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OCD Regular Docket November 20, 2025-20251120_164713UTC-Meeting Recording

November 20, 2025, 2:22PM

2h 24m 20s

Pecos Hall 1:35:42

All right.
Sounds good. Are we recording?
All right.
Thank you.
Good morning, everyone.
It is 8:58 AM on November the 20th.
This is the second regular docket of the oil Conservation divisions monthly hearings.
We are hearing status conferences today and we are going to begin with four cases that are joined together, 2 matador cases, 25595 and nine six and two earthstone cases 25717 and 1/8.
Entries of appearance please.
Good morning. Jackie McLean, on behalf of Earthstone operating morning.

Paula M. Vance 1:36:21

Good morning, Mr. hearing examiner.

Pecos Hall 1:36:21

Window.
Morning, Miss Vance.

Paula M. Vance 1:36:26

Sorry.
Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland and Heart on behalf of Matador production Company and *** **** Jones cases.

Pecos Hall 1:36:39

Good morning, Mr. Examiner.
Deanna Bennett, on behalf of Kotera Energy operating and Simrix Energy Company of Colorado and what is your position?
We objected to all four of these cases and kotera is planning on filing competing applications.
These cases are already set for a contested hearing on January 27th, and Kotera is planning on filing competing applications, which would be in time for the January 27th docket.
But also.
Between last night.
And today, Kotera and MRC reached an agreement and MRC. It's my understanding and I'll let Miss Vance confirm that, that MRC is going to be dismissing its cases and supporting kotera as operator moving forward.
Kotera and MRC are working on a JOA that MRC is going to join and support kotera, and so Kotera is hopeful that Permian Resources will follow suit and dismiss its competing applications and its objections, especially in light of the fact that.
MRC is going to be now supporting Kotera, and it's my understanding that Mr. or Permian Resources has indicated a willingness to do so if kotera is named as operator so. So what?
I understand so far from you, Miss Bennett.
Is that you believe based on ajoa that Matador, I have matador here.
I don't if it's matador.
Or not.
Matador will end up dismissing its competing cases with Earthstone and Kotera will be filing the competing cases with EARTHSTONE.
That's right, although hopefully Permian.
I'm sorry. Earth Stone, which is also Permian, but Earthstone will be dismissing its competing applications as well, leaving kotera the ability to move forward uncontested.
That's Kotera's ultimate hope.
And.
So that's and it's my understanding that.

Permian Resources Earthstone has indicated that it would dismiss its competing applications if kotera were to be. If Kotera and MRC were to be aligned OK.

Tiffany Sarantinos 1:38:50
Not too much to be polite.

Pecos Hall 1:38:51
Thank you.
Are there any other entries of appearance?

Shaheen, Sharon 1:38:54
Good morning, everyone.
Sharon Shaheen, on behalf of Elephant Cone properties and the estate of Kenneth G Cone, we entered an appearance in *** **** Jones cases.
We did not file an objection and we are simply monitoring.

Pecos Hall 1:39:08
All right.
Thank you, machine.
Are there any other entries of appearance?
No. All right.
Let's go back to you.
Let's go back to you. M's McLean is this news to you?
Yes, yesterday I figured it was.
Yes, Earthstone was saying.
They are ready to proceed forward with the January 27th contested hearing and that's all I have for you today.
All right.
Sounds good.
Do you know about any?
Were you aware of any of these negotiations?
Between Kotara and and Matador.
No, I was not OK.
We've just been proceeding forward like we're going to contested hearing. Did did you know that it was kotera's intent to file competing cases?

Yes, I think Miss Ben Benin said that the last.
The last status conference and so the client was aware of that they had received proposals and they.
At the time and as of yesterday, we're not wanting to join with KOTERA or MRC, but you know, I'm certainly going to take all this information back and see if their position has changed, M's Vance.

Paula M. Vance 1:40:30
Yes, I'll confirm with Miss Bennett, said matador.
We are working on filing a motion to dismiss our cases and that was going to be my update and we have reached a agreement with Kotera and we will be supporting.
Matador will be supporting kotera's operator.
In their proposals.

