect.

3558

3559 **PV** **Paula M. Vance** 2:37:38

3560 There he is.

3561

3562 **CE** **Chakalian, Gregory, EMNRD** 2:37:38

3563 So we will we receive your exhibits into evidence without Objection, M's Vance. And
3564 now there you are.

3565 Mr. Evans, would you raise your right hand?

3566 You swear firm under penalty of perjury, that the testimony you're about to give is
3567 the truth, the whole truth, and nothing but the truth.

3568

3569 **IE** **Isaac Evans** 2:37:56

3570 I do.

3571

3572 **CE** **Chakalian, Gregory, EMNRD** 2:37:56

3573 Thank you.

3574 You can put your hand down.

3575 Would you spell your name please?

3576

3577 **IE** **Isaac Evans** 2:38:00

3578 Sure. First name Isaac ISA. A/C last name. Evans. Evans.

3579

3580 **CE** **Chakalian, Gregory, EMNRD** 2:38:05

3581 OK. And you've been accepted as an expert by this division in what field?

3582

3583 **IE** **Isaac Evans** 2:38:08

3584 Yes, Sir.

3585 Petroleum lane.

3586

3587  **Chakalian, Gregory, EMNRD** 2:38:12

3588 Mr. McClure.

3589

3590  **McClure, Dean, EMNRD** 2:38:14

3591 Thank you, Mr. Herring examiner.

3592 Mr. Evans, for these cases it looks like it is the first request.

3593

3594  **+15*****12** 2:38:18

3595 Hmm.

3596

3597  **McClure, Dean, EMNRD** 2:38:21

3598 But what is the reason for the request?

3599

3600  **Isaac Evans** 2:38:26

3601 Sure. So we're drilling some wells immediately adjacent to this unit coming up here
3602 in a month or two and we feel as prudent to monitor results of those wells to give
3603 ourselves more time before drilling these wells.

3604

3605  **McClure, Dean, EMNRD** 2:38:40

3606 OK. Thank thank you, Mr. Evans.

3607 No, no more questions, Mr.

3608

3609  **Chakalian, Gregory, EMNRD** 2:38:45

3610 Miss Vance, dear cases are taken under advisement, OK?

3611

3612  **Paula M. Vance** 2:38:49

3613 Excellent. Thank you.

3614

3615  **Chakalian, Gregory, EMNRD** 2:38:50

3616 You're welcome.

3617 Let's go on to #31 on the docket.

3618 This is mubaran oil 25662.

3619 End 25661.

3620

3621  +15*****12 2:39:04

3622 Mr. Examiner.

3623 Jim Bruce representing Newburn.

3624

3625  **Chakalian, Gregory, EMNRD** 2:39:07

3626 OK.

3627

3628  +15*****12 2:39:10

3629 Mr. Examiner, in the in the first case, Mubaran seeks to force pool the north half
3630 equivalent of sections 5:00 and 6:00.

3631 18 S.

3632 31 E.

3633 For purposes of drilling, three first and 2nd Bone Spring wells that is shown in the
3634 pooling checklist.

3635 Smart exhibit 1.

3636 The rest of the exhibits are the normal exhibits.

3637 Exhibit 2.

3638 The landmans affidavit.

3639 Exhibit 2B contains the plots, the interest owners and the pool parties.

3640 Exhibit 3.

3641 Geologist affidavit contains the usual structure and cross sections.

3642 Exhibit 4.

3643 The affidavit of certified mailing exhibit 5.

3644 The affidavit of publication.

3645 And exhibit 6, the application and proposed notice.

3646 I believe the exhibit package is correct.

3647 I would note that certified notice was sent on September 18th. Publication notice was
3648 done on September 25. S notice is timely.

3649 One thing is that as of last Thursday.

3650 Today I had finally received back all of the green cards from the parties being
3651 notified I was going to submit a revised exhibit package.

3652 To show that, I decided to hold off to see just in case Mr. McClure had any further
3653 requirements of New Bern. But with that, the exhibit packages are complete.

3654 I would ask.

3655 A couple of days to submit the green cards.
3656 But with that, I think the exhibits are should be admitted and the case is being taken
3657 under advisement. In the second case.
3658 The only difference is that the South half of the two sections sections in five are
3659 being pulled in the Bone Spring.
3660

3661  **Chakalian, Gregory, EMNRD** 2:41:25
3662 OK, your exhibits are admitted without protest.
3663 Let's deal with the two cases separately.
3664

3665  **Jaclyn M. McLean** 2:41:30
3666 OK.
3667

3668  **Chakalian, Gregory, EMNRD** 2:41:33
3669 In 25661 you want to submit additional green cards.
3670 Is that correct?
3671

3672  **+15*****12** 2:41:40
3673 For both the the the parties notified for both cases were the same, so it would just be
3674 one. It would be for both cases.
3675

3676  **Chakalian, Gregory, EMNRD** 2:41:52
3677 But we're dealing with them individually. So for 61, you want to submit additional
3678 evidence of notice.
3679 Is that correct?
3680

3681  **+15*****12** 2:42:00
3682 That is correct.
3683

3684  **Chakalian, Gregory, EMNRD** 2:42:02
3685 Alright, sounds good.
3686 So I don't believe Mr. McClure has any questions on this case, do you?
3687

3688  **McClure, Dean, EMNRD** 2:42:08
3689 I do not, Mr. Hansen.

3690

3691  **Chakalian, Gregory, EMNRD** 2:42:10

3692 I didn't think so.

3693 All right. So Mr. Bruce, the way we're going to do this is we're not taking it under

3694 advisement, but we do have a November 18 docket.

3695 You can continue this case to November 18 as long as you file that notice evidence

3696 by tomorrow close of business.

3697

3698  **+15*****12** 2:42:29

3699 Will do, Sir.

3700

3701  **Chakalian, Gregory, EMNRD** 2:42:31

3702 Alright, so that case we will see again on the 18th after you continue it and file your
3703 evidence.

3704 Now in case number 62, I know you also wanna file additional notice evidence and I
3705 believe you haven't signed your CPAC.

3706

3707  **+15*****12** 2:42:50

3708 Yes.

3709

3710  **Chakalian, Gregory, EMNRD** 2:42:53

3711 So you agree with me.

3712

3713  **+15*****12** 2:42:55

3714 Yes.

3715

3716  **Chakalian, Gregory, EMNRD** 2:42:56

3717 All right, very good.

3718 Mr. McClure, is there anything else about that case that we need to know? OK, so,

3719 Mr. Bruce, both cases must be continued to November 18 if you want them to be
3720 taken under advisement.

3721

3722  **McClure, Dean, EMNRD** 2:43:01

3723 No, Sir. Yeah.

3724

3725 **CE Chakalian, Gregory, EMNRD** 2:43:10

3726 Both cases have additional evidence to submit.

3727

3728 **+15*****12** 2:43:15

3729 Yes, Sir.

3730

3731 **CE Chakalian, Gregory, EMNRD** 2:43:17

3732 All right.

3733 Anything further, Mr. Bruce?

3734

3735 **+15*****12** 2:43:19

3736 Will do.

3737 No, Sir.

3738

3739 **CE Chakalian, Gregory, EMNRD** 2:43:22

3740 Were off the record in those cases. Thank you.

3741 Moving on to Mubarak 25663.

3742

3743 **PV Paula M. Vance** 2:43:31

3744 Good morning, Mr. hearing examiner, Mr. McClure.

3745 Paul Advance with the Santa Fe Office of Holland and Heart on behalf of the
3746 applicant, New Bern Oil Company.

3747

3748 **CE Chakalian, Gregory, EMNRD** 2:43:39

3749 All right, miss. OK, let's hear the other entries of appearance. I'm sorry.

3750 Go ahead, Miss Hatley.

3751

3752 **HK Hatley, Keri (LDZX)** 2:43:45

3753 Good morning, Mr. Examiner.

3754 Carrie Hatley, entering her parents on behalf of COG operating Contra oil and gas,
3755 Conoco Phillips Company and Marathon Oil Permian monitoring only. Thank you.

3756

3757 **CE Chakalian, Gregory, EMNRD** 2:43:56

3758 Alright, sounds good.

3759 M's Vance. Before you begin, we have a legal description problem with this case.

3760 So why don't we deal with that first and see how we're going to address it?

3761 I don't think you need to present the case today.

3762 We need to deal with the legal description problem, Mr. McClure.

3763

3764  **McClure, Dean, EMNRD** 2:44:16

3765 Yes, Mr. hearing examiner. Miss Vance, if I can well draw your attention to any of the

3766 legal descriptions within the application. Maybe the application itself or the land man

3767 statement.

3768

3769  **Paula M. Vance** 2:44:29

3770 I'm I'm on the application.

3771

3772  **McClure, Dean, EMNRD** 2:44:32

3773 OK. Do you see where it says?

3774 Specifically for section 31, where it says lots one and two, and then it says the West

3775 half of the northwest quarter and then it says and the NE quarter you see where I'm

3776 referring to.

3777

3778  **Paula M. Vance** 2:44:51

3779 Yes.

3780

3781  **McClure, Dean, EMNRD** 2:44:53

3782 Lots one and two is equal to the West half of the northwest quarter.

3783 Therefore, I believe what the applicant meant to include here was the east half of the

3784 Northwest quarter, as that seems to be what's left off this legal description.

3785

3786  **Paula M. Vance** 2:45:13

3787 I would have to look at that and look at GIS, but if I'm remembering correctly, it was

3788 one through 4 going the West half W half and that's why it's 1-2 and then the West

3789 half of the Northwest quarter and then the Northeast quarter. So I would.

3790 Have to go back and look at that, but that is my understanding on those reference to

3791 those lots.

3792 But in either event, it does correctly describe.

3793 What is? You know, the north half equivalent, which is what is being pooled here?

3794 So I I don't want to.

3795 I would need a minute to pull this up on GIS.

3796

3797  **McClure, Dean, EMNRD** 2:45:56

3798 Mr.

3799 Hearing examiner, I wonder if we want to let her do that, or if it'd be faster to talk to
3800 the land.

3801 Man, I don't what your thoughts are on the matter.

3802

3803  **Chakalian, Gregory, EMNRD** 2:46:05

3804 All right, Miss Vance, do you have your land, man?

3805

3806  **Paula M. Vance** 2:46:09

3807 Yes, Miss Rodriguez should be on the line.

3808 I am not seeing her.

3809 Oh, there she is.

3810

3811  **Chakalian, Gregory, EMNRD** 2:46:25

3812 Good morning, miss Rodriguez.

3813 Would you raise your right hand?

3814 Do you swear or affirm under penalty of perjury that the testimony you're about to
3815 give is the truth, the whole truth?

3816 Nothing but the truth.

3817

3818  **Ariana Rodrigues** 2:46:37

3819 Yes.

3820

3821  **Chakalian, Gregory, EMNRD** 2:46:39

3822 Thank you.

3823 You can put your hand down.

3824 Would you spell your name please?

3825

3826  **Ariana Rodrigues** 2:46:42

3827 Ariana Rodriguez. It's Ari.

3828 AN.

3829 ARODRIG UES.

3830

3831  **Chakalian, Gregory, EMNRD** 2:46:51

3832 Thank you, miss Rodriguez.

3833 Have you been accepted as an expert before this division?

3834

3835  **Ariana Rodrigues** 2:46:56

3836 Yes.

3837

3838  **Chakalian, Gregory, EMNRD** 2:46:57

3839 All right.

3840 In what field?

3841

3842  **Ariana Rodrigues** 2:46:59

3843 Petroleum Lane management.

3844

3845  **Chakalian, Gregory, EMNRD** 2:47:01

3846 Very good, Mr. McClure.

3847

3848  **McClure, Dean, EMNRD** 2:47:03

3849 Oh, thank you, Mr. Haney Examiner, miss Rodriguez.

3850 Do you see the legal description that I'm referring to for section 31 of Township 18 S

3851 range 32 E?

3852

3853  **Ariana Rodrigues** 2:47:18

3854 Can you confirm the page?

3855

3856  **McClure, Dean, EMNRD** 2:47:21

3857 It should be within the application itself.

3858 I think that's on page 8 of 63. If my notes is right here anyway.

3859

3860  **Ariana Rodrigues** 2:47:31

3861 Yes.

3862 Yes.

3863

3864  **McClure, Dean, EMNRD** 2:47:36

3865 That looks like Miss Vance is sharing PLSS there too.

3866 But do you see the legal description? I'm referring to miss, Miss Rodriguez, OK.

3867

3868  **Ariana Rodriguez** 2:47:46

3869 Yes.

3870

3871  **McClure, Dean, EMNRD** 2:47:49

3872 Do you?

3873 Do you believe that where it states W half of Northwest quarter, do you think that's
3874 accurate?

3875

3876  **Ariana Rodriguez** 2:48:06

3877 It would be lots.

3878 Let me see one and two E half of the northwest and the Northeast quarter, which
3879 should be that N half equivalent.

3880

3881  **McClure, Dean, EMNRD** 2:48:17

3882 OK.

3883 So do you agree that the legal description that's within the application is incorrect
3884 then?

3885

3886  **Ariana Rodriguez** 2:48:24

3887 I think we have a typo on a a portion of it, but it says the north half equivalent.

3888

3889  **McClure, Dean, EMNRD** 2:48:34

3890 Mr.

3891 Hearing examiner I.

3892 I don't think I have any more questions for the expert unless you want me to elicit
3893 additional evidence, I guess.

3894

3895  **Chakalian, Gregory, EMNRD** 2:48:43

3896 But it's up to you.

3897 We need to make a decision about the notice here.

3898

3899  **McClure, Dean, EMNRD** 2:48:49

3900 I guess to lay it out, they do have where it says N half equivalent, which is what
3901 they're asking for is the north half equivalent.

3902 But when they lay out the individual description for that N half equivalent, they
3903 mistakenly include it. The West half of the northwest quarter, when they meant to
3904 include the east half of the northwest quarter.

3905

3906  **Chakalian, Gregory, EMNRD** 2:49:28

3907 I'm looking at what is this mark? That what? What exhibit is this? M's Vance.

3908

3909  **Paula M. Vance** 2:49:37

3910 So this is in the application. It is also in the compulsory in the CPAC and then it is in
3911 Miss Rodriguez's statement.

3912 So again, I would reiterate what Miss Rodriguez said.

3913 Which is it does reference the north half equivalent, which is, you know,
3914 encompassing all of what is being described there.

3915 And it's just a simple scrivener's error.

3916 And that's why we provide contact information.

3917 In all of our notice, in case there is any issue with any of the information that's
3918 provided in the application and then the notice, so again.

3919

3920  **Chakalian, Gregory, EMNRD** 2:50:17

3921 Thank you, Ms. Vance.

3922 What I asked was what exhibit number is this?

3923

3924  **Paula M. Vance** 2:50:23

3925 So it would be a couple of the exhibits, so it would be exhibit A, it would be exhibit B.
3926 It would be exhibit C.

3927

3928  **Chakalian, Gregory, EMNRD** 2:50:32

3929 OK. Can I have the exhibit back?

3930

3931  **Paula M. Vance** 2:50:35

3932 You want me to put it up here? Yeah.

3933

3934 **CE** Chakalian, Gregory, EMNRD 2:50:36

3935 Yes, yes.

3936

3937 **PV** Paula M. Vance 2:50:43

3938 So this is exhibit B, which is the application.

3939 And you can see this should be E half of the Northwest quarter.

3940 But.

3941

3942 **CE** Chakalian, Gregory, EMNRD 2:50:55

3943 And you're saying, and you're saying that the information in the parenthesis would
3944 then conflict with the legal description where it says W half.

3945

3946 **PV** Paula M. Vance 2:50:58

3947 It.

3948 It is providing the totality of what is being described.

3949

3950 **CE** Chakalian, Gregory, EMNRD 2:51:14

3951 Can you go back?

3952

3953 **PV** Paula M. Vance 2:51:15

3954 Don't disagree.

3955

3956 **CE** Chakalian, Gregory, EMNRD 2:51:15

3957 Miss Vance, what? I wanted to see.

3958 Thank you for showing me this.

3959 I wanted to see that map again.

3960 Can you go back to the map?

3961

3962 **PV** Paula M. Vance 2:51:22

3963 Sure.

3964

3965 **CE** Chakalian, Gregory, EMNRD 2:51:26

3966 All right, perfect. Now where?

3967 Where is the area on this map that you want to compulsory pool?

3968

3969 **PV** **Paula M. Vance** 2:51:33

3970 It is this from 35 over.

3971 To 32 so.

3972 From.

3973 Here, this entire acreage right here.

3974

3975 **CE** **Chakalian, Gregory, EMNRD** 2:51:51

3976 OK.

3977 I I that's I guess on that unfortunately I'm still confused.

3978 This N half equivalent. These are these are these are whole sections, are they not?

3979

3980 **PV** **Paula M. Vance** 2:52:03

3981 These are whole sections, but what is being described is I mean specifically in
3982 reference to that N half.

3983

3984 **CE** **Chakalian, Gregory, EMNRD** 2:52:10

3985 Yes, yes.

3986

3987 **PV** **Paula M. Vance** 2:52:10

3988 Is this N half of 31 right here?

3989

3990 **CE** **Chakalian, Gregory, EMNRD** 2:52:14

3991 That's it.

3992 So the north half of 31 and what does the legal description, the erroneous legal
3993 description say?

3994

3995 **PV** **Paula M. Vance** 2:52:22

3996 It has.

3997 It has lots.

3998 One in two and it has the West half of the northwest quarter, which is these lots one

3999 and two and not the east half of the northwest quarter. And then it's got the

4000 Northeast quarter.

4001 So this should.

4002 That one piece should say the east half of the northwest quarter.

4003 But again, it's a scrivener's error. This is.

4004

4005 **CE Chakalian, Gregory, EMNRD 2:52:43**

4006 Hold on, Miss Vance.

4007 Don't keep saying the same thing 'cause. It's not helping.

4008 So I don't understand something. If this is the north half equivalent, why doesn't it

4009 say correct me where I'm going off the rails here?

4010 I know it says the northeast quarter of 31.

4011 Why does it say the Northwest quarter of 31?

4012

4013 **PV Paula M. Vance 2:52:59**

4014 Mm-hmm.

4015 Because this because you have an irregular section and so instead of these being
4016 units, which is the CBA that you see here, you see that these are lots.

4017 So they are less than the 40 acres that you typically see when you see the when you
4018 see the units right here.

4019 So, you know, like if you look at the totality of the acreage, it's going to be less than
4020 40 acres.

4021 Right here it might be.

4022 It might be less than or a little bit more to be perfectly honest, but it's not a perfect
4023 40 acres and so that's why they're referred to as lots rather than units.

4024 Units are 40 acres based on.

4025

4026 **CE Chakalian, Gregory, EMNRD 2:53:46**

4027 OK, but OK, but your but your legal description as it stands now is the say it again.

4028 So I can hear it.

4029

4030 **PV Paula M. Vance 2:53:56**

4031 So it has lots one and two and then it references the West half of the northwest
4032 quarter, which would be basically this again instead of instead of describing as the
4033 east half of the Northwest quarter.

4034

4035 **CE Chakalian, Gregory, EMNRD 2:54:09**

4036 Oh, I understand now I understand.

4037 So your legal description right now references lots, one and two.

4038

4039 **PV** **Paula M. Vance** 2:54:11

4040 Mm-hmm.

4041

4042 **CE** **Chakalian, Gregory, EMNRD** 2:54:16

4043 Then it reiterates lots one and two by saying the West half of the Northwest quarter,
4044 basically leaving out the east half of the northwest quarter.

4045 And then it says the full 160 acres, where it's a NE quarter and then it says NE
4046 equivalent of 1/2 of the north. Sorry.

4047 The north half equivalent.

4048

4049 **PV** **Paula M. Vance** 2:54:39

4050 Correct.

4051

4052 **CE** **Chakalian, Gregory, EMNRD** 2:54:40

4053 OK, I understand where the problem comes from. You know to me.

4054 It's confusing to me. It's confusing and.

4055 It conflicts. Now. I I realize that you're saying that.

4056 Hey you have contact information there and that people could call up and say, hey,
4057 what are you talking about?

4058 This doesn't make any sense here, but I'm having AI have a problem with that
4059 description and I know Mr. McClure does as well so.

4060 I know you're making the argument that that N half.

4061 Equivalent saves the legal description, but when it comes to notice, I'd rather error on
4062 the side of caution than just say, well, people should understand it and and and that
4063 should be it.

4064

4065 **PV** **Paula M. Vance** 2:55:14

4066 Also.

4067 There.

4068

4069 **CE** **Chakalian, Gregory, EMNRD** 2:55:23

4070 So I think you have a notice.

4071 Problem here is is my.

4072 Is my opinion and what I'd like to know is what can you do to correct it?

4073

4074 **PV Paula M. Vance** 2:55:31

4075 Well, one thing I would like to add is there are no objections to this case.

4076 You know, we have no objections.

4077 These have been sitting here for for quite some time.

4078 Mubar does have some time timing concerns related to these and so we do want to
4079 move forward as soon as possible.

4080

4081 **CE Chakalian, Gregory, EMNRD** 2:55:51

4082 Right.

4083

4084 **PV Paula M. Vance** 2:55:52

4085 If, if we needed to redo the notice, what I would ask for is that we will get that notice
4086 out as soon as possible.

4087 And similar to my other case that we be added to the 12 nine docket, you know.

4088

4089 **CE Chakalian, Gregory, EMNRD** 2:56:04

4090 No.

4091 I have no problem with that.

4092

4093 **PV Paula M. Vance** 2:56:09

4094 It's.

4095

4096 **CE Chakalian, Gregory, EMNRD** 2:56:10

4097 I have no problem with adding it to December 9 at all. So by the way, was it Miss
4098 Rodriguez?

4099

4100 **PV Paula M. Vance** 2:56:12

4101 I.

4102

4103 **CE Chakalian, Gregory, EMNRD** 2:56:16

4104 Was it you who developed the legal description or was it miss? Let's just go with Miss

4105 Rodriguez.

4106 Did you develop the legal description?

4107

4108 **AR Ariana Rodrigues 2:56:27**

4109 I would have to look through emails to see what I sent, but I that was a mistake that I

4110 I didn't catch. Sorry.

4111

4112 **CE Chakalian, Gregory, EMNRD 2:56:33**

4113 Oh, OK, OK. But but you, but it's it.

4114 But it is it.

4115 It falls upon you to to come up with an accurate legal description.

4116

4117 **AR Ariana Rodrigues 2:56:42**

4118 It it, it does fall well, she sends it.

4119

4120 **CE Chakalian, Gregory, EMNRD 2:56:44**

4121 OK.

4122

4123 **AR Ariana Rodrigues 2:56:44**

4124 She sends it to me for for me to review and I didn't catch it and nobody caught it,

4125 but we we also did have we send overlapping spacing unit notice that has all the

4126 overlapping spacings and it included the spacing, the overlapping spacing in the east

4127 half of.

4128

4129 **CE Chakalian, Gregory, EMNRD 2:56:47**

4130 I see. OK.

4131

4132 **AR Ariana Rodrigues 2:57:02**

4133 The Northeast as well.

4134

4135 **CE Chakalian, Gregory, EMNRD 2:57:03**

4136 I get it.

4137 OK, alright, I understand perfectly.

4138 And this this exhibit is part of your testimony, Miss Rodriguez.

4139

4140 **AR Ariana Rodrigues** 2:57:11

4141 Yes.

4142

4143 **CE Chakalian, Gregory, EMNRD** 2:57:12

4144 OK.

4145 Alright, very good.

4146 Alright, so Miss Vance, no problem with getting it on the December 9 docket.

4147 Please continue the case till then and we will wait for an amended hearing packet.

4148 With a cover letter to help us remember what happened here.

4149

4150 **PV Paula M. Vance** 2:57:31

4151 Thank you.

4152

4153 **CE Chakalian, Gregory, EMNRD** 2:57:32

4154 Thank you.

4155 OK, it looks like we can do a couple more cases before 11:30. These are Permian

4156 resource cases starting with #33 on our docket to 566-466-5666 and 668.

4157

4158 **YP Yarithza Peña** 2:57:52

4159 Good morning, Mr. hearing examiner, Yadita Pena with Hardy McLean on behalf of

4160 Permian Resources Operating LLC.

4161

4162 **CE Chakalian, Gregory, EMNRD** 2:57:59

4163 I don't believe there's any other parties.

4164

4165 **YP Yarithza Peña** 2:58:02

4166 I believe that's correct. So I can briefly present these.

4167

4168 **CE Chakalian, Gregory, EMNRD** 2:58:04

4169 Go right ahead.

4170

4171 **YP Yarithza Peña** 2:58:07

4172 In case number 25664, Permian Resources seeks an order pooling on committed

4173 interest in the Avalon formation and the Third Bone Spring interval of the Bone

4174 Spring Formation underlying a 482.26 acre. More or less standard overlapping
4175 horizontal SP.
4176 Unit comprised of the West half W half of sections 5/8 and 17 in Township, 22 S
4177 range 35 E.
4178 And Lee County, New Mexico, and this unit will be dedicated to the Casa Bonita 5
4179 state comp 601 H well.
4180 In case number 25665, we seek an order in the Avalon and 3rd Bone Spring interval
4181 of the Bone Spring formation in the east half W half of sections 5/8 and 17 in Lee
4182 County, and this unit will be dedicated to the Casa Bon.
4183 Five state Comm.
4184 602H well in 25666.
4185 We seek the same formation pulling order in the West half E half of sections 5/8 and
4186 17 and dedicating the unit to the six O 3 H well and finally in 25668 this is dedicated
4187 to the East half E half of sections 5.
4188 8 and 17 and will be dedicated to the Casa Bonita 604 H and the 104 H wells.
4189 There are multiple depth severances within the unit, so Permian only seeks to pool
4190 from the top of the Avalon formation at a stratigraphic equivalent of 8724 feet to the
4191 base of the Avalon at 9366 and again.
4192 From the top of the Third Bone Spring interval at a stratigraphic equivalent of 10,344
4193 feet to the base of the Third Bone Spring.
4194 At a stratigraphic equivalent of 10,956.
4195 Hermione is also seeking approval of those out, overlapping spacing units for each
4196 case. Exhibits were submitted timely for this case.
4197 These cases last week and include the land testimony of Miss Reagan. Armstrong,
4198 who has previously been admitted to testify as an expert in petroleum land matters,
4199 and the geology testimony and corresponding exhibits from Chris Rueluberg, who
4200 has also previously testified and has been admitted as an expert before.
4201 The division.
4202 We finally include our notice testimony, along with the copies of the notice letter that
4203 was sent to all interested parties on September 18, 2025, and the notice of
4204 publication on September 21st.
4205 With that, I ask that the exhibits be admitted in case number 25664 through 6/6 and
4206 25668, and that the cases be taken under advisement.

4207

4209 Admitted without exception, Mr. McClure.

4210 Do you have questions for the land man or the geologist?

4211

4212  **McClure, Dean, EMNRD** 3:00:57

4213 Both.

4214

4215  **Chakalian, Gregory, EMNRD** 3:00:58

4216 OK.

4217 Miss.

4218 That's it.

4219 I see Miss Armstrong here.

4220 And then who is your geologist again?

4221

4222  **Yarithza Peña** 3:01:04

4223 Yes. And then the geologist, Mr. Rudeluber, was unable to join us today.

4224 But we have Mr. Shane Harvey, who has also previously testified before the division,
4225 and who would be adopting Mr. Rudoliver's testimony and exhibits.

4226

4227  **Chakalian, Gregory, EMNRD** 3:01:15

4228 OK.

4229 All right, let's get them both on the screen here with their cameras on.

4230

4231  **Reagan Armstrong** 3:01:27

4232 Good morning.

4233

4234  **Shane Jarvie** 3:01:29

4235 Good morning.

4236

4237  **Chakalian, Gregory, EMNRD** 3:01:31

4238 There we go.

4239 All right. Please both raise your right hands. You swear?

4240 Affirm under penalty of perjury, that testimony you're about to give is the truth, the

4241 whole truth, and nothing but the truth.

4242

4243 **RA** **Reagan Armstrong** 3:01:41

4244 Yes.

4245

4246 **SJ** **Shane Jarvie** 3:01:41

4247 I do.

4248

4249 **CE** **Chakalian, Gregory, EMNRD** 3:01:42

4250 Alright, please lower your hands. Would you miss Armstrong? Spell your name.

4251

4252 **RA** **Reagan Armstrong** 3:01:46

4253 Reagan, Armstrong, REAGANARMSTRONG.

4254

4255 **CE** **Chakalian, Gregory, EMNRD** 3:01:53

4256 And you've been qualified as an expert before this division before.

4257

4258 **RA** **Reagan Armstrong** 3:01:57

4259 Yes, Sir.

4260

4261 **CE** **Chakalian, Gregory, EMNRD** 3:01:58

4262 In what field?

4263

4264 **RA** **Reagan Armstrong** 3:01:59

4265 Petroleum Land Management.

4266

4267 **CE** **Chakalian, Gregory, EMNRD** 3:02:01

4268 All right, Mr.

4269 Well, I don't.

4270 Your name isn't spelled properly here, so would you spell your name, Sir?

4271

4272 **SJ** **Shane Jarvie** 3:02:08

4273 It is Shane, and then JARVIE.

4274

4275 **CE** **Chakalian, Gregory, EMNRD** 3:02:13

4276 Oh, it is spelled correctly. I guess I didn't understand it when Miss Pena said it OK.

4277 Is it Mr. Jarvi?

4278

4279 **SJ** **Shane Jarvie** 3:02:18

4280 Yes, it's Mr. Jarvi.

4281

4282 **CE** **Chakalian, Gregory, EMNRD** 3:02:19

4283 Alright, very good.

4284 And you've been admitted as an expert.

4285

4286 **SJ** **Shane Jarvie** 3:02:22

4287 Yes, Sir.

4288

4289 **CE** **Chakalian, Gregory, EMNRD** 3:02:23

4290 Before this division.

4291

4292 **SJ** **Shane Jarvie** 3:02:25

4293 Yes, Sir.

4294

4295 **CE** **Chakalian, Gregory, EMNRD** 3:02:26

4296 As what?

4297

4298 **SJ** **Shane Jarvie** 3:02:27

4299 Petroleum geologist.

4300

4301 **CE** **Chakalian, Gregory, EMNRD** 3:02:28

4302 All right, perfect.

4303 All right, Mr. McClure.

4304 Who do you want to start with?

4305

4306  **McClure, Dean, EMNRD** 3:02:33

4307 And man's fine with me, Mr. Examiner.

4308

4309 **CE** **Chakalian, Gregory, EMNRD** 3:02:35

4310 All right.

4311 And I have one more question for the geologist.
4312 I'm sorry I forgot to ask.
4313 I realize that you're not the original geologist who submitted the exhibits in the
4314 exhibit packet.
4315 That's what Miss Pena said.
4316
4317 **SJ Shane Jarvie 3:02:47**
4318 Yes.
4319
4320 **CE Chakalian, Gregory, EMNRD 3:02:48**
4321 But she also said that you have reviewed the exhibits all right and that.
4322
4323 **SJ Shane Jarvie 3:02:53**
4324 I have.
4325
4326 **CE Chakalian, Gregory, EMNRD 3:02:58**
4327 Your expert opinion is the same as the original geologist.
4328
4329 **SJ Shane Jarvie 3:03:03**
4330 That is correct.
4331
4332 **CE Chakalian, Gregory, EMNRD 3:03:04**
4333 All right. OK.
4334 That's the basis that we're going to continue on.
4335
4336 **SJ Shane Jarvie 3:03:08**
4337 Perfect.
4338
4339 **CE Chakalian, Gregory, EMNRD 3:03:09**
4340 Alright, Mr. McClure, let's start with Miss Armstrong.
4341
4342 ** McClure, Dean, EMNRD 3:03:12**
4343 Thank you, Miss Yahering examiner.
4344 Miss Armstrong, is it accurate?
4345 That Permian wishes us to force pool the Avalon formation.