Pecos Hall 1:40:52
OK.
Yes, I understood, Miss Bennett.
When do you believe you're filing the kotera competing cases?
Thank you.
I sent drafts to Kotara yesterday. The proposal letters were sent out on October 23rd, so I started working on the drafts of the application.
So I should be able to file them either.
It might be a push to file them this week, but early next week I would be able to file them. OK, very good.
So then that would be on the early.
I mean, if there were no competing cases, that would be on the early January docket.
For affidavit, unless they're objected to and.
And they'll be part of this.
January 27 contested hearing? Yes, at the last hearing at the last status conference you asked that I joined the kotara cases with the competing cases, right?
And so yes, they will be.
I'll be requesting the 1st January docket with the understanding that if Permian does not withdraw its objection, then we will be moving to.
Sorry, Earth stone does not withdraw. Objection.
Or objects to the cases that they will be heard as a contested hearing on January

27th. OK.
But from your understanding kotera and Earthstone could not proceed by affidavit.
Unless one of them dismisses.
That's right.
These are overlapping.
Development plans.
And and that's a curious word. When you say overlapping when you say overlapping.
You mean obviously competing but overlapping is a different term, isn't it?
They're competing, but they don't have a 100% overlap, so it's not a 100% overlap.
So there's some overlapping acreage and I did draw a map, but I don't have it handy.
That's OK.
I get that.
But yeah, that's it's not a one for one. In other words, as I recall. OK, perfect.
Alright, excellent.
And when you do file your applications.
Let's say next week, would you file a motion to?
To join them and amend the pre hearing order.
Yes, I will. All right.
Perfect. Is there anything else? Not for me.
Thank you, miss McLean.
Nothing from earthstone.
All right.
Thank you, miss Miss Vance.

Paula M. Vance 1:43:21
Nothing from Matador will file that motion to dismiss today.

Pecos Hall 1:43:25
All right.
Thank you very much.
We're off the record in those four cases.
Let's move on to Waterloo Resources.
This is 25602.
Good morning, Mr. hearing examiner Caitlin Locke for the applicant in this case,
Waterloo Resources.

Good morning.
Good morning, Mr. Examiner.
Dina Bennett, on behalf of Avant operating, too, and Avant has objected to this case moving forward by affidavit.
Thank you, miss Bennett.
Good morning, Mr. Examiner.
Dayna Hardy with Hardy McLane, on behalf of Powderhorn and Powderhorn, is also objected to this application.
Proceeding by affidavit. Thank you.
Good morning, Mr. Examiner.
Jordan Kessler, on behalf of Eug Resources.
And we've also objected to the application, yeah.
So you objected.
That's that's a novel.
That's a novel.
One for you, isn't it quite interesting? I thought it was.
Yes. Are there any other entries?

HK **Hatley, Keri (LDZX)** 1:44:13
Yes. Good morning Mr. Examiner.

PV **Paula M. Vance** 1:44:14
Good.

HK **Hatley, Keri (LDZX)** 1:44:15
Keri Hatley, entering her appearance on behalf of Marathon and monitoring only.

+15*****12** 1:44:17
3rd.

PH **Pecos Hall** 1:44:19
Thank you.

PV **Paula M. Vance** 1:44:21
Good morning, Mr. Herring examiner Paul advance with the Santa Fe Office of

Holland and Heart on behalf of Matador, who is who made an entry of appearance and objected and also on behalf of Oxy.
Oxy is just monitoring.
We only entered an appearance on behalf of Oxy.

Pecos Hall 1:44:37
All right.
Thank you.

Miguel Suazo 1:44:39
Good morning, Mr. Examiner.
Miguel Suazo with beating Woznack, appearing today on behalf of Riley Permian for purposes of monitoring and preserving rights only.

Pecos Hall 1:44:48
All right.
Thank you, Mr. Swatho.
All right, miss luck.
Thank you. This morning I did receive confirmation, I think from the last couple of parties that were involved in this case that I had requested everyone's concurrence before the hearing today about setting this for another status conference in December, if possible, because I don't think this case.
Is ready for a contested hearing.
There's still been some trades that are ongoing currently, and I think it's in Waterloo's best best interest to wait to set contested hearings.
So if we could have another status conference in December, that would be our preference and look towards maybe February contested hearing docket if possible.
Did you receive the list of possible hearing dates?
Yes, from Freya. You did. OK, good. So wanted to make sure you got that.
I looked at my notes.
This case was filed August 19.
There are a bunch of objections.
I realize that they're mostly.
Mostly negotiating.
Tactics.