4346 Skip formation's Bone Spring one and Bone Spring two, and then force pool the
4347 Bone Spring 3.

4348

4349  **Reagan Armstrong** 3:03:31

4350 Yes, Sir. There are already other polling orders.

4351 In those depths that you mentioned, that's why we're only looking to pull those
4352 depths that are uncommitted. So that will grab the rest of the Bone Spring for our
4353 future developments.

4354

4355 **OCD Regular Docket November 13, 2025 [VIRTUAL**
4356 **ONLY DOCKET]-20251113_213614UTC-Meeting**
4357 **RecordingPART_2**

4358 November 13, 2025, 6:30PM

4359 3h 5m 55s

4360

4361  **McClure, Dean, EMNRD** 0:05

4362 Do you feel that the Avalon and the Bone Spring three are connected to each other?

4363

4364  **Reagan Armstrong** 0:11

4365 They have the same working interest.

4366

4367  **McClure, Dean, EMNRD** 0:15

4368 I guess that wasn't my question.

4369 Let me re ask it.

4370 Do you feel that?

4371

4372  **Reagan Armstrong** 0:17

4373 OK.

4374

4375  **McClure, Dean, EMNRD** 0:18

4376 The Avalon and the Bone Spring three are physically connected to each other.

4377

4378  **Reagan Armstrong** 0:24

4379 I believe it's been previously determined that the Avalon is part of the Bone Spring.

4380 And some other hearings that we've done.

4381 Does that answer your question?

4382

4383  **McClure, Dean, EMNRD** 0:38

4384 Is it your understanding that the horizons within the Bone Spring formation, those
4385 horizons being Avalon and Bone Spring? Three, do you feel those two are physically
4386 connected to each other?

4387

4388  **Reagan Armstrong** 0:53

4389 Not directly.

4390

4391  **McClure, Dean, EMNRD** 0:56

4392 Was consideration done by Permian to proceed with two separate cases for these
4393 two non connected proposed units?

4394

4395  **Reagan Armstrong** 1:09

4396 Well, I think we've decided to do both of them together because if it were clean case
4397 and none of the Bone Spring had been pulled previously, we would have done the
4398 entire from Avalon to the base of the third bone.

4399 So that's why we decided to do them both together.

4400 Obviously we don't want to waste the time of the Court with having two separate
4401 cases as we're doing these developments alongside each other.

4402

4403  **McClure, Dean, EMNRD** 1:34

4404 Now, in the first three of these cases, that being 664665 and 666 is Permian
4405 proposing a well within the Avalon.

4406

4407  **Reagan Armstrong** 1:48

4408 Not at this time, but later in our development we will be targeting the Avalon.

4409 We're waiting on some data before we get those proposals out.

4410

4411  **McClure, Dean, EMNRD** 2:15

4412 If I can draw your attention to your exhibit A-3.

4413 This should be a table with the different pool assignedly the different pooled persons
4414 highlighted in yellow.

4415

4416  **Reagan Armstrong** 2:31

4417 One moment.

4418

4419  **Yarithza Peña** 2:34

4420 Do you?

4421 Do you have a case preference, Mr. McClure?

4422 I can share my screen.

4423

4424  **McClure, Dean, EMNRD** 2:39

4425 I believe it's all the cases has the same question.

4426 So dilla's choice I suppose.

4427 I don't have a page number. We're running in my notes though.

4428

4429  **Reagan Armstrong** 2:48

4430 Yes, I'm looking at it.

4431

4432  **McClure, Dean, EMNRD** 2:51

4433 OK, thank thank you, Miss Armstrong.

4434 Is it accurate to say that the force that or the persons that permium is asking the

4435 division to force pool are those highlighted in yellow?

4436

4437  **Reagan Armstrong** 3:04

4438 Yes, those are highlighted in yellow.

4439 The only revision I would like to make is on the 104. Well, the one Avalon that we did

4440 propose, we would need to remove hillcorp on the highlighted portion.

4441 They actually signed our JOA that included that Avalon.

4442 Well, that we did propose, but for all of the cases those two highlighted are correct.

4443

4444  **McClure, Dean, EMNRD** 3:32

4445 OK, so make sure I understand that's case 25668 you wish to remove HIL core as a

4446 pulled person. Is that correct?

4447

4448  **Reagan Armstrong** 3:41

4449 2.

4450 Sorry, let me get on this case just to make sure before I respond.

4451

4452  **McClure, Dean, EMNRD** 3:49

4453 Yes, ma'am.

4454

4455  **Reagan Armstrong** 3:49

4456 Yes, that's correct.

4457

4458  **McClure, Dean, EMNRD** 3:55

4459 Thank you, Miss Armstrong.

4460 Mr. Herring, examiner, I don't have further questions for the land man, but I do have

4461 additional questions for the geologists.

4462

4463  **Chakalian, Gregory, EMNRD** 4:03

4464 Mr. Jarvi, go right ahead.

4465

4466  **McClure, Dean, EMNRD** 4:05

4467 I thank you, Mr. Herring. Examiner, Mr. jarvi.

4468 Do you agree that the Avalon and the Bone Spring three are not physically

4469 connected?

4470

4471  **Shane Jarvie** 4:20

4472 Yes, Sir.

4473 They are both in the Bone Spring Formation, which is the generalized major

4474 formation of all these individual zones, but the Avalon sits within the Bone Spring

4475 Line, which is above the Bone Spring three with the Bone Spring two separating

4476 them.

4477

4478  **McClure, Dean, EMNRD** 4:37

4479 Are you in agreement that at this time premium did not include a well within the

4480 Avalon for the first three cases, those being?

4481 664665 and 666.

4482

4483  **Shane Jarvie** 4:53

4484 Yes, there is only that one Avalon in case 25668.

4485

4486  **McClure, Dean, EMNRD** 5:00

4487 Do you agree that wells proposed within the Bone Spring has absolutely no way of
4488 producing from the Avalon?

4489

4490  **Shane Jarvie** 5:13

4491 I guess I don't understand your question fully.

4492 Could you reiterate that?

4493

4494  **McClure, Dean, EMNRD** 5:16

4495 Yes, Sir. Let me add additional context.

4496 Bone Spring One and Bonespring 2 have different ownership and is not included
4497 within these proposed units.

4498 Is that correct?

4499

4500  **Shane Jarvie** 5:29

4501 Yes, we are not including a Bone spring one or Bone Spring two well in these units.

4502

4503  **McClure, Dean, EMNRD** 5:33

4504 Is it correct that Permian is not asking to force asking the division to force pool Bone
4505 Spring one and Bone Spring 2?

4506

4507  **Shane Jarvie** 5:41

4508 Yes.

4509

4510  **McClure, Dean, EMNRD** 5:43

4511 Is there any way for hydrocarbons from the Avalon to be produced from a Bone
4512 Spring three well.

4513 Without that hydrocarbons traversing.

4514 That in immediate that moves middle formations, Bone Spring one and Bone Spring

4515 2.

4516

4517  **Shane Jarvie** 6:01

4518 From all the work we've done, Avalon seems to be its own separate reservoir,
4519 separated from the Bone Spring one and Bone Spring 2.

4520

4521  **McClure, Dean, EMNRD** 6:09

4522 Let me re ask my question.

4523 Is there any way for hydrocarbons from the Avalon to reach the Bone Spring 3
4524 without those hydrocarbons traversing the Bone Spring one and Bone Spring 2?

4525

4526  **Shane Jarvie** 6:30

4527 I.

4528 I guess the the question is I'm I'm sorry. I just want a little clarification there.
4529 Because the Bonespring 3 and Avalon are two completely separate reservoirs, we
4530 don't think that those reservoirs are connected in any way.

4531

4532  **McClure, Dean, EMNRD** 6:45

4533 Were they to be connected?

4534 Is there any way for hydrocarbons to get from the Avalon to the Bone Spring 3
4535 without traversing that that Middle Rock?

4536

4537  **Shane Jarvie** 6:57

4538 Well, no, but those hydrocarbons wouldn't traverse that middle rock.

4539

4540  **McClure, Dean, EMNRD** 7:02

4541 I understand, Mr. Jarvi.

4542 Let me back up.

4543 And let me ask a clarifying question.

4544 Your testimony.

4545 Just a second ago. Are you in agreement then that the Avalon and the Bone Spring
4546 3?

4547 Are separate reservoirs.

4548

4549  **Shane Jarvie** 7:34

4550 Yes.

4551 Sure.

4552

4553  **McClure, Dean, EMNRD** 7:52

4554 The answer to it for the 4th case.

4555 That being 25668.

4556 Does Permian have a preference in?

4557 Which? Well, it would like to be approved first.

4558

4559  **Shane Jarvie** 8:21

4560 We we do not have a preference.

4561 But as we are drilling the other third bone wells, we'll obviously wanna drill that

4562 additional 4th, 3rd bone well with the rest of them.

4563

4564  **McClure, Dean, EMNRD** 8:33

4565 OK.

4566 So then would it be accurate to say that if Permian had to choose one or the other, it
4567 would prefer to receive approval of the Bone Spring 3?

4568 As of this hearing, is that correct?

4569

4570  **Shane Jarvie** 8:48

4571 That'd be correct.

4572

4573  **McClure, Dean, EMNRD** 8:50

4574 OK. Thank thank you, Mr. Javi.

4575 Mr. herring examiner.

4576 I do not think I have any additional questions and I believe we can.

4577 I'm sorry, I was reading my notes again before I finish I sentence.

4578 I apologize examiner.

4579 Yeah, actually I do apologise, examiner.

4580 I have concludes my questions for the experts, but I do have a quick question for

4581 Miss Pena.

4582

4583  **Chakalian, Gregory, EMNRD** 9:36

4584 Go ahead.

4585

4586  **McClure, Dean, EMNRD** 9:37

4587 Miss Pena.

4588

4589  **Yarithza Peña** 9:39

4590 Yes.

4591

4592  **McClure, Dean, EMNRD** 9:42

4593 I don't have it brought up before me, but I believe there's a conflict in.

4594 Dates between how the notice letter is dated and the notice spreadsheet for Melling.

4595 Can you please review those real quickly and let me know when the note when the
4596 notice letter was actually mailed out?

4597 And for additional clarification, again, I don't have it right in front of me, but if I recall
4598 correctly, there's one day difference between what your notice letter is dated versus
4599 where you're saying it was mailed out.

4600

4601  **Yarithza Peña** 10:16

4602 Yes, I see that.

4603 I believe that was just an error on our end.

4604 We meant to put September 23rd, which is or I'm sorry.

4605 Our.

4606 Notice letters dated September 18th, but I think the mailing date went out in two
4607 separate mailings, maybe on the 22nd and on the 23rd.

4608

4609  **McClure, Dean, EMNRD** 10:42

4610 But M's Pena doesn't.

4611 Your notice spreadsheet say that everything was mailed out on the 17th.

4612 Is that incorrect then?

4613

4614  **Yarithza Peña** 10:53

4615 Looking at the wrong case.

4616

4617  **McClure, Dean, EMNRD** 10:56

4618 OK.

4619 Yeah, I think any of these four cases should be fine.

4620 I think they're all the same.

4621 In regards to this notice, I mean.

4622

4623  **Yarithza Peña** 11:13

4624 It was mailed on the 17th, but I think when we put it into APDF it auto corrects the
4625 date.

4626

4627  **McClure, Dean, EMNRD** 11:22

4628 OK.

4629

4630  **Yarithza Peña** 11:22

4631 But.

4632

4633  **McClure, Dean, EMNRD** 11:22

4634 So the date on the notice letter was just mistakenly one day in the future then.

4635

4636  **Yarithza Peña** 11:25

4637 The.

4638

4639  **McClure, Dean, EMNRD** 11:27

4640 Is that accurate to say?

4641

4642  **Yarithza Peña** 11:27

4643 Yeah, I believe so.

4644

4645  **McClure, Dean, EMNRD** 11:29

4646 OK, thank thank you, Miss Pena.

4647 I apologize again, Mr. examine.

4648 I I believe I'm done now and I believe we can take it under advisement, 04.

4649

4650  **Chakalian, Gregory, EMNRD** 11:36

4651 All right, very good, Miss Pena.

4652 Thank you.

4653 These four cases will be taken under advisement. When we come back at 1:30 today.

4654 We're gonna start with line 37 on our docket. I believe those are Miss Vance's cases.

4655 These are Permian resource cases.
4656 And we are off the record for now. Thank you.

4657

4658  **Yarithza Peña** 11:55

4659 Thank you.

4660

4661  **Paula M. Vance** 1:56:29

4662 Hey, Dean, can you hear me?

4663

4664  **McClure, Dean, EMNRD** 1:56:32

4665 Yeah. Yeah, I can, Paula.

4666

4667  **Paula M. Vance** 1:56:34

4668 OK.

4669 Thank you.

4670 I've been having audio issues and I just like to confirm before we get started with
4671 stuff. Thanks.

4672

4673  **McClure, Dean, EMNRD** 1:56:40

4674 Hmm.

4675 It's cleared up currently at least.

4676

4677  **Paula M. Vance** 1:56:47

4678 If it goes South, it's not my fault.

4679

4680  **Chakalian, Gregory, EMNRD** 2:00:35

4681 It's 1:30 in the afternoon on November 13th.

4682 We're back on the record.

4683 We left off with Hermione Resources case #37 on our docket.

4684 These are case 2567071727374 and 25716.

4685

4686  **Paula M. Vance** 2:00:57

4687 Good afternoon, Mr. hearing examiner Paula Vance with the Santa Fe Office of
4688 Holland and Heart. On behalf of the applicant, Permian Resources operating.

4689

4690 **CE** **Chakalian, Gregory, EMNRD** 2:01:05

4691 Mm-hmm.

4692

4693 **PV** **Paula M. Vance** 2:01:08

4694 And oh OK.

4695 I think there was a party.

4696 Yeah, I believe there's.

4697 Miss Hatley, they filed a COG, filed an injury of appearance in a couple of the cases.

4698

4699 **CE** **Chakalian, Gregory, EMNRD** 2:01:18

4700 Mm-hmm.

4701

4702 **PV** **Paula M. Vance** 2:01:21

4703 So she is there.

4704

4705 **CE** **Chakalian, Gregory, EMNRD** 2:01:22

4706 That's right.

4707

4708 **HK** **Hatley, Keri (LDZX)** 2:01:24

4709 We did file an injury of appearance for Marathon Oil Permian, but we have since filed

4710 a withdrawal of that entry.

4711 So we are no longer in these cases.

4712

4713 **CE** **Chakalian, Gregory, EMNRD** 2:01:30

4714 OK.

4715

4716 **HK** **Hatley, Keri (LDZX)** 2:01:32

4717 Thank you, Sir.

4718

4719 **PV** **Paula M. Vance** 2:01:32

4720 That's right.

4721

4722 **CE** **Chakalian, Gregory, EMNRD** 2:01:32

4723 Thank you, miss Hatley.

4724 Go right ahead, Miss Vance.

4725

4726 **PV Paula M. Vance** 2:01:36

4727 All right, these are a little bit complicated because they involve depth severances and
4728 as you will, as you will recall, these were previously contested and now with are no
4729 longer contested.

4730 So it might take me a minute to walk through them.

4731 So this involves acreage all in Township, 18 S, range 31 E Eddy County, New Mexico.

4732 The pool involved is.

4733 Shugart Bone spring.

4734 North.

4735 I think I'm saying that right.

4736 It's pull code 56405, so in case number 25670 Permian is seeking to pool the
4737 uncommitted interests in a 480 acre, more or less well spacing unit in the north half
4738 N half of sections 1415 and 16.

4739 And that is from the top of the Bone Spring formation to the base of the first Bone
4740 Spring.

4741 And this does involve an overlap.

4742 And we did send out that notice and we've included the the required exhibit along
4743 with that and Permian seeks to initially dedicate the spacing unit to the Slim Jim 1415
4744 federal COM 111 H.