Do you know if anyone's planning on filing a competing application?
I'm not sure if anyone's intending on filing a competing application.
I did understand from my client this morning that Marathon had sold their interest to Permian and so that might be a change where Permian may decide to file an application. But I can't speak on behalf of any of those parties.
Unfortunately, I can just say what my client has told me this morning.
I just thought you might have heard.
Let me ask from all the parties that are objecting, is anyone planning on filing a competing application?
Yes, Mr. Examiner Powderhorn is planning to file a competing application.
And and Powder Horn is an operator here in New Mexico.
Yes, OK.
Thank you.
Are there any others that?
Are no Mr. Examiner, EOG the basis of Eog's objection to this application is related to existing wellbores in the area and concern over anti collusion measures.
So that's the basis of our objection and we're hoping to work through that with the applicant interesting.
Thank you.
So in other words, in other words, you'll try to get them to adjust where they put their well and have a drill it OK.
I see that's correct.
And then you would withdraw your objection. OK. And and Miss Hardy, since I didn't hear anyone else. I didn't hear from.
Anyone else with their objection?
Because Miss Bennett, you. You're. What was your objection based on?
Our objection is based on the development plan and at this point.
I am not sure whether Avante is going to be submitting competing applications.
I don't.
I'm not saying I'm they are.
They aren't.
I don't have any information on that, so I can't answer the question. OK, I understand.
Thanks. So miss Hardy.
When would you?
When would you anticipate filing your application so Powderhorn is sending out its

well proposals this week?
OK. And so allowing for the 30 days then to file, I think we would be on the 1st February docket.
Got it.
OK.
Well, that's good to hear.
Thank you for telling me that.
So, Miss luck, what I'm gonna do is I'm gonna set this for a contested hearing in February.
And then if you wanna have another status conference before that, that's fine. You can move your case to that, whether it be December docket or January status conference docket for a final status conference.
But I did note in my notes from the last.
October status conference that I said this was gonna be.
The final time that I would continue this without setting a contested hearing.
So if I'm not mistaken, there's one docket in February for a for a contested hearing, and that would be February 10.
So please check with your client and your witnesses.
But we're we're gonna issue a pre hearing order for February 10 if for some reason that is just not works, you know, submit an affidavit.
From a witness saying why they can't participate on February 10 and I think we might have February 26 as a backup as the 2nd February contested hearing docket.
OK.
Thank you very much, of course.
Is there anything further from Miss Hardy?
No, thank you, miss Bennett. Nothing further.
Thank you. Any other party.
No. All right, we're off the record.
In that case, let's move on now to Powderhorn operating.
Interesting. We were just talking about this is 25610 entries please.

BH **Benjamin Holliday** 1:49:34
Good morning, Mr. Examiner.
Ben Holiday with holiday Energy Law Group on behalf of the applicant Powderhorn operating.

Pecos Hall 1:49:40
Thank you.
Good morning, Mr. Examiner.
Deena Bennett, on behalf of Avant, operating to and Avant, has objected to this case moving forward by affidavit.
Thank you, Mr. Examiner.
Dana Hardy, on behalf of Permian Resources operating and we are monitoring this case only. Thank you.

Miguel Suazo 1:49:57
Good morning, Mr. Examiner.

Paula M. Vance 1:49:58
Good morning.

+15*****12** 1:49:58
You.

Miguel Suazo 1:50:00
Go ahead, ladies first.

Paula M. Vance 1:50:03
Thank you.
Good morning, Mr. Examiner.
Paula Vance with the Santa Fe Office of Holland and Heart on behalf of Marathon and we entered an appearance and objected.
We do plan on sending out competing proposals regarding this acreage.

Pecos Hall 1:50:20
Can you tell me more about when you say we plan on sending out?
Can you be more specific?

Paula M. Vance 1:50:26
I mean other that's pretty much all I have at this point.

I did get a little bit of an update from Marathon, they just got title back, so proposals are in the works being prepared but they have not gone out yet.
So once those goes, those proposals go out, we'll let them run their course. The 30 days and then we will file competing applications 30 days after those proposals going out so.

Pecos Hall 1:50:56
OK.
All right.
Thank you, Mrs. Suazo.

Miguel Suazo 1:51:00
Yes. Good morning Mr. Examiner.
Miguel Suazo with Betty and Wozniak appearing today on behalf of Cimarex Energy, Magnum Hunter, and Kotera Energy. I'll just refer to them as kotera forsake of ease going forward and kotera is planning on submitting competing applications as well.

Pecos Hall 1:51:20
Can you be more specific about when?

Miguel Suazo 1:51:22
I can before the end of the month, so that would make it next week.

Pecos Hall 1:51:27
That's when you'll send your proposals out.

Miguel Suazo 1:51:32
You know, I thought proposals have already gone out, but if not, then yes, they'll send those out next week if they have already gone out, then we'll be submitting the competing applications next week.

Pecos Hall 1:51:43
OK.
I wasn't saying that proposals had been or had not been.
I was just asking you if you knew whether proposals had been sent.

Miguel Suazo 1:51:54
They are planning on sending proposals by the end of the month. Now that I look a little more closely at the notes.
So I think that might be.
I mean might need to clarify that so proposals will go out next week.

Pecos Hall 1:52:05
Ah, OK.
Very good. Thank you.
So we have proposals from.
Are there any other entries of appearance before I continue? No. Yes.

+15*****12** 1:52:13
Mr. Examiner.
Jim Bruce, representing Kaiser Francis Oil company.

Pecos Hall 1:52:18
And you objected.

+15*****12** 1:52:19
And.

Pecos Hall 1:52:22
I'm sorry, I didn't hear you.

+15*****12** 1:52:24
Taser Francis objected to the hearings.

Pecos Hall 1:52:27
For what purpose?

+15*****12** 1:52:33
They are checking to see and I I was just informed of this of any other parties making

a proposal they did not like Potter Horn's development plan, so they'll be interested in the marathon and kotera proposals.

Pecos Hall 1:52:49

OK.

Thank you, Mr. Examiner.

I did wanna just let you know that avant is planning on filing competing applications as well. And in terms of your question about the timing, I unfortunately don't have that information.

I don't know what if their proposals have been sent out.

Right. Mr. holiday. Sounds like this is getting to be crowded here and I hear that three different operators are planning on competing with your proposal.

Benjamin Holliday 1:53:18

Yes, Sir. That should be an interesting outcome.

There's a pond about a hornet's nest here that I'm not going to make on record, but yes, my understanding is that a marathon is not sent to proposals yet.

I hear that they're going to.

My understanding is Avant has sent counterproposals for this case.

Pecos Hall 1:53:38

Ah, OK.

Benjamin Holliday 1:53:41

And then just one more interesting fact.

There are two Bone spring cases that are that were originally set for the November docket.

They've been objected to that cover this same acreage and.

Pecos Hall 1:53:52

Mm-hmm. Are you talking about 25753 and five, four.

Benjamin Holliday 1:53:55

Yes, Sir.

Pecos Hall 1:53:56
I thought so.

Benjamin Holliday 1:53:56
So I expect those to be joined together on this as well.

Pecos Hall 1:54:00
And and who is the operator for the for the applicant for those two cases?

Benjamin Holliday 1:54:04
It's also Powderhorn operating.

Pecos Hall 1:54:07
You mean 2561?
Oh, should be joined with 25753 and five four.

Benjamin Holliday 1:54:14
Well, these the bone spring cases overlap the Wolfcamp case and at least Totera has objected to both. And so I would expect those to be considered at the same time.

Pecos Hall 1:54:17
Yeah.

Benjamin Holliday 1:54:25
Or or not.
I mean, it's at the division's preference, obviously.

Pecos Hall 1:54:29
I have.
I have notes here that I was gonna ask Freya or Mada E to join 25610 with 25753 and five four.
They're on.
Are they on another docket?
25 those two cases.