4745 And then in case number 25671, again this involves an overlap.

4746 The notice went out and we've included the appropriate exhibit. Permian is seeking
4747 to pool the uncommitted interest in a 480 acre more or less well spacing unit.

4748 In the South half, the north half of sections 1415 and 16 in initially dedicate this to
4749 the Slim Jim 1415 Federal Comm 122, HM 142 H and then in case number 25672.

4750 This Permian seeks to pool a 960 acre, more or less well spacing unit in the South
4751 half of sections 1415.

4752 And 16 from the top of the Bone Spring Formation to 9397 feet.

4753 Total vertical depth and initially dedicate this spacing unit to the Slim Jim 1415
4754 federal com 123H125H and 144-H and I will note that the 125 H is the proximity well
4755 allowing for the enlarged spacing unit.

4756 Then moving along to case number 25673.

4757 This is another overlap.

4758 The notice went out in the appropriate exhibit is included Permian is seeking to pull
4759 the uncommitted interest in a 480 acre, more or less well more or less horizontal well
4760 spacing unit in the north half N half of sections 1415 and 16 from appro.
4761 9293 feet total vertical depth to the base of the Bone Spring Formation and initially
4762 dedicate this to the slim Jim 1415 federal com 131 H.
4763 Two more.
4764 And then in case number 25674, Permian seeks to pool the uncommitted interests in
4765 nine in a 960 acre, more or less horizontal well spacing unit in the South half of
4766 sections 1415 and 16 and that is from 9003.
4767 197 feet total vertical depth to the base of the Bone Spring Formation and initially
4768 dedicate the spacing unit to the slim gem.
4769 1415 federal com.
4770 133 H and 1:34 H and I will note that the 134 H is the proximity well allowing for the
4771 enlarged spacing and then lastly and we appreciate the division allowing this case to
4772 be added to this docket is case number 25.
4773 716 again, this is another overlap.
4774 There's an overlap and we included.
4775 We did completed the notice and included the applicable.
4776 Exhibit for that overlap and Permian seeks to pool.
4777 The uncommitted interest in a 480 acre more or less horizontal well spacing unit in
4778 the north half N half of sections 1415 and 16 from the top of the Second Bone Spring
4779 to approximately 9293 feet. Total vertical DEP.
4780 And initially dedicate the spacing unit to the Slim Jim 1415 federal com 141 H and
4781 then we.
4782 In each of the hearing packets, we've included a copy of the application.
4783 The compulsory pulling checklists, along with the statement of our land man Sean
4784 Johnson, who was previously testified before the division and his credentials have
4785 been accepted as a matter of record and then following that is our geologist
4786 statement.
4787 Chris Canton, who has previously testified before the division, and his credentials
4788 have been accepted as a matter of record, and I will note because during the
4789 contested hearing, Mr. McClure did.
4790 Ask for a type log and a depiction of the depth severance. Because the two depth
4791 severances involved with with these cases.
4792 They're different and so and so we've included that same exhibit that we previously

4793 did in the contested hearing.
4794 You'll note that it's the depth severance in both, both in the north and then to the
4795 South are well into the Third Bone Spring.
4796 And so.
4797 And then following that, we have myself affirmed statement of notice with the
4798 sample letters that were timely mailed on September 19th, 2025.
4799 And then we have a secondary notice that went out on October 1st, 2025.

4800

4801  **Chakalian, Gregory, EMNRD** 2:07:13

4802 I'll be back in a minute.

4803 OK, I can hold for a couple of minutes.

4804

4805  **Paula M. Vance** 2:07:18

4806 Oh, you're still? You're unmuted, Mr. hearing examiner. OK.

4807 And then.

4808 And then we have my we have the affidavit of notice of publication.

4809 That was timely published on September 25th and October 28th, 2025, and unless
4810 there are any questions, I would ask that the exhibits and sub exhibits be admitted
4811 into the record and that these cases be taken under advisement at this time.

4812

4813  **Chakalian, Gregory, EMNRD** 2:07:46

4814 All right, exhibits are admitted without exception, and we turn to Mr. McClure, which
4815 witnesses do you have questions for?

4816

4817  **McClure, Dean, EMNRD** 2:07:55

4818 I'll have some discussion with Miss Vance, but the land man is the witness. I'll need to
4819 talk to.

4820

4821  **Chakalian, Gregory, EMNRD** 2:08:01

4822 All right, so do you want to do M's Vance 1st and then we'll get the land man sworn
4823 in.

4824

4825  **McClure, Dean, EMNRD** 2:08:07

4826 Whichever is fine, I can do Ms. Vance right now if you'd like.

4827

4828  **Chakalian, Gregory, EMNRD** 2:08:10

4829 Go right ahead.

4830

4831  **McClure, Dean, EMNRD** 2:08:11

4832 OK.

4833 Thank you, Mr. Herring. Examiner, Miss Vance.

4834 For all these cases, we have an additional pool that needs to be added to them.

4835 The one that you have is the sure sure got Bone Spring N that one is correct, but

4836 that's only correct for section 16.

4837

4838  **Paula M. Vance** 2:08:27

4839 OK.

4840

4841  **McClure, Dean, EMNRD** 2:08:43

4842 Sections 14 and 15 should be.

4843 The Tamil Bone Spring and that bone that pull code is.

4844 58040.

4845

4846  **Paula M. Vance** 2:09:03

4847 And just to confirm 558040 and that's for section 15 and 14 you said.

4848

4849  **McClure, Dean, EMNRD** 2:09:10

4850 That is correct.

4851 Yes, that's correct.

4852 In addition to that, on the CPAC for the deaf severance field.

4853 Like at the bottom of the first page of the cpacs.

4854 What it looks like is that we kind of.

4855 Took the vertical limits and just kind of impose that text into this box.

4856 What I'd actually like to see is just a brief.

4857 Description of each of the death severances.

4858 So for instance, looking at like case 25674, you say yes, there is a death severance

4859 and you go on to say permium seeks to pull only a portion of the Bone Spring

4860 Formation measured from blah blah blah to bla bla bla instead of saying.

4861 That if we could just simply list out the depth severances.

4862 So for instance, in this case I assume you would say there's a.
4863 Depth severance at 9397 feet with it at that, whatever the well is down below type
4864 thing.

4865

4866  **Paula M. Vance** 2:10:26

4867 Wanna shorten to describe from this footage to this footage?

4868

4869  **McClure, Dean, EMNRD** 2:10:32

4870 Well, I mean, not only shortened, but I I'd rather it like currently how it's drafted.

4871 It's telling us what Permian seeks to pull here.

4872 It's not actually saying that there is a depth severance at 9397 and I wanted to say
4873 there is a depth severance at 9397 rather than just saying we're pulling from blah
4874 blah blah.

4875

4876  **Paula M. Vance** 2:10:45

4877 OK.

4878 OK, I'm with you. I can.

4879 That's an easy, very easy fix.

4880

4881  **McClure, Dean, EMNRD** 2:10:58

4882 OK.

4883 Yeah, sounds.

4884 Yeah, yeah, that's what I was thinking as well.

4885 I know we've had some other, not your cases, but we've had other cases that had this
4886 similar kind of reading to it, but.

4887 Thank you, Mr. Vance.

4888 Mr. herring examiner.

4889 I think my other quick discussion might be best with the land man.

4890

4891  **Chakalian, Gregory, EMNRD** 2:11:24

4892 OK.

4893 All right, let's get you sworn in.

4894 Mr. Johnson, would you raise your right hand, please? You swear?

4895 Affirm under penalty of perjury testimony, you're about to give is the truth, the whole
4896 truth, nothing but truth.

4897

4898  **Sean Johnson** 2:11:37

4899 Yes, Sir.

4900

4901  **Chakalian, Gregory, EMNRD** 2:11:38

4902 Great. Will you put your hand down and spell your name?

4903

4904  **Sean Johnson** 2:11:41

4905 Sean, first name, Sean. Last name Johnson.

4906 Johnson.

4907

4908  **Chakalian, Gregory, EMNRD** 2:11:48

4909 OK. And you've been accepted as an expert before this division?

4910

4911  **Sean Johnson** 2:11:53

4912 Yes, Sir, I have.

4913

4914  **Chakalian, Gregory, EMNRD** 2:11:54

4915 In what field?

4916

4917  **Sean Johnson** 2:11:55

4918 Your name management.

4919

4920  **Chakalian, Gregory, EMNRD** 2:11:57

4921 All right, Mr. McClure, go right ahead.

4922

4923  **McClure, Dean, EMNRD** 2:12:00

4924 Thank you, Mr. Herring. Examiner, Mr. Johnson.

4925 Very brief, like only a couple sentences. If if we can fit it in there, what is the relation?

4926

4927  **Sean Johnson** 2:12:08

4928 Yep.

4929

4930  **McClure, Dean, EMNRD** 2:12:09

4931 What is the relationship between Reed and Stevens and Permian Resources
4932 operating?

4933

4934  **Sean Johnson** 2:12:17

4935 So Permian Resources ended up acquiring.
4936 Reed and Stevens.

4937 So the interest in the entities have been held separate entitle, hence the reason why
4938 you will see Permian Resources is an owner in Reedon Stevens as well.

4939

4940  **McClure, Dean, EMNRD** 2:12:37

4941 OK.

4942 Very good. Thank you, Mr. Johnson.

4943 During the competing, are you familiar with the original competing cases between
4944 Reed and Stevens and VF?

4945

4946  **Sean Johnson** 2:12:49

4947 Yes, Sir, I am.

4948

4949  **McClure, Dean, EMNRD** 2:12:51

4950 OK.

4951 I don't recall which exhibit it was.

4952 That was submitted, but do you recall an exhibit that?

4953 Does it only depict the vertical?

4954 The vertical description of the depth severances, but I believe there was one that has
4955 a top down view of the different quarter quarters and where the depth of the
4956 located.

4957 Are you familiar with that exhibit?

4958

4959  **Sean Johnson** 2:13:18

4960 I do not recall that exhibit.

4961

4962  **McClure, Dean, EMNRD** 2:13:23

4963 OK, looks like Miss Vance might be nodding her head.

4964 Are you familiar with that? Exhibit M's Vance.

4965

4966  **Paula M. Vance** 2:13:31

4967 I am.

4968 I'm gonna go to it because I that's the one that I did include because I know you had
4969 requested it.

4970 I think it's this one right here. You wanted the top down view to see the two depth
4971 severances and then see the the cross section showing the type logs for for the wells
4972 that are depicted here to show the the depth of those depth severances.

4973

4974  **McClure, Dean, EMNRD** 2:13:59

4975 And I do recall this one and I do want this one as well, but do you recall if it was
4976 reading Stevens that had the exhibit that?

4977 Had, like the leases broke out like there was like a lease in the Northeast quarter.

4978 I thought that there was some discussion about as well.

4979 Do you recall that one?

4980

4981  **Paula M. Vance** 2:14:18

4982 I believe that.

4983 I believe it was a part of our.

4984 It might have been a part of our rebuttal exhibits. If you give me a minute, I can just
4985 look real quick.

4986 You give me one second.

4987

4988  **McClure, Dean, EMNRD** 2:14:33

4989 Yeah, that should be good.

4990 And then we can see if your Landman recognizes it.

4991

4992  **Paula M. Vance** 2:15:10

4993 I believe I think it was this one, but tell me if I'm wrong.

4994

4995  **McClure, Dean, EMNRD** 2:15:20

4996 No, that's not the one I'm referring to.

4997

4998  **Paula M. Vance** 2:15:20

4999 Is it?

5000 This.

5001

5002  **McClure, Dean, EMNRD** 2:15:23

5003 The one I was referring to should be talking.

5004 I believe it only has section 14.

5005 I think is the one that has all the depth sections in it. If I recall correctly.

5006

5007  **Paula M. Vance** 2:15:33

5008 OK, let me look at the let me pull up the hearing packet.

5009 'Cause I it may have gotten put.

5010 I I think it may have been put in there as a supplement.

5011

5012  **McClure, Dean, EMNRD** 2:15:59

5013 It may also be that I'm forgetting something.

5014 About something I got seems right, but let me Mr. Johnson.

5015 Am I recalling correctly that there's more depth severances in section 14?

5016 In addition to the ones that's in that Northwest quarter and another one in the

5017 Southwest quarter.

5018

5019  **Paula M. Vance** 2:16:23

5020 Mm-hmm.

5021

5022  **Sean Johnson** 2:16:23

5023 Not that.

5024 Not that we have seen in title.

5025 That's all that I am seeing and have seen and recognized in section 14.

5026

5027  **McClure, Dean, EMNRD** 2:16:37

5028 Maybe I'm forgetting, maybe misremembering then?

5029 So is it in your research then?

5030 Is it only in the northeast of the Northwest quarter and the southeast of the

5031 Southwest Quarter that deaf severances occur?

5032

5033  **Sean Johnson** 2:16:55

5034 Yes, Sir, you got it.

5035

5036  **McClure, Dean, EMNRD** 2:17:03

5037 OK. And then the depth severance that's in the Northeast quarter of the Northwest
5038 quarter, is that the one that there was some discussion about, one of the title, one of
5039 the something in the record was showing like 3 foot different between two different?
5040 Historical documents there or not?

5041

5042  **Sean Johnson** 2:17:30

5043 I don't.

5044 I don't recall what you are referring to.

5045 What? What I what I can say is the depths that were in the application that was given
5046 to Miss Vance.

5047 Should be the correct depth, referencing the depth severance that you're referring
5048 to.

5049

5050  **McClure, Dean, EMNRD** 2:18:01

5051 Well, what page was that on again, Miss Pence, if you have it handy.
5052 That has the overhead.

5053

5054  **Paula M. Vance** 2:18:07

5055 Ah.

5056

5057  **McClure, Dean, EMNRD** 2:18:07

5058 Oh, never mind, I'm with it.

5059 Page 49 of 58 correct.

5060 Now.

5061

5062  **Paula M. Vance** 2:18:13

5063 Packet you're looking at, but that sounds right.

5064

5065  **McClure, Dean, EMNRD** 2:18:16

5066 Yeah.

5067

5068  **Paula M. Vance** 2:18:16

5069 It's. It's around there in the page 40s, page 40 of the hearing packets.

5070

5071  **McClure, Dean, EMNRD** 2:18:46

5072 OK.

5073 Yes, thank you, Mr. Johnson.

5074 Thank you, Miss Vance.

5075 I don't have any further questions for these cases, Mr. Herring examiner.

5076

5077  **Chakalian, Gregory, EMNRD** 2:18:54

5078 All right. So based on our discussion this morning.

5079 You.

5080 Based on our discussion this morning you wanted.

5081 Some additional information in these cases.

5082 Do you still want that hold on a moment?

5083

5084  **McClure, Dean, EMNRD** 2:19:13

5085 Mr. Heng. Examiner. After this discussion I just had with Mr. Johnson and then Miss
5086 Vance's input. I no longer need any additional documents for that, although we will
5087 still need the documents for adding the pools.

5088 So we'll need the cpacs correct it to add more pools.

5089

5090  **Chakalian, Gregory, EMNRD** 2:19:31

5091 OK.

5092

5093  **McClure, Dean, EMNRD** 2:19:33

5094 The CPAC correct it for the vertical or for the depth severances and the form C-102's
5095 correct it for the new pool.

5096

5097  **Chakalian, Gregory, EMNRD** 2:19:35

5098 OK.

5099 OK, so miss, Miss Vance, if you have that to us by close of business tomorrow, we can
5100 get it.

5101 You can move it to the 18th.

5102 If not, then we'll have to push it out further.

5103

5104 **PV Paula M. Vance** 2:19:51

5105 OK.

5106 I just emailed Mr. Johnson to ask how soon we could get C1O twos, but I think that
5107 we'll get it done as quickly as possible.

5108

5109 **CE Chakalian, Gregory, EMNRD** 2:20:00

5110 I'll. I'll leave it up to you if you get it to us. As I said then just continue the cases in
5111 November 18 and Mr. McClure will have time to review it.

5112 Otherwise, we can hear it on another date, OK.

5113 We're off the record in these cases.

5114 Let's go on to kotera energy 256-7778.

5115

5116 **JE Jacob Everhart** 2:20:23

5117 Yes, Sir.

5118 Jacob Everhart with Bayon Wozniak, representing Kotera Energy operating company
5119 successor to Avant operating in case numbers 25677 and 7-8.

5120

5121 **CE Chakalian, Gregory, EMNRD** 2:20:27

5122 OK.

5123

5124 **JE Jacob Everhart** 2:20:34

5125 This is an extension, so I will keep it brief unless I'm prompted with more questions.

5126 So Kotera is requesting an application to approve an extension of one year to drill
5127 the initial wells under the Royal Oak Unit. Under existing OCD orders number R
5128 23452.

5129 And R 23453.

5130 Which require the drilling of the initial wells by October 10th, 2025 of this year.

5131 The extension is being requested for good 'cause.

5132 As Kotera acquired Avant and Freckle Mountain in Q1 of this year, and so the
5133 extension would allow for the full integration of those assets into its future
5134 development plans.

5135 So exhibit A is the extension application.

5136

5137 **CE Chakalian, Gregory, EMNRD** 2:21:16

5138 OK.

5139

5140 **JE Jacob Everhart** 2:21:19

5141 Exhibit B is the original pulling orders dated 10/10/2024.

5142 Exhibit C is the affidavit of senior land man Ashley St. Pierre, who is present on the
5143 call. If she's needed for questions.

5144 She has previously testified before the division and her qualifications have been
5145 accepted by the division and made a matter record. C1 is the updated pulling
5146 exhibits depicting several parties who have conveyed their interests to subsequent
5147 parties, as indicated in yellow exhibit C2 is a revised EST.

5148 Development plan for each.

5149 Well, dedicated to the Royal Oak units.

5150 Exhibit D.

5151

5152 **CE Chakalian, Gregory, EMNRD** 2:21:55

5153 Mr. Eberhardt, we know what the exhibits are.

5154

5155 **JE Jacob Everhart** 2:21:56

5156 Yes, Sir.

5157

5158 **CE Chakalian, Gregory, EMNRD** 2:21:58

5159 We can see them in the. So thank you for going through them for us.

5160

5161 **JE Jacob Everhart** 2:21:58

5162 OK.

5163 OK.

5164

5165 **CE Chakalian, Gregory, EMNRD** 2:22:03

5166 Let's get them admitted into evidence. But before I do that, your notice exhibits. Do
5167 you have timely notice published and mailed?

5168

5169 **JE Jacob Everhart** 2:22:07

5170 OK.

5171 They were both timely. Yes, Sir.

5172

5173  **Chakalian, Gregory, EMNRD** 2:22:14

5174 Perfect. OK, so your exhibits are admitted without exception.

5175 Mr. McClure, who do you have questions for?

5176

5177  **McClure, Dean, EMNRD** 2:22:22

5178 I'll have questions for both.

5179 Mr. Everhart, in regards to notice and the land man.

5180

5181  **Chakalian, Gregory, EMNRD** 2:22:28

5182 OK.

5183 Let's get the Landman on or her, and let's get her sworn in.

5184 Good morning. Good morning, good afternoon.

5185 I remember you.

5186 I know that you've been qualified as an expert before.

5187 Would you raise your right hand please?

5188 Do you swear or affirm under penalty of perjury that the testimony you're about to
5189 give is the truth, the whole truth?

5190 Nothing but the truth.

5191

5192  **Ashley St. Pierre** 2:22:49

5193 Yes.

5194

5195  **Chakalian, Gregory, EMNRD** 2:22:50

5196 Thank you.

5197 You can lower your hand. Please spell your name.

5198

5199  **Ashley St. Pierre** 2:22:54

5200 Ashley Ashley St. Pierre St.

5201 Period space.

5202 P i.e. RRE.

5203

5204  **Chakalian, Gregory, EMNRD** 2:23:04

5205 Thank you.

5206 And you're an expert as a land man.

5207

5208  **Ashley St. Pierre** 2:23:09

5209 Yes, Sir.

5210

5211  **Chakalian, Gregory, EMNRD** 2:23:09

5212 All right, perfect.

5213 Mr. McClure, let's start with your questions for the land man.

5214

5215  **McClure, Dean, EMNRD** 2:23:14

5216 OK.

5217 Thank you, Mr. hearing examiner, Miss Saint Pierre.

5218 How long of an extension is Katera asking for?

5219

5220  **Ashley St. Pierre** 2:23:23

5221 We are asking for a one year, so October 2026, we have current between both of the
5222 orders. It's a 16 well program.

5223 To date, we've drilled 11 of them.

5224 We've drilled 10 wells under the Bone Spring order and one well under the
5225 Wolfcamp Order.

5226 We are completing those right now and we expect to turn those online about the
5227 second week of December.

5228 So we need.

5229 We just need an extension for the five left to drill and we attached A5 year
5230 development program.

5231 To our exhibits.

5232

5233  **McClure, Dean, EMNRD** 2:23:55

5234 Yeah. And see that five year development program, I guess is what's prompting my
5235 question is, if I recall there's several of them that's on your developmental plan that
5236 say two years.

5237

5238  **Ashley St. Pierre** 2:24:01

5239 OK.

5240

5241  **McClure, Dean, EMNRD** 2:24:08

5242 Is that referencing 2 years from the initial order then?

5243 Rather than the new order.

5244

5245  **Ashley St. Pierre** 2:24:15

5246 22.

5247 It it would be the new order, but yes, I I see why you're asking that.

5248

5249  **McClure, Dean, EMNRD** 2:24:24

5250 OK.

5251 So but included in your statement and the application that was provided to the
5252 interest owners.

5253 Does it?

5254 Is Katera only asking for a one year extension in those documents?

5255

5256  **Ashley St. Pierre** 2:24:40

5257 Yes, that's correct.

5258

5259  **McClure, Dean, EMNRD** 2:24:43

5260 OK.

5261 So then let me repeat my question with consideration that there's a schedule in
5262 there.

5263 Is it accurate to say katera is only asking for the order to be extended for one year?

5264

5265  **Ashley St. Pierre** 2:24:54

5266 Yes, Sir.

5267

5268  **McClure, Dean, EMNRD** 2:24:56

5269 OK.

5270 I think you Miss St. Pierre, Mr. Evan Hart, when was public notice conducted for these
5271 cases?

5272

5273  **Jacob Everhart** 2:25:11

5274 Yeah, so public notice in terms of publication to the Hobbs, Newson was October
5275 30th and certified mailings to interested party. What was October 21st.

5276

5277  **McClure, Dean, EMNRD** 2:25:23

5278 Now, when you were considering the 10 business days, did you consider Veteran's
5279 Day?

5280

5281  **Jacob Everhart** 2:25:30

5282 I'm not sure if we contemplated that in our notices or not.

5283

5284  **McClure, Dean, EMNRD** 2:25:41

5285 This federation, do you still feel that public notice is timely?

5286

5287  **Jacob Everhart** 2:25:50

5288 Well, I guess we can count the days, right?

5289

5290  **McClure, Dean, EMNRD** 2:25:55

5291 I'm trying to think how to approach this.

5292 I guess I would say it's a divisive position that it's not timely and it'll have to be

5293 continued to cure notice for that. But in addition to that, if I can draw your attention
5294 to the newspaper clipping.

5295 The second case the 25678.

5296

5297  **Jacob Everhart** 2:26:22

5298 OK.

5299

5300  **McClure, Dean, EMNRD** 2:26:24

5301 Do you have it in front of you, Mr. Evan Hart?

5302

5303  **Jacob Everhart** 2:26:26

5304 I do.

5305 Yes, Sir.

5306

5307  **McClure, Dean, EMNRD** 2:26:28

5308 OK.

5309 I I'm not like looking at right now, but as I recall it was like the bottom is like like
5310 there's like a bottom clipping that's like over the top of.
5311 There's a piece of the newspaper clipping that's obscured.
5312 Do you see what I'm referring to?

5313

5314  **Jacob Everhart** 2:26:45

5315 So I'm gonna share my screen just so that we're looking at the same thing and you're
5316 referring to.

5317

5318  **McClure, Dean, EMNRD** 2:26:47

5319 Mm-hmm.

5320 Yeah, you see where there's like. Yeah, right. Kind of where your mouth is there.

5321 Yeah, yeah, yeah. It looks like there's a piece of the newspaper clipping that was, like,
5322 overlaid there.

5323

5324  **Jacob Everhart** 2:26:55

5325 OK.

5326

5327  **McClure, Dean, EMNRD** 2:27:00

5328 And so there's a piece that's missing out of it.

5329 Do you see what I'm referring to?

5330

5331  **Jacob Everhart** 2:27:06

5332 Yes, Sir.

5333

5334  **McClure, Dean, EMNRD** 2:27:07

5335 Are you in agreement with me that that kind of looks like like, like that's what's
5336 happened or there's a fold or something there?

5337

5338  **Jacob Everhart** 2:27:14

5339 Yeah, looks like there may be some information that's missing there, but if you look
5340 at the the party list, there's quite a long list of folks to be noticed.

5341 And I'm not sure that we have direct control over how that occurs in the newspaper,
5342 but I can.

5343 I can look into that.

5344

5345  **McClure, Dean, EMNRD** 2:27:34

5346 Yeah. If I were to ask you to get us to get provided to us.

5347 A copy of like the entirety of what is included there.

5348 Ideally, we'll have a picture of the clipping like we do there, except not obscured. If
5349 you're not able to.

5350 Achieve or if you're not able to attain that from the newspaper, then if you can
5351 provide us with a text of what it should.

5352 What was included in there? And then just certify to it yourself that that is in fact
5353 what was placed in the newspaper.

5354

5355  **Jacob Everhart** 2:28:06

5356 OK.

5357 Yep, we have.

5358 We have what we sent over to the Hobbs Newson.

5359 So we can.

5360 We can kinda go both ways in there.

5361 Get you what you need?

5362 Yes, Sir.

5363

5364  **McClure, Dean, EMNRD** 2:28:21

5365 OK.

5366 Very good.

5367 And ideally, we'll have the newspaper clipping only if you're unable to attain it from
5368 the newspaper would be the reason to go with the other approach.

5369

5370  **Jacob Everhart** 2:28:32

5371 OK, understood.

5372

5373  **McClure, Dean, EMNRD** 2:28:36

5374 Mr.

5375 Hearing examiner, I don't have any further questions for either of these cases.

5376

5377  **Chakalian, Gregory, EMNRD** 2:28:43

5378 All right.

5379 Thank you, Mr. Everhart, will you be able to submit what?

5380 Mr. McClure asked for by tomorrow 5:00 PM.

5381

5382  **Jacob Everhart** 2:28:53

5383 Yes, Sir, we can.

5384

5385  **Chakalian, Gregory, EMNRD** 2:28:54

5386 OK, if you can do that, then you can move your.

5387 Your two cases to the November 18 special docket.

5388

5389  **Jacob Everhart** 2:29:07

5390 OK.

5391

5392  **Chakalian, Gregory, EMNRD** 2:29:08

5393 And we'll finish hearing them then.

5394

5395  **Jacob Everhart** 2:29:11

5396 Yes, Sir.

5397

5398  **Chakalian, Gregory, EMNRD** 2:29:11

5399 All right.

5400 Anything further?

5401

5402  **McClure, Dean, EMNRD** 2:29:18

5403 Nothing for me, miss.

5404

5405  **Jacob Everhart** 2:29:18

5406 No, Sir.

5407

5408  **McClure, Dean, EMNRD** 2:29:19

5409 Hearing examiner. If you're asking me.

5410

5411  **Chakalian, Gregory, EMNRD** 2:29:21

5412 I was asking council. Thank you.

5413

5414  **McClure, Dean, EMNRD** 2:29:22

5415 Oh.

5416

5417  **Chakalian, Gregory, EMNRD** 2:29:23

5418 OK, we're off the record in these two cases.

5419 Let's move on to Riley Permian cases, 2568225683.

5420

5421  **Jacob Everhart** 2:29:33

5422 It's me as well, Jacob Everhart with Betty Wozniak representing Riley, Permian and

5423 case numbers 25682 and 25683.

5424

5425  **Chakalian, Gregory, EMNRD** 2:29:43

5426 I don't see any other parties.

5427

5428  **Jacob Everhart** 2:29:43

5429 So.

5430

5431  **Chakalian, Gregory, EMNRD** 2:29:44

5432 Please proceed.

5433

5434  **Jacob Everhart** 2:29:46

5435 OK, in case 25682 and eight three Riley's requesting applications to approve a

5436 standard horizontal spacing unit and compulsory pooling and 25682 requesting the

5437 approval of 159.94 acre more or less standard horizontal SP.

5438 Unit composed of the north half of the South half of Section 6, Township 18 S, range

5439 27 E.

5440 Eddy County, New Mexico.

5441 The unit will be comprised of the Malco B6, Fedcom 5:00 and 6:00.

5442 Wells the wells will produce in the Red Lake Glorieta.

5443 Yay. So formation pool code 51120 in case number 25683 we're requesting the

5444 division approve a 160.43 acre standard horizontal spacing unit comprised of the

5445 South half of the South half of section 6, Township 8.

5446 South Range 27 E.

5447 Eddy County, New Mexico.

5448 And that unit will be composed of the Malco B6 fedcom 7H and eight.
5449 H Wells also producing in the Red Lake Glorieta Yaso Formation 51220 for both
5450 cases, the exhibit packets were filed on November 6th, 2025.
5451 The standard suite of exhibits are provided, including exhibit A, the CPAC notice of
5452 hearing is exhibit B.
5453 Exhibit C is the affidavit of senior Landman Mark Smith, who was with us on the call
5454 and has been.
5455 Accepted as an expert exhibit, see through six other standard suite of land exhibits.
5456 Exhibit D is the affidavit of senior geologist Doug Standard.
5457 He has previously been made an expert in front of the Commission in terms of
5458 petroleum geology.
5459 His testimony does include the standard suite of geological exhibits D1 through five
5460 exhibit E are the notice documents showing that notice letters were mailed out and
5461 were timely on October 17th.
5462 And with that, I'd like to request that the exhibits be admitted into the record, and
5463 the matters be taken under advisement.
5464 I think you're muted, Mr. Erin Examiner.

5465

5466 **CE Chakalian, Gregory, EMNRD 2:32:06**

5467 OK, your exhibits are admitted without exception.

5468 Do you?

5469 Did you have the same issue with?

5470 Notice that you did in the other two cases.

5471

5472 **JE Jacob Everhart 2:32:17**

5473 I can pull that up.

5474

5475 **CE Chakalian, Gregory, EMNRD 2:32:19**

5476 Thank you.

5477

5478 **JE Jacob Everhart 2:32:24**

5479 I don't believe we do.

5480 Letters were sent out on October 9th to interested parties, and I'm looking at the
5481 newspaper.

5482 Notice the publication that was sent out on October 16th of 2025.

5483

5484  **Chakalian, Gregory, EMNRD** 2:32:34

5485 OK, OK.

5486 Let's Mr. McClure, do you have questions for the land man?

5487

5488  **McClure, Dean, EMNRD** 2:32:40

5489 Yes, I do miss her examiner.

5490

5491  **Chakalian, Gregory, EMNRD** 2:32:42

5492 Mr. Smith, please raise your right hand.

5493 You swear or affirm under penalty of perjury, that the testimony you're about to give

5494 is the truth, the whole truth, and nothing but the truth.

5495

5496  **Mark Smith** 2:32:53

5497 I do.

5498

5499  **Chakalian, Gregory, EMNRD** 2:32:54

5500 Great to lower your hand. Would you spell your name?

5501

5502  **Mark Smith** 2:32:58

5503 Yes, Mark Smith MARKSMITH.

5504

5505  **Chakalian, Gregory, EMNRD** 2:33:05

5506 And you've been well, I recognize you.

5507 So I know that you've been accepted as a land man before this division, Mr. McClure.

5508

5509  **McClure, Dean, EMNRD** 2:33:12

5510 Thank you, Mr. Harring examiner.

5511 Mr. Smith, is it accurate that Riley is only requesting or is requesting the division to

5512 force pool? Only Hillcore and XTO in both of these cases?