Benjamin Holliday 1:54:44
Yes, Sir. They were filed a month after, so they're they're not up yet.
That's that's the lag time.

Pecos Hall 1:54:48
I see. OK, OK. OK. And you're representing Powderhorn in those cases too?

Benjamin Holliday 1:54:54
Yes, Sir.

Pecos Hall 1:54:55
Oh, OK. All right, got it.
And are these competing case or?
Are these potentially or these proposals from from kotera and from marathon?
Are they all competing with just?
One formation or both formations?

Benjamin Holliday 1:55:16
They, you know, allow myself to be corrected.
My understanding is that the objections we've just discussed relate to and the counter proposals we've discussed from marathon avant.
And Kotera would be for the Wolfcamp case, the only party that I believe that.

Pecos Hall 1:55:33
Both can.

Benjamin Holliday 1:55:35
So that would be 25610. The only party I believe that has objected to the Bone Spring cases has been the kotara group and I am not aware if they've sent counter proposals.

Pecos Hall 1:55:37
Yeah.

Benjamin Holliday 1:55:46
Those are not on those properties.

Pecos Hall 1:55:49
OK.

Miguel Suazo 1:55:50
I I can clarify that Mister Examiner, sure.

Pecos Hall 1:55:51
I was hoping you would go right ahead.

Miguel Suazo 1:55:54
So I as I understand it, cottera is prepared to send the Wolfcamp proposals out next week. However, with respect to the Bone Spring, they're going to send those out sometime in December.

Pecos Hall 1:56:06
OK.
Thank you very much, Mr. Examiner.
I was gonna come to you next.
Thank you.
I did file an entry of appearance on behalf of Avant in the first phone spring case that was discussed.
25753 Just this morning and I wasn't aware of the case 25754, but we will be filing an entry of appearance and objection in that case as well.
Do you think your you think your client Avant will?
Want will have competing proposals.
For those for that formation as well, I'm not sure about that.
I only learned of these cases yesterday, alright?
And let's see.
Miss Vance, you said you're gonna have a proposal for the wolf camp.
Are you gonna have proposals for the Bone Spring as well?

Paula M. Vance 1:56:59
I'm not sure I'm looking through my e-mail to see if I got any reference to bonespring. To my knowledge right now it's just gonna be Wolf camp.

Pecos Hall 1:57:07
I see. OK.
Wow. All right, sounds good.
So mighty. Will you join those three cases for the purpose of a contested hearing?
And Miss Bennett, Mr. Suazo and Miss Vance, when you do file your competing applications.
Would you please file motions to?
Join those three cases, or at least you know the proper formation case so that we can keep things straight here.
Mr. holiday.
Do you wanna set it?
Contested hearing down the road or what?

Benjamin Holliday 1:57:52
I think our preference would would have been to grab that February 10 date. It sounds like that's maybe spoken for.
So I think, yeah, I think there's there is going to be a change position.
I think there's deals to be made here, but our our preference would be to set a contested hearing and then let that shake out as it's shake out.

Pecos Hall 1:58:06
Right.
Right. All right.
So based on what we're hearing today with proposals going out in the next.
Period of time. The 30 days would be by the end of the year approximately. Then applications filed sounds like February would be the first time any of these competing applications would be ripe for a notice.
What if we, what if we did a prehearing order for February?
26.

Benjamin Holliday 1:58:46

I'll I'll check with the Powderhorn guys.

I think that will be OK.

Pecos Hall 1:58:50

OK, sounds good.

What we'll do and and and would you be prepared to to present all three of your cases on February 26?

Benjamin Holliday 1:59:02

Yes, Sir.

Pecos Hall 1:59:03

All right, I thought so.

All right, then we'll issue a pre hearing order for those 3 cases.

For for Powderhorn February 26. And then once we get that, we can amend that pre hearing order to add the competing cases.

As as they're filed, is there anything else, Mr. Holiday?

Benjamin Holliday 1:59:26

Nothing from me. No, Sir.

Pecos Hall 1:59:27

All right.

Thank you, Mr. Swazu.

Miguel Suazo 1:59:30

I I think that Kotera would prefer later than February 26th under the circumstances and given you know the holidays and everything else that are coming up.