5513

5514  **Mark Smith** 2:33:15

5515 Hmm.

5516 Yes.

5517

5518  **McClure, Dean, EMNRD** 2:33:29

5519 OK, looking at your summary of contacts, it's your exhibit C6. Are you familiar with
5520 what I'm referring to, Mr. Smith?

5521

5522  **Mark Smith** 2:33:42

5523 B6.

5524

5525  **McClure, Dean, EMNRD** 2:33:52

5526 Jose, if you're on your computer, maybe Mr. Everhart can share it for you too. If that
5527 would help.

5528

5529  **Mark Smith** 2:33:53

5530 Yes.

5531

5532  **Jacob Everhart** 2:33:57

5533 I will do that right now, OK?

5534

5535  **Mark Smith** 2:34:00

5536 No, I've got it in front of me.

5537

5538  **McClure, Dean, EMNRD** 2:34:02

5539 OK.

5540 Very good.

5541 On here it looks like there's just a listing of like 3 certified letters.

5542 Do you see what I'm referring to?

5543

5544  **Mark Smith** 2:34:12

5545 Yes.

5546

5547  **McClure, Dean, EMNRD** 2:34:13

5548 Now what content was provided in these mailings, I guess?

5549

5550  **Mark Smith** 2:34:21

5551 They were the well proposals.

5552

5553  **McClure, Dean, EMNRD** 2:34:24

5554 OK.

5555 Was there any further communication?

5556 With any of the, well, I guess two. Well, technically two persons here.

5557

5558  **Mark Smith** 2:34:36

5559 They're no they really hadn't.

5560 Has not been much.

5561 I mean, I did.

5562 We did end up sending over.

5563 A JOA at Xpos request.

5564 Earlier this week.

5565 But that's been the last, last and latest communication other than the certified
5566 mailings.

5567 But they fully recognize that they more than likely were not gonna have.

5568 A JOA.

5569 Signed and reviewed internally by the time of this hearing. So.

5570

5571  **McClure, Dean, EMNRD** 2:35:15

5572 OK. And I guess if I were to ask you to amend this exhibit to rather than giving us the
5573 certified tracking numbers, I guess what I'm more interested in is the nature of the
5574 contact and then the date that it was provided.

5575 So in this instance it might be well, proposals sent on 8/22.

5576 To XTO, well, proposal sent to HILLCOR 820.

5577 And then another entry JLA sent to XTO on whatever date of that nature. I guess you
5578 understand what I'm referring to.

5579

5580  **Mark Smith** 2:35:57

5581 I do, but our description says proposal along with the wells.

5582 In there.

5583 Does recipient and then it says description and that was the proposal for those.

5584 Following wells, when they were sent and when they were received, but I can
5585 certainly add in.

5586 The e-mail that I we got this week, which was after the exhibits were due.

5587 But I can certainly have that.

5588 Add that in.

5589

5590  **McClure, Dean, EMNRD** 2:36:31

5591 Well, well, I heard it initially. I guess now that you mentioned I had initially let me
5592 start over. I hadn't initially considered your description field there.

5593 It's actually thinking about that was the was the JOA mailed by the point that these
5594 exhibit packets were submitted to the division?

5595

5596  **Mark Smith** 2:36:59

5597 No, they were just emailed to them this week. That's when.

5598 Yeah, that's when they were requested and sent over via e-mail with the
5599 acknowledgement from XTO stating that more than likely they were gonna have it
5600 reviewed and sent back in time, but that they would have no objections.

5601 To the billing itself.

5602 So.

5603

5604  **McClure, Dean, EMNRD** 2:37:22

5605 OK.

5606 Well, we've we've further consideration to that description field.

5607 I won't ask you to amend this exhibit, but just going forward for future cases, if you
5608 could consider the format, I guess that I was just kind of laying out and what's kind
5609 of more consistent with our more normal way of formatting it.

5610

5611  **Mark Smith** 2:37:48

5612 Yes, Sir.

5613

5614  **McClure, Dean, EMNRD** 2:37:50

5615 Thank you, Mr. Smith.

5616

5617  **Mark Smith** 2:37:50

5618 Totally understand.

5619

5620  **McClure, Dean, EMNRD** 2:37:53

5621 Yes, Sir.

5622 Thank you, Mr. Smith.

5623 Thank you, Mr. Herring examiner.

5624 I have no further questions for either of these cases and with my discussion of Mr.

5625 Smith just now, I believe we can go ahead and take these cases under advisement.

5626

5627 **CE Chakalian, Gregory, EMNRD** 2:38:10

5628 Alright, excellent.

5629 Thank you, Mr. Everhard.

5630 We will take these two cases under advisement.

5631

5632 **JE Jacob Everhart** 2:38:18

5633 Thank you.

5634

5635 **MS Mark Smith** 2:38:20

5636 Thank you.

5637

5638 **CE Chakalian, Gregory, EMNRD** 2:38:22

5639 Alright.

5640 And your previous two for Kotera were those will come back on the 18th most likely.

5641

5642 **JE Jacob Everhart** 2:38:32

5643 Yes, Sir.

5644

5645 **CE Chakalian, Gregory, EMNRD** 2:38:35

5646 Alright.

5647 OK.

5648 Let's see. We're off the record in those cases.

5649 We're next calling Cimorex Energy 25684 and 85 entries please.

5650

5651 **BH Benjamin Holliday** 2:39:03

5652 Good morning, everyone.

5653 Ben Holiday, on behalf of the applicant, Cimarex Energy Company of Colorado.

5654

5655 **CE Chakalian, Gregory, EMNRD** 2:39:08

5656 Right ahead, Mr. Holiday.

5657

5658 **BH Benjamin Holliday** 2:39:10

5659 All right.

5660 Yeah. And there were no other injuries of appearance in this case or in. In either case,
5661 it would all run both of these together.

5662 25684 CRX Energy Company of Colorado seeks to pool the Bone Spring Formation
5663 underlying a 960 acre standard spacing unit comprised of the West half a sections
5664 2326 and 35, all in Township 25 S range 26 E.

5665 And case number 25685, Cimarex energy.

5666 Also seeks to pool the Wolfcamp underlying the same western half of those 3
5667 sections. The unit in 25684 will be dedicated to the pintail, 232635 fed com
5668 11H12H16H in the 16 H is the defin.

5669 Well, for proximity track purposes and 17 H wells and the unit in 25685 will be
5670 dedicated to the.

5671 Pintail 2319 H well.

5672 So the turn to the exhibits they were timely submitted last week. On the 6th, we
5673 provided all the sub affirm statements for both Landman, Keaton Curtis and
5674 Archiologist Travis Sparks.

5675 Both Mr. Curtis and Sparks have previously testified and been recognized by the
5676 division as experts, and both are available if we have questions.

5677 And both exhibit packets for receivable a Mr. Kurtz gives the standard land exhibits
5678 and exhibit B. Mr. Travis provides the standard geology exhibits.

5679 Again, these were timely filed last week on the 6th exhibit.

5680 C is my notice affidavit and the associated attachments. The notice in this case was
5681 timely sent on October 20th by certified mail, and then we published timely in the
5682 Carlsbad Argus Current Argus on November 1st.

5683 I did send a supplemental notice on November 4th to the perspective of writing
5684 royalty insurance owners.

5685 I had some contact with a few of them and we went and looked at the original notice
5686 letter.

5687 And instead of saying interest owners, it said working interest owners.

5688 So I had some phone calls and some communication, so I just renoticed everyone to
5689 let them know renoticed all the override owners to let them know that they did have
5690 a cost a non cost bearing interest in the unit and none of the noticed owners have
5691 elected to.

5692 Enter appearances case. So with that, unless there's any questions, I request that the
5693 exhibits be admitted and that the cases be taken under advisement.
5694 Thank you.

5695

5696  **Chakalian, Gregory, EMNRD** 2:41:35

5697 All right, Mr. holiday. Thank you.

5698 Your exhibits are admitted without exception, Mr. McClure.

5699 Were you gonna have questions for the Landman or the geologist?

5700

5701  **McClure, Dean, EMNRD** 2:41:44

5702 Mr. Henning. Examiner, I will have questions for the land man and then also Mr.

5703 Holiday on the notice.

5704

5705  **Chakalian, Gregory, EMNRD** 2:41:51

5706 All right, let's get the land man sworn in.

5707 All right, Mr. Curtis, would you please raise your right hand?

5708

5709  **Keaton Curtis** 2:42:00

5710 Aye.

5711

5712  **Chakalian, Gregory, EMNRD** 2:42:04

5713 You swear affirm under penalty of perjury, that the testimony you're about to give is
5714 the truth.

5715 The whole truth.

5716 Nothing but the truth.

5717

5718  **Keaton Curtis** 2:42:09

5719 I do.

5720

5721  **Chakalian, Gregory, EMNRD** 2:42:10

5722 All right, I recognize you.

5723 I know that you've been qualified as an expert for this division.

5724 In what field?

5725

5726  **Keaton Curtis** 2:42:16

5727 Patrolman.

5728

5729  **Chakalian, Gregory, EMNRD** 2:42:17

5730 Land. OK, Mr. McClure, go right ahead.

5731

5732  **McClure, Dean, EMNRD** 2:42:20

5733 I think Ms. Harrington or Mr. Curtis.

5734 I'm looking at the first case.

5735 That being 25684.

5736 For the 16 H well.

5737 What is the fetus for the first take point and last take point for this well.

5738

5739  **Keaton Curtis** 2:42:49

5740 If you refer to the plat on the C-102 on page 25 of our exit packet, you'll see that the
5741 first take point and last take point first take point being 100 feet from the North Line
5742 and section 23 last take point being.

5743 100 feet from the South line at section 35, both in 25 S.

5744 20 sixties.

5745

5746  **McClure, Dean, EMNRD** 2:43:08

5747 And how far are those take points from the West Line?

5748

5749  **Keaton Curtis** 2:43:18

5750 Going off the center point in this plat it is going to be 1558.

5751

5752  **McClure, Dean, EMNRD** 2:43:29

5753 What page is that on Mr. Curtis?

5754

5755  **Keaton Curtis** 2:43:31

5756 I'm referring to page 26.

5757

5758  **McClure, Dean, EMNRD** 2:43:45

5759 Oh, I see. You're looking at the.
5760 At the center, you're looking at section 26, where it says 1551.

5761

5762  **Keaton Curtis** 2:43:52

5763 Call PP3.

5764

5765  **McClure, Dean, EMNRD** 2:43:55

5766 I'm sorry, say that one more time, Mr. Curtis.

5767

5768  **Keaton Curtis** 2:43:58

5769 LPP 3

5770

5771  **McClure, Dean, EMNRD** 2:44:01

5772 OK. As far as the first take point at the North End of Section 23 and the South take
5773 point at the end of section 35.

5774 How far are those from the West Line?

5775

5776  **Keaton Curtis** 2:44:14

5777 you were looking at 1600 feet?

5778

5779  **McClure, Dean, EMNRD** 2:44:18

5780 OK.

5781 So if I can draw your attention to.

5782 The CPAC?

5783 Well, #3.

5784 This is on page 5 of 132.

5785

5786  **Keaton Curtis** 2:44:42

5787 You said CPAC.

5788

5789  **McClure, Dean, EMNRD** 2:44:44

5790 Yeah. The compulsory pooling administrative checklist, if you have the exhibit pack in
5791 front of you, it's page 5 of 132.

5792

5793  **Keaton Curtis** 2:44:53

5794 Got it. Yeah.

5795

5796  **McClure, Dean, EMNRD** 2:44:56

5797 Again, specifically, it appears here that it states 1800 feet from the West Line. To
5798 confirm that there's a typo here in the CPAC in regards to the first and last take point
5799 for well 3.

5800 Is that correct?

5801

5802  **Keaton Curtis** 2:45:12

5803 It appears so. Yes, Sir.

5804

5805  **McClure, Dean, EMNRD** 2:45:15

5806 OK.

5807 Thank you, Mr. Curtis, Mr. Holiday.

5808 When was the public notice conducted for these cases?

5809

5810  **Benjamin Holliday** 2:45:33

5811 So let me flip down.

5812 Notice was the date of the letter was the 17th, but as you can see from my exhibit C,
5813 you put down to it.

5814 Notice was sent. There were.

5815 Initial notice was sent on the 20th of October.

5816 And then as I mentioned, if you go to page 89, the exhibit, you can see the one word
5817 that hung things up here says working interest owners that should have been
5818 interest owners.

5819 As I mentioned, several of them reached out to me and and asked to clarify the
5820 nature of their ownership.

5821 I let them know that they're over over royalty interest owners and to prevent any
5822 future problems, I renoticed all of the overriding owners and various of them have
5823 reached out and said, you know, thank you for letting me know and none of them
5824 have Internet appearance in the.

5825 Case.

5826

5827  **McClure, Dean, EMNRD** 2:46:24

5828 When was public notice in the newspaper conducted?

5829

5830  **Benjamin Holliday** 2:46:29

5831 Yes, OK.

5832 So that's gonna be on our last.

5833 Had written down that that was on the first yeah, November 1st.

5834

5835  **McClure, Dean, EMNRD** 2:46:39

5836 OK, I guess.

5837 With veteran's day considered, are you in agreement that no public notice would
5838 have been conducted on the 29th of October?

5839 For this case, for this hearing date.

5840

5841  **Benjamin Holliday** 2:46:54

5842 We can certainly renotice people. I don't believe that.

5843 That I understand you're going to say the divisions.

5844 Position is, it should have been on the 29th November 1st was more than 10 days in
5845 advance of the hearing, even considering veteran's day.

5846 So I feel like no notice of the publication notice was timely filed.

5847 But if it's the divisions preparation, we can certainly refile the app data publication.

5848

5849  **McClure, Dean, EMNRD** 2:47:21

5850 Well, you don't need to refile the public the when we're out of date.

5851 Like when we're not ten business days prior to the hearing, we don't have to refile
5852 anything.

5853 We just have to continue the cases to allow notice to run until 10 business days has
5854 passed.

5855 So as far as the notice date, that's just the continuance. But and it may take you a few
5856 minutes to sort through this.

5857 But can you look at the newspaper clippings themselves that's attached to either of
5858 these cases?

5859 'Cause I was quite confused I guess when I was trying to read through them.

5860 It's almost like there's a piece of.

5861 One public noticed, and it's like at the top and then it's like for a totally different
5862 case.

5863 I'm very I was very confused.

5864

5865  **Benjamin Holliday** 2:48:21

5866 Looks like.

5867

5868  **McClure, Dean, EMNRD** 2:48:21

5869 To do in regards to that.

5870

5871  **Benjamin Holliday** 2:48:23

5872 OK.

5873 So that one looks like.

5874 A.

5875 A piece of a prior notice somehow.

5876 When it was sent to the Carlsbad Argus, it looks like there's the top part of one

5877 notice in the bottom part of another notice.

5878

5879  **McClure, Dean, EMNRD** 2:48:38

5880 So are you thinking that notice that was conducted is what we're seeing there or do

5881 you think there's some sort of mix up in the clipping that's attached?

5882

5883  **Benjamin Holliday** 2:48:48

5884 I think that that well, I think that's probably what was published in the in the paper,

5885 not sure how that got to them, but.

5886 I do believe that is what was actually running the Carlsbad current artist.

5887

5888  **McClure, Dean, EMNRD** 2:49:00

5889 OK, now if you can look at the second case here, the 25685.

5890 It has some sort of similar thing going on where it's a bit references the 25684 case

5891 at the top, but then it like goes on to have the description of like 25685 there.

5892 I'm not sure what's going on there either.

5893

5894  **Benjamin Holliday** 2:49:20

5895 Yeah, I can pull that up, but I would imagine that when they were sent over by our

5896 office, they just got swapped.
5897 That's the only thing I can imagine.