So I think that, you know, that's the very earliest that you know the cases could be heard. But practically speaking, given the positions of the parties and you know all that needs to go out with the proposals and applications, I think you know March would be realistically SPE.

The earliest this could happen sounds like.
Miss Vance agrees with that.

Pecos Hall 1:59:58
Mr. Holiday, it's your they're your cases.
How do you feel about it?

Benjamin Holliday 2:00:04
Well, I'll just ask you a procedural question. If we were to hold the 26th date, could I have an opportunity to confer with Mr. Suazo and Miss Vance about those days?

Pecos Hall 2:00:13
Of course, sure.

Benjamin Holliday 2:00:14
Yeah. So I would say my preference would be to hold the 26th date because Powderhorn is interested in moving this along as quickly as possible.

Pecos Hall 2:00:19
Mm-hmm.

Benjamin Holliday 2:00:24
And then I will confer with Council and then let you know or let the division know if if there's a need to change it.

Pecos Hall 2:00:26
Mm-hmm.
Sounds like Miss Bennett should be involved in that. Just discussion as well.

Benjamin Holliday 2:00:34
And it's been it too.
Yeah, I'm sorry.

Pecos Hall 2:00:37
So why don't we do this?

We won't issue the pre hearing order tomorrow.
What we'll do is we'll wait to hear from you, Mr. Holiday.

Benjamin Holliday 2:00:44
OK.

Pecos Hall 2:00:44
There your cases, so I give you preference on you know how quickly we hear them.
How about we have a deadline of Tuesday of next week for to hear from you.

Benjamin Holliday 2:00:55
Yes, Sir. That, that's plenty of time.

Pecos Hall 2:00:58
Alright.
You happen to have that date handy for next Tuesday.

Benjamin Holliday 2:01:05
Oh gosh.
Pull up calendar.

Miguel Suazo 2:01:11
The 25th.

Pecos Hall 2:01:13
Thank you.

Benjamin Holliday 2:01:13
Yeah, yeah.

Pecos Hall 2:01:14
All right.
So we'll have a deadline to hear from Mr. Holiday on behalf of all the parties, whether that February 26th date is preferable or the two dates in March that we have available. And I think these were mailed out. I don't know if they were would be

March.
10 and March 24.
So those are the alternate dates in March.
I wouldn't want to go past March, though.
All right.
Anything from you M's Vance?

Benjamin Holliday 2:01:38
Exxon.

Paula M. Vance 2:01:41
Yes. So I just wanted to confirm that marathon will be proposing both Wolfcamp and Bone Spring and also wanted to.

Pecos Hall 2:01:47
OK.

Paula M. Vance 2:01:52
Along with Mr. Suazo, we would prefer a date out in March or later, and I understand you said you didn't want a later date, but there's a lot of moving parts here, and it's Marathon's preference to push for a contested hearing in March or a later date.

Pecos Hall 2:02:03
True.

Paula M. Vance 2:02:11
Great than that. Thank you.

Pecos Hall 2:02:12
OK.
Well, March is four months away, so that should be enough time for the parties to get their acts together.
M's benid anything further?
Nothing further. Thank you.
Thank you. If there's nothing further, then we'll be off the record in that case. And I

think Mr. Holiday will hear your other two cases coming up. But I guess next month, if I'm not mistaken.

Benjamin Holliday 2:02:33
Yes, Sir.

Pecos Hall 2:02:34
And that'll be a good chance to hear about the the proposals and the applications from the other parties as well.
So all right, we're off the record.
In that case, let's move on to service Permian 25667.
And 25669.

Paula M. Vance 2:02:52
Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland and Heart. On behalf of the applicant service, and I can probably make this very quick.
We are going to be dismissing these two cases.

Pecos Hall 2:03:04
Alright, that makes that easy.
Thank you.
So I won't hear any other entries, although there are a lot of entries of appearance.

Paula M. Vance 2:03:07
Yes, thank you.

Pecos Hall 2:03:11
Maybe I don't.
There's any point that you're gonna be dismissed. Alright, so we're off the record.
And when we're gonna get that Miss, Miss Vance.

Paula M. Vance 2:03:20
Today.

Pecos Hall 2:03:20
OK, sounds good. Thank you.
All right, let's move on to Mac Energy 25698.

Paula M. Vance 2:03:29
Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland and Heart. On behalf of the applicant, Mack Energy.

Pecos Hall 2:03:36
Thank you.
And Jackie McLean, with Hardy McClain representing MRNM. And I believe these two cases when I say two cases, I didn't call your case, Miss McLean.
But no. Yeah, we've had the status conference on that earlier this month and I believe these are set for January 27th, correct. Alright, sounds good, Miss Vance.
What? What is it that you'd like to tell me?

Paula M. Vance 2:04:00
I mean, this was already set, but the only thing that I would state on the record is and I we kind of got into this at the last status conferences at this point regarding the overlapping acreage between the two contested cases.
Mac does have a agreement in the works with XTO, so they will have the working interest control in the overlapping acreage and to Miss Mclean's point at the last hearing.
You know, regarding wasting the division's time and you know, not going to a hearing if we don't need to. I would just state that we're going to present that at the contested hearing and I'm not sure that there's really much more to do with these cases since.
We've got that agreement that's in the works right now and we'll be able to show that Mac has the working interest control in the overlapping acreage, so.
Just wanted to provide some color.
Thank you.

Pecos Hall 2:05:03

Is Vance before I go to Miss McLean, who may have a different opinion?
Why is that a controlling issue?

Paula M. Vance 2:05:13
Because it's a part of the factors and it's one of the primary factors that the division looks at when they are reviewing or looking at contested and in particular overlapping contested acre or competing cases, who has either the majority working interest control or ownership. And in this case.
We'll be able to show that Mac has the all of the working interest control in the overlapping acreage.

Pecos Hall 2:05:41
So correct me if I'm wrong here, because I'm I I wanna understand your point fully.
So let's say that.
So let's say that we have two proposals and they overlap in, in in one area.
But then there's the other area outside that overlapping.
Area does the division look at just who has the majority of control in the overlapping area or does it look at the the percentage of interests in the whole proposed area?

Paula M. Vance 2:06:23
They will primarily look at and I am trying to find in my notes on the order that discusses overlapping.
Factors that the division looks at but their prior the division. Primarily they're going to look at the overlapping acreage because if a party has the working interest control in their own acreage, they can do whatever they want with it.

Pecos Hall 2:06:39
I see.

Paula M. Vance 2:06:45
But the contest is over the overlapping acreage.

Pecos Hall 2:06:49
So. So what I understand you're saying is Mac has 100% interest in some area and

then it's it may have depending on whether you, whether you finalize this agreement or not with this other party or XTO. I think you said.

Paula M. Vance 2:07:07
That's correct.

Pecos Hall 2:07:08
If you are able to finalize the agreement with XTO, then you would have basically the the control of not only the overlapping area but of course your area as well. That's what you're saying.

Paula M. Vance 2:07:22
That's correct.
That's correct.

Pecos Hall 2:07:24
And you're saying that, OK.
Well, let's see what?
Let's see what spec has to say.
I disagree with everything that.
First of all, we are also working on XTL.
As I said, the last time, there's lots of potential deals here.
Secondly, I believe we had a case earlier this year with Viero where the division made clear that you look at the entire spacing unit and the interest ownership over the entire acreage, not just one particular tract which Miss Vance continues to want to do. In this case as.
Well, as the Fiero case.
So I believe you know we are ready and we're proceeding forward to that January 27th.
Contested hearing.
I don't think it will be a waste of anyone's time because we have very valid reasons to want to develop our acreage and we are also working on a deal ourselves.
OK. Thank you. As as I thought, Miss Vance, I thought miss.

Paula M. Vance 2:08:22

May I can I?
I've got one other thought that I I I would like to respond to Miss McLean.

Pecos Hall 2:08:27
Oh, go right ahead. Sure, let's hear.

Paula M. Vance 2:08:29
OK.
Well, one the overlapping factors, if you'd like to reference them, Mr. hearing examiner, that's order number 21416.

Pecos Hall 2:08:41
And is that a Commission?
I'm sorry, Ms. Vance. Commission order or division order.

Paula M. Vance 2:08:46
Believe that's a division order.