5898

5899  **McClure, Dean, EMNRD** 2:49:30

5900 OK.

5901 Well, I guess initially I told you that we only had to continue the cases to cure notice.
5902 But I guess maybe I'm gonna retract that thought process because with if there was.
5903 Something going on with the verbridge there then it looks like we will need to
5904 conduct new public notice. Unless you believe written notice was provided to each
5905 and every single person.

5906 But if I recall, I think there were some of them that got returned to Cinder.

5907

5908  **Benjamin Holliday** 2:50:00

5909 Yes.

5910

5911  **McClure, Dean, EMNRD** 2:50:00

5912 Are you in agreement with that?

5913

5914  **Benjamin Holliday** 2:50:02

5915 I am. Yes, Sir.

5916

5917  **McClure, Dean, EMNRD** 2:50:04

5918 OK.

5919 One additional thing you you on the CPAC for the first case 25684, it appears as a
5920 typo for the first and last take points for well #3 if we can make a correction in there,
5921 do you know what?

5922 I'm what I'm asking for, Mr. Holiday.

5923

5924  **Benjamin Holliday** 2:50:25

5925 That's the 1618 hundred, I think.

5926 The type font on that's really small and it got switched up, but we can certainly
5927 amend that.

5928

5929  **McClure, Dean, EMNRD** 2:50:30

5930 Oh.

5931 OK.

5932 Very good.

5933 In addition to that, on that particular CPAC or in that particular case, you also have
5934 the incorrect pool listed here.

5935

5936  **Benjamin Holliday** 2:50:46

5937 OK.

5938

5939  **McClure, Dean, EMNRD** 2:50:46

5940 Umm.

5941 If you have a pen and paper handy, I'll give you the pool code for that.

5942

5943  **Benjamin Holliday** 2:50:54

5944 I do.

5945 Go ahead please.

5946

5947  **McClure, Dean, EMNRD** 2:50:56

5948 It should be the 97916.

5949 And then do you know how to go about getting the pool name off of our system or
5950 do you want me to try to list it out here for you?

5951

5952  **Benjamin Holliday** 2:51:11

5953 I can certainly obtain that. Thank you.

5954

5955  **McClure, Dean, EMNRD** 2:51:13

5956 OK.

5957 Very good.

5958 And then so if we can also correct the CPAC to take into account the different pool,
5959 but also the form C1O twos will need to be corrected for this case to account for the
5960 the correct pool.

5961

5962  **Benjamin Holliday** 2:51:30

5963 Checklist and C 102. Thank you.

5964

5965  **McClure, Dean, EMNRD** 2:51:33

5966 Very good and.

5967 Thank thank you, Mr. Holiday.

5968 Thank you, Mr. Curtis.

5969 Mr. Herring, examiner, I have no further questions for either of these cases.

5970

5971  **Chakalian, Gregory, EMNRD** 2:51:44

5972 OK.

5973 So, Mr. holiday.

5974 If you can get this information.

5975 In with a cover letter.

5976 By tomorrow at 5:00 PM, you can then have it heard on the special docket November
5977 18.

5978 You probably heard me offering that to other parties as well.

5979

5980  **Benjamin Holliday** 2:52:03

5981 Sure.

5982

5983  **Chakalian, Gregory, EMNRD** 2:52:04

5984 Is that something you are contemplating?

5985

5986  **Benjamin Holliday** 2:52:07

5987 Yes, Sir, absolutely.

5988

5989  **Chakalian, Gregory, EMNRD** 2:52:08

5990 OK, fine. All right, then we will. We what? I'm sorry.

5991

5992  **McClure, Dean, EMNRD** 2:52:09

5993 Mr. Mr.

5994 Mr. Herring examined.

5995 I apologize for interrupting you, but after discussion with Mr. Holiday, it appears that
5996 the content of the public notice is not sufficient.

5997

5998  **Benjamin Holliday** 2:52:22

5999 Oh yeah, you're right.

6000

6001  **McClure, Dean, EMNRD** 2:52:23

6002 So they'll end up running the.

6003

6004  **Chakalian, Gregory, EMNRD** 2:52:26

6005 Oh, OK.

6006

6007  **Charles Crosby** 2:52:27

6008 Stop.

6009

6010  **McClure, Dean, EMNRD** 2:52:27

6011 The well 10 business days, I guess is all they need for the public notice.

6012

6013  **Chakalian, Gregory, EMNRD** 2:52:31

6014 Which is about two weeks. Two weeks from now. We don't have a special docket 2

6015 weeks from now.

6016

6017  **Benjamin Holliday** 2:52:33

6018 Yep.

6019

6020  **Chakalian, Gregory, EMNRD** 2:52:37

6021 Today is the 13th, I would say.

6022 We can get it on our December 4 docket.

6023

6024  **Benjamin Holliday** 2:52:45

6025 Yeah. Yes, Sir. That'll work.

6026

6027  **Chakalian, Gregory, EMNRD** 2:52:46

6028 All right.

6029 Would you then continue these cases to the December 4 and Freya will get them on
6030 the beginning of the docket?

6031

6032  **Benjamin Holliday** 2:52:54

6033 Yes, Sir. I will. Thank you.

6034

6035 **CE Chakalian, Gregory, EMNRD** 2:52:56

6036 Alright, don't forget the cover letter and thank you very much. Have a good day.

6037 We're off the record.

6038 Let's call our last cases.

6039 This is Permian resources.

6040 256868889.

6041 And 9/1.

6042

6043 **YP Yarithza Peña** 2:53:14

6044 Good afternoon, Mr. hearing examiner, Yaditza Pena, on behalf of Permian Resources
6045 operating.

6046

6047 **CE Chakalian, Gregory, EMNRD** 2:53:20

6048 And we do have other parties.

6049

6050 **YP Yarithza Peña** 2:53:22

6051 Yes, quite a few.

6052

6053 **HK Hatley, Keri (LDZX)** 2:53:22

6054 Yes. Good afternoon Mr. Examiner.

6055 Keri Hatley, representing COG, operating Contra oil and gas and Marathon Oil

6056 Permian and we are monitoring only. Thank you.

6057

6058 **CE Chakalian, Gregory, EMNRD** 2:53:31

6059 Thank you.

6060

6061 **PV Paula M. Vance** 2:53:32

6062 Good afternoon, Mr. hearing examiner Paula Vance with the Santa Fe Office of
6063 Holland and Hart, on behalf of MRC Delaware Resources LLC. And we are just
6064 monitoring.

6065

6066 **CE Chakalian, Gregory, EMNRD** 2:53:41

6067 Thank you.

6068

6069 **BH Benjamin Holliday** 2:53:46

6070 And this Ben holiday, on behalf of Powderhorn Asset Co, we are just monitoring as
6071 well.

6072

6073 **CE Chakalian, Gregory, EMNRD** 2:53:52

6074 Thank you. Go right ahead, Ms. Pena.

6075

6076 **YP Yarithza Peña** 2:53:56

6077 Thank you.

6078 In case number 25686, Permian Resources takes an order pooling all interest in the
6079 Bone Spring formation underlying a 480 acre standard horizontal spacing unit
6080 comprised of the north half N half of Section 7, Township 19 S, range 28 E and.
6081 The north half N half of sections 11 and 12, Township 19 S range 27 E in Eddy
6082 County.

6083 Dedicating that unit to the Alpine Eagle 711 state Comm. 131 a 12 in 25688.

6084 Permian seeks an order in the Bone Spring formation, this time in the north half S
6085 half of section 711 and 12.

6086 In 25689, Permian seeks an order in the Bone Spring formation in the South half
6087 South of Section 711 and 12, and finally in 25691, Permian Resources seeks an order
6088 in the wolf.

6089 Chem formation underlying a 480 acre standard horizontal spacing unit in the South
6090 half N half of Section 7 and 11:00 and 12:00.

6091 Exhibits were timely filed for these cases last week, and we attempted the new
6092 ownership commitment exhibit as a standalone exhibit. But in future references, we'll
6093 put it in the lineman exhibits.

6094

6095 **CC Charles Crosby** 2:55:14

6096 ****.

6097

6098 **YP Yarithza Peña** 2:55:18

6099 We include the land man testimony of Adam Reeker, who has previously been
6100 admitted to testify as an expert in petroleum land matters.

6101 With the division when he previously worked for Conoco Phillips.

6102 And we also include the testimony and corresponding geology exhibits from Chris

6103 Rudeluber, who has also previously been admitted to testify as an expert.
6104 And he is not available if there are any questions.
6105 But Mr. Christopher Canton has reviewed his exhibits and is on the call.
6106 Finally, we include our notice exhibits with copies of the notice letter.
6107 Which was timely sent to all parties on October 24th and our affidavit of publication
6108 which we have realized is untimely by one day. It was published on October 30th. So
6109 we asked the division if we can come back on the Tuesday special docket to perfect
6110 notice with.
6111 That I ask, the exhibits be admitted for case to 568-668-8689 and 691 and that the
6112 cases be taken under advisement.

6113

6114  **Chakalian, Gregory, EMNRD** 2:56:25

6115 Thank you, Miss Pena admitted without exception.
6116 And yes, you can move.
6117 Your cases to the November 18 docket to cure notice, but I have a feeling there's
6118 gonna be a few other changes to your application requiring an amended packet with
6119 cover letter.
6120 Mr. McClure, who would you like to question?

6121

6122  **McClure, Dean, EMNRD** 2:56:49

6123 Mr. Herring, examiner, if I can question the land man and then Miss Pena as well.

6124

6125  **Chakalian, Gregory, EMNRD** 2:56:54

6126 Let's start out with the land men who do we have.

6127

6128  **Adam Reker** 2:56:59

6129 Adam reeker.

6130

6131  **Yarithza Peña** 2:57:00

6132 Mr. Aden recruited.

6133

6134  **Chakalian, Gregory, EMNRD** 2:57:01

6135 Excellent.

6136 Would you raise your right hand please?

6137 You swear or affirm under penalty of perjury, that the testimony you're about to give
6138 is the truth, the whole truth, nothing but the truth.

6139

6140  **Adam Reker** 2:57:11

6141 I do.

6142

6143  **Chakalian, Gregory, EMNRD** 2:57:12

6144 Thank you.

6145 You can lower your hand.

6146 What will you spell your name, please?

6147

6148  **Adam Reker** 2:57:17

6149 Adam Adam reeker REKER.

6150

6151  **Chakalian, Gregory, EMNRD** 2:57:20

6152 Thank you.

6153 And you've been previously qualified as an expert for this division.

6154

6155  **Adam Reker** 2:57:25

6156 Yes, I have.

6157

6158  **Chakalian, Gregory, EMNRD** 2:57:26

6159 In what field?

6160

6161  **Adam Reker** 2:57:27

6162 Petroleum way management.

6163

6164  **Chakalian, Gregory, EMNRD** 2:57:29

6165 Mr. McClure.

6166

6167  **McClure, Dean, EMNRD** 2:57:31

6168 Thank you, Mr. Herring examiner.

6169 Mr. Reeker, what is the status of the South half of the north half for the Bone Spring

6170 formation in these sections?

6171

6172 **AR** **Adam Reker** 2:57:44

6173 What do you mean?

6174 What is the status?

6175 It is not being developed in our first round of in our phase one of development. We
6176 are testing the Wolfcamp XY in the north half of the South or sorry S half of the north
6177 half.

6178

6179  **McClure, Dean, EMNRD** 2:57:59

6180 OK.

6181 So then, currently there's no wells proposed to be drilled into the South half of the
6182 north half in the Bone Spring Formation, is that correct?

6183

6184 **AR** **Adam Reker** 2:58:10

6185 That's correct.

6186 We proposed.

6187 Wells with our initial proposal letters that went out, we proposed 8 wells.

6188 We have since refined our development and we will be drilling 4 in the near terms.

6189 That's what we're seeking to pull today.

6190

6191  **McClure, Dean, EMNRD** 2:58:26

6192 OK, so as of this time.

6193 Premium has plans to come back later and complete out the South half of the north
6194 half.

6195 Is that correct?

6196

6197 **AR** **Adam Reker** 2:58:39

6198 Not immediate plans, I don't know.

6199 We're gonna obviously monitor these three sections that we're developing with 15K
6200 laterals. And you know if the asset development team says that we need to go drill
6201 more, we will. But that would be as part of a separate application because the Bone
6202 Spring won't be pulled today.

6203 So we'd have to come back to the division for a separate order when and if that
6204 happens.

6205

6206  **McClure, Dean, EMNRD** 2:59:06

6207 Now in regards to the north half of these sections for the wolf camp.

6208 Same question, what is the current status of those sections and that formation?

6209

6210  **Adam Reker** 2:59:16

6211 It's it's the same story.

6212 So we proposed four third Bone Spring wells and four Wolfcamp XY wells across
6213 these sections.

6214 Based upon the feedback we were given from our asset development team, we
6215 decided to go with three of the Bone Spring and one of the Wolfcamp.

6216 We're going to monitor those results and depending on how all that looks and
6217 everything, we would seek a separate order to come back for the Wolfcamp another
6218 time.

6219 Depending on results and everything.

6220 Thanks.

6221

6222  **McClure, Dean, EMNRD** 2:59:48

6223 OK. Thank thank you, Sir, Miss Pena.

6224

6225  **Yarithza Peña** 2:59:51

6226 Yes.

6227

6228  **McClure, Dean, EMNRD** 2:59:55

6229 Well, all four of these cases have the incorrect pool, but let's first address the Bone
6230 spring cases.

6231

6232  **Yarithza Peña** 3:00:03

6233 OK.

6234

6235  **McClure, Dean, EMNRD** 3:00:03

6236 Do you have a pen and paper there handy.

6237

6238  **Yarithza Peña** 3:00:07

6239 Yes, I do.

6240

6241  **McClure, Dean, EMNRD** 3:00:08

6242 OK, the correct pool is the Winchester Bone Spring West and that pool code is.

6243 97569.

6244

6245  **Yarithza Peña** 3:00:22

6246 OK.

6247

6248  **McClure, Dean, EMNRD** 3:00:23

6249 So if we could correct the CPAC to include the correct pool and then a form C-102.

6250 For the correct pool as well.

6251

6252  **Yarithza Peña** 3:00:34

6253 Will do.

6254

6255  **McClure, Dean, EMNRD** 3:00:38

6256 Now the more problematic well, the more problematic case, let's talk about.

6257 Case 25691.

6258

6259  **Yarithza Peña** 3:00:50

6260 OK.

6261

6262  **McClure, Dean, EMNRD** 3:00:52

6263 I'm just bringing up the.

6264 This this has the incorrect pool, but the issue is the correct pool is also a gas pool.

6265 As you have here, and yet the case seems to be built out of 40 acre building blocks.

6266

6267  **Yarithza Peña** 3:01:08

6268 OK.

6269

6270  **McClure, Dean, EMNRD** 3:01:15

6271 Do you see where I'm referring to?

6272

6273  **Yarithza Peña** 3:01:17

6274 Yes, I do see that.

6275

6276  **McClure, Dean, EMNRD** 3:01:20

6277 A gas pool is required to be built out of 160 acre building blocks.

6278 So this case fundamentally has.

6279

6280  **Yarithza Peña** 3:01:26

6281 Yes.

6282

6283  **McClure, Dean, EMNRD** 3:01:30

6284 Issues associated with it.

6285 At this point, you know what?

6286 The What your client may wish to how your client may wish to proceed here.

6287

6288  **Yarithza Peña** 3:01:43

6289 I would have to have a conversation with them and see what our options are on that.

6290

6291  **McClure, Dean, EMNRD** 3:01:53

6292 We kind of need to.

6293 I think we kind of need to have that discussion to see if if Permian even wants to
6294 proceed with that case.

6295 Or just request a dismissal and refile it with the appropriate tracks included in it.

6296

6297  **Yarithza Peña** 3:02:14

6298 Could we have until Tuesday when we come back on these other three cases to make
6299 a determination on how we can amend these exhibits or amend the application in
6300 this case in this case?