Pecos Hall 2:08:48
OK, 21416 OK.

Paula M. Vance 2:08:50
That's that's correct.
One, I would say that I I wanna be clear that the case that Miss McLean is referencing regarding Fierro is that is that has nothing to do with the case that we're talking about right here. And in that case, it's one set of competing applications and a J. That's involved and those are distinguished from what we were dealing with right here, which are two compulsory pooling cases that are overlapping.
So again, that's distinguishable.
And to it's my understanding also that XTO has already communicated to MNRM that they will not be supporting them, that they're going to be supporting our client.
So the idea that there are all these deals to be made, I'm not sure when the last time M's McLean talked with her client, but it's my understanding that XTO has communicated to them very clearly that they are not going to be supporting them, that they will.

Be supporting.
Mac, thank you.

Pecos Hall 2:09:50
OK. Can I also chime in with your thoughts?
We're just gonna go back and forth. I'd like to say that the order number R 21416 is the BTA case that describes the competing factors and that also had to do with the JOA.
So you know, a lot of things have to do with Jo as and the concepts still apply to competing.
Or contested compulsory pooling applications.
I talked with my client yesterday.
I don't know.
Like, I don't think that that's really important.
What people are saying, I'm sure Mac is telling Miss Vance one thing I'm getting told another thing by my client at the end of the day, we have a contested hearing date set.
Either they show up or they don't.
OK.
All right, so, Miss Vance, I understand your points.
Thank you very much.
Ultimately, that's what the contested hearing is about is to work these out with evidence. And so we look forward to hearing more.
More and there's plenty of time between now and then to work out any of these differences. If they can be worked out. Is there anything further Miss Vance?

Paula M. Vance 2:10:59
We look forward to the contested hearing.

Pecos Hall 2:11:00
Alright and Miss McLean? Nothing from MRNM. Thank you.
Thank you very much.
All right, let's now move on to Admiral Permian.
These are two cases.

Filed just in October, mid-october 25708 and 25709.
Mr. Examiner Dana Hardy, on behalf of Admiral Permian. Thank you.

Paula M. Vance 2:11:26
Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland and Hart, on behalf of Matador.
And we did enter an appearance and objection to both of the cases.
We are withdrawing our objection to the Wolfcamp, but we will be sending out proposals for the Bone Spring that compete with admiral's cases.

Pecos Hall 2:11:48
Oh, thank you, Miss Vance.
Let me just write this down.
So M's Hardy is it then it sounds like you would be able to move forward on one of these cases by affidavit. That's correct.
And that would be 257-0909.
Is the Wolfcamp correct?
Excellent. Why don't you move that to the December docket? December 4 will make room for it. 'cause, we'd like to move it along. And I think actually.
Admiral would be fine with the January the 1st January dot get if that's.
Acceptable. You'd rather not.
Oh, so you'd rather not do December?
I think they're OK then do the January.
Sounds great.
OK.
So you're gonna. You're gonna continue this case for a hearing by affidavit to the 1st January docket.
I think it's the fourth or something. The 8th I was January. Yes, January 8th hearing by affidavit. And Miss Vance. You said you were sending out competing proposals for the Bone Spring.
Any idea when?

Paula M. Vance 2:12:48
It should be soon.

My understanding is that we will be filing the we should be filing the applications for the January 8 docket.

Pecos Hall 2:12:50

OK.

Paula M. Vance 2:12:59

But you know, I can follow up with the division, the division to confirm, but that's my understanding I I think maybe it would be appropriate to do another status conference in January if admirable or Admiral.

Pecos Hall 2:13:06

OK.

Paula M. Vance 2:13:14

If that works for them.

Pecos Hall 2:13:16

So, M's Hardy, I leave it to you.
It's your, it's your case.
That's that.
And you know, now that it'll be a competing case, yes.
What would you like to do?
I think Admiral would prefer a contested hearing date in February.
OK.
We have two.
There's the 10th and the 26th.
The 10th would be a a trailing docket.
The 26th would give you more time and you wanna try for the 26th.
I think the 26th would be fine. Thank you.
Alright, we'll issue a pre hearing order for the 26th.
And Miss Vance, when you do file.
You're competing proposal.
Would