6301

6302  **McClure, Dean, EMNRD** 3:02:28

6303 'Cause, it looks like the IT looks like our hearing examiner's nodding his head.

6304 And I don't see an issue with it, but if he doesn't procedurally see that issue there.

6305

6306  **Yarithza Peña** 3:02:36

6307 OK.

6308

6309  **McClure, Dean, EMNRD** 3:02:38

6310 In regards to correcting.
6311 The exhibit packet Mr. Herring. Examiner, should we have him get the packet?
6312 Correct it. On the off chance that they wish to try to proceed here or just deal with
6313 this once we have a determination next Tuesday.
6314 OK.

6315

6316  **Chakalian, Gregory, EMNRD** 3:02:58

6317 Let's on the one case and I think the case you're talking about is 91, right?

6318

6319  **McClure, Dean, EMNRD** 3:03:05

6320 Yes, Mr. Examiner 91.

6321

6322  **Chakalian, Gregory, EMNRD** 3:03:05

6323 OK on 91.

6324 Don't amend anything.

6325 Just have your discussion with the client. Come with us. Come to.

6326 Continue all the cases, all four cases, to the November 18 docket.

6327 Get in your amended exhibit packets with cover letters by 5:00 PM tomorrow so that

6328 Mister McClure has time to review.

6329 Before Tuesday's special docket, but on Tuesday tell us how you want to proceed on

6330 91.

6331

6332  **Yarithza Peña** 3:03:38

6333 OK, we can do that. And if I can ask Mr. McClure about the correct pool for this area
6334 in the wolf camp.

6335

6336  **McClure, Dean, EMNRD** 3:03:48

6337 Buy that, as I say, you're not gonna need to worry about if you're not correct. If
6338 you're not submitting amended exhibit packets, but just so you have it 'cause, you'll
6339 have to refile. I mean, potentially you'd be refiling anyway, the correct pool for that is
6340 the Millman W.

6341 West.

6342 Gas and the pool code for that is.

6343 81395.

6344

6345 **YP Yarithza Peña** 3:04:13

6346 OK.

6347 Thank you.

6348

6349 **CE Chakalian, Gregory, EMNRD** 3:04:16

6350 So Miss Pena, depending on how you want to proceed on case number 91.

6351 If you want to file an amended exhibit instead of dismissing and refiling, which I
6352 know there's benefits to doing both.

6353 How how will that affect notice and when the case could be heard?

6354

6355 **YP Yarithza Peña** 3:04:40

6356 So if we continue forward with this application and we amend, if we, if we stick with
6357 the same unit, then I think notice isn't an issue as long as it's I mean our publication
6358 notices already pushing it by one day.

6359 So we would come back on Tuesday and maybe have amendments to the testimony
6360 of our land man about how they are planning to develop this.

6361 Spacing unit.

6362 For the wolf camp.

6363 But if they have other decisions, and if we're dismissing every filing that would go to
6364 the next available docket as a new application.

6365

6366 **CE Chakalian, Gregory, EMNRD** 3:05:19

6367 Chair, I think I I I think what I'm trying to say here though is no matter which
6368 direction you go, whether it's amending or whether it's dismissing and refiling, it
6369 won't be heard.

6370 Further than telling us how you want to proceed on Tuesday, we we won't.

6371 We won't be reviewing exhibits on Tuesday for case number 91, so if you want to
6372 amend your application the soon as we could hear that would be December 4.

6373

6374 **YP Yarithza Peña** 3:05:50

6375 OK, correct.

6376

6377 **CE Chakalian, Gregory, EMNRD** 3:05:51

6378 All right, at making sure of course, that notice is not a problem with with the

6379 amendment. If you're going to dismiss and refile, then I don't think we'll we'll be able
6380 to make December 4.
6381

6382 **OCD Regular Docket November 13, 2025 [VIRTUAL**
6383 **ONLY DOCKET]-20251113_214402UTC-Meeting**
6384 **RecordingPART_3**

6385 November 13, 2025, 9:36PM

6386 7m 57s

6387

6388 **YP Yarithza Peña 0:08**

6389 Correct. Thank you.

6390

6391 **CE Chakalian, Gregory, EMNRD 0:09**

6392 OK, alright.

6393 OK.

6394 Is there anything else, Miss Pena?

6395

6396 **YP Yarithza Peña 0:14**

6397 No, thank you.

6398 I will continue all four cases to Tuesday.

6399

6400 **CE Chakalian, Gregory, EMNRD 0:15**

6401 All right.

6402 That's perfect.

6403 Thank you very much.

6404

6405 **YP Yarithza Peña 0:19**

6406 Thank you.

6407

6408 **CE Chakalian, Gregory, EMNRD 0:19**

6409 We're off the record in those cases and we have one last case that is muburn oil

6410 25750.

6411

6412 **PV Paula M. Vance 0:27**

6413 Good afternoon, Mr. hearing examiner Paula Vance with the Santa Fe Office of
6414 Holland and Heart. On behalf of the applicant, Mubarn Oil company.

6415

6416 **CE Chakalian, Gregory, EMNRD 0:35**

6417 It's good to see you still smiling, Ms. Vance.

6418

6419 **PV Paula M. Vance 0:39**

6420 I'm trying.

6421

6422 **DB Deana Bennett 0:41**

6423 Good, good afternoon everyone.

6424 Deana Bennett, on behalf of Paloma Permian Asset Co.

6425 And we filed an entry of appearance, but we did not object and we're only
6426 monitoring and preserving rights.

6427

6428 **CE Chakalian, Gregory, EMNRD 0:54**

6429 Thank you, miss Bennett.

6430

6431 **PV Paula M. Vance 0:57**

6432 All right. So in this case, we actually had two prior cases related to this, the stage
6433 fright, they were cases 25630 and three one and we tried we went to, we were going
6434 to present them at the last hearing, but we found out they.

6435 Were in a gas pool and not a bone spraying pool.

6436 And so we had to dismiss and refile.

6437 And so that's what we're here for.

6438 So it's basically the same spacing, same wells.

6439 Just different spacing unit.

6440 Well, I say same spacing, same acreage.

6441

6442 **CE Chakalian, Gregory, EMNRD 1:32**

6443 But it's one case now instead of two.

6444

6445 **PV Paula M. Vance 1:35**

6446 That's correct.

6447 That's correct because we've got gas.

6448 Basing to what?
6449 Mr. McClure was just talking about it's 160 acre building blocks, so in case number
6450 25750, new Burn seeks to pool the uncommitted interest in a 635.5 acre, more or less
6451 horizontal well spacing unit again it.

6452

6453 **CE Chakalian, Gregory, EMNRD 1:44**

6454 Perfect.

6455

6456 **PV Paula M. Vance 1:55**

6457 Is a Wolfcamp gas pool in that pool is Avalon Wolfcamp gas and the pool is 71120.

6458 And that is underlying lots one through 8, the north half equivalent of irregular

6459 section 12, Township 21 S, range 25 E and lots 5 through 12. The North Hap

6460 equivalent of a regular Section 7 Township 21 S range 26 E.

6461 And that's in Eddy County, New Mexico.

6462 And Mubarak seeks to initially dedicate the spacing unit to the stage fright 12 seven

6463 federal Comm. 711 H and 713 H.

6464 With our hearing packet, we have included a copy of the application, the CPAC,

6465 along with the statement of our land man, Ariana Rodriguez, who you heard from

6466 earlier today, all of the customary all of the required sub exhibits for land and then

6467 our geology statement, our geologist is.

6468 Charles Crosby, who is also who also previously testified in all of these standard

6469 exhibits for geology, along with myself, affirmed statement of notice, which was

6470 timely published on October 24, 2025. In the affidavit of notice of publication, which

6471 was timely published on October 28.

6472 2025 and unless there are any, am I in the same boat?

6473 Am I not counting my days right?

6474

6475 **CE Chakalian, Gregory, EMNRD 3:19**

6476 I I'm I. I'm not saying that at all, but it sounded like. Did you mean to say that you

6477 had?

6478 Noticed that was mailed on October 24.

6479

6480 **PV Paula M. Vance 3:33**

6481 Yes.

6482

6483 **CE Chakalian, Gregory, EMNRD 3:36**

6484 Doesn't. Isn't that the 20 day notice?

6485

6486 **PV Paula M. Vance 3:36**

6487 Let me double.

6488 That's the 20 day notice.

6489

6490 **CE Chakalian, Gregory, EMNRD 3:41**

6491 I don't think that's going to be timely then.

6492

6493 **PV Paula M. Vance 3:43**

6494 Let me double check.

6495 OK, it is.

6496

6497 **CE Chakalian, Gregory, EMNRD 3:49**

6498 But yes, please double check because the holiday in there and everything.

6499

6500 **PV Paula M. Vance 3:50**

6501 Let me double.

6502 It is that is correct, October 24th.

6503 I'm counting my days here.

6504 Well, with the with the letter notice.

6505 It's just 20 days.

6506

6507 **CE Chakalian, Gregory, EMNRD 4:21**

6508 Right. But you don't count holidays, do you?

6509 Even though it's 20 days.

6510 Wait, Deena Bennett's nodding a lot.

6511

6512 **PV Paula M. Vance 4:28**

6513 I don't.

6514 Yeah.

6515

6516 **CE Chakalian, Gregory, EMNRD 4:30**

6517 A lot of nodding.

6518 What do you what are you trying to say?

6519

6520 **DB Deana Bennett** 4:33

6521 The notice letter is 20 calendar days.

6522

6523 **PV Paula M. Vance** 4:37

6524 Yeah.

6525

6526 **DB Deana Bennett** 4:37

6527 So you do count holidays.

6528 It's the publication.

6529

6530 **CE Chakalian, Gregory, EMNRD** 4:39

6531 OK.

6532

6533 **PV Paula M. Vance** 4:39

6534 Yeah.

6535

6536 **CE Chakalian, Gregory, EMNRD** 4:40

6537 Thank you.

6538

6539 **DB Deana Bennett** 4:41

6540 Notice that you don't count holidays.

6541

6542 **CE Chakalian, Gregory, EMNRD** 4:42

6543 Perfect. Thank you, miss Bennett.

6544 That was a refresher.

6545 That was a good legal update.

6546 Maybe I'll get a Cle out of that.

6547 Hold on a second.

6548 Let me.

6549 Let me take a look at something here.

6550 So, Miss Vance, you mailed on the 24th, right?

6551 So you don't count the 24th, so 25.

6552 6789.
6553 101112131415.
6554 16171819 today is the 20th day. You couldn't.
6555 You couldn't cut it any closer, and I guess I guess based on what miss Miss Bennett is
6556 saying, even a holiday is not gonna disrupt the 20 days.
6557 So you're good there.

6558

6559 **PV** **Paula M. Vance** 5:29

6560 Yeah.

6561

6562 **CE** **Chakalian, Gregory, EMNRD** 5:30

6563 What about your publication?

6564

6565 **PV** **Paula M. Vance** 5:32

6566 It was the 28th.

6567

6568 **CE** **Chakalian, Gregory, EMNRD** 5:35

6569 OK, the 28th. You don't count the 28th, so 29th.

6570

6571 **PV** **Paula M. Vance** 5:38

6572 2.

6573 Today is day 10.

6574

6575 **CE** **Chakalian, Gregory, EMNRD** 5:49

6576 You're right. OK.

6577

6578 **PV** **Paula M. Vance** 5:50

6579 I believe, yeah.

6580

6581 **CE** **Chakalian, Gregory, EMNRD** 5:53

6582 I'm good, OK.

6583

6584 **PV** **Paula M. Vance** 5:54

6585 Yeah.

6586

6587 **CE Chakalian, Gregory, EMNRD 5:54**

6588 All right.

6589 So are you.

6590 You want your exhibits to be admitted.

6591

6592 **PV Paula M. Vance 5:58**

6593 I do.

6594

6595 **CE Chakalian, Gregory, EMNRD 6:00**

6596 Yeah, let's try to end this one with a with a positive result here.

6597 OK, exhibits are admitted without exception. Mr. McClure, I think you have

6598 exceptions, though, not exceptions.

6599 Questions, don't you?

6600

6601 **ME McClure, Dean, EMNRD 6:14**

6602 Mr. herring examiner.

6603 I believe that Miss Vance will understand what I asked for in the admitted exhibit. If

6604 she doesn't, then we can get the geologists in.

6605

6606 **CE Chakalian, Gregory, EMNRD 6:19**

6607 OK.

6608 Alright.

6609

6610 **ME McClure, Dean, EMNRD 6:23**

6611 But if I can try if Miss Vance first, that might be ideal.

6612

6613 **CE Chakalian, Gregory, EMNRD 6:25**

6614 Go right there.

6615

6616 **ME McClure, Dean, EMNRD 6:27**

6617 Miss Vance. So you? I'm sorry.

6618 What was that?

6619

6620 **CE Chakalian, Gregory, EMNRD 6:30**

6621 Oh wait, you said go right ahead.

6622

6623 **PV Paula M. Vance 6:30**

6624 No, I just said sure. Yeah.

6625

6626 **ME McClure, Dean, EMNRD 6:32**

6627 OK, Miss Vance, are you familiar with the overlaying map? That newborn has a habit
6628 of including with its cross sections?

6629

6630 **PV Paula M. Vance 6:42**

6631 Yes, and I see it.

6632 I can get rid of it.

6633

6634 **ME McClure, Dean, EMNRD 6:46**

6635 Yeah, if if you could, if you if we could go ahead and get that out of there. I think it's
6636 overlaying the the header on one of the logs right now and then resubmitted a
6637 minute exhibit packet with that out.

6638

6639 **PV Paula M. Vance 6:55**

6640 Yes.

6641 Sorry I scrolled through and I it's it's like at the very top of one of the type logs and I
6642 did not catch that. Normally I I try and catch that and pull it out but I it's easy. I can
6643 delete that and revise and resubmit.

6644

6645 **CE Chakalian, Gregory, EMNRD 7:12**

6646 All right.

6647 So you'll have this in by tomorrow by 5:00 PM.

6648

6649 **ME McClure, Dean, EMNRD 7:13**

6650 OK.

6651

6652 **PV Paula M. Vance 7:16**

6653 I'll have it in probably today.

6654

6655 **CE** **Chakalian, Gregory, EMNRD** 7:18

6656 That's even better.

6657 And then you'll continue this case in November 18. Perfect.

6658

6659 **PV** **Paula M. Vance** 7:22

6660 Yes.

6661

6662 **CE** **Chakalian, Gregory, EMNRD** 7:25

6663 I think that concludes our regular business. Was there anything else?

6664

6665 **PV** **Paula M. Vance** 7:31

6666 Not for me.

6667

6668 **CE** **Chakalian, Gregory, EMNRD** 7:32

6669 Good, miss Bennett.

6670

6671 **DB** **Deana Bennett** 7:34

6672 Nothing for me. Thank you so much.

6673

6674 **CE** **Chakalian, Gregory, EMNRD** 7:35

6675 All right. Wonderful boy.

6676 You were awfully quiet today.

6677 Miss Bennett, did you have any cases today?

6678

6679 **DB** **Deana Bennett** 7:41

6680 I did not.

6681

6682 **CE** **Chakalian, Gregory, EMNRD** 7:42

6683 Very nice.

6684 Very nice.

6685 All right.

6686 Well, enjoy your weekend.

6687

6688 **PV** **Paula M. Vance** 7:45

6689 Oh.

6690

6691 **CE** **Chakalian, Gregory, EMNRD** 7:48

6692 Then we'll see you Tuesday.

6693

6694 **DB** **Deana Bennett** 7:50

6695 Thank you.

6696

6697 **PV** **Paula M. Vance** 7:51

6698 Thank you.

6699

6700 **DB** **Deana Bennett** 7:51

6701 You too. Bye.

6702

6703 **CE** **Chakalian, Gregory, EMNRD** 7:52

6704 Thank you.

6705 Bye bye.

6706

6707 **ME** **McClure, Dean, EMNRD** 7:53

6708 Bye.

6709

6710  **Tschantz, Freya, EMNRD** stopped transcription

6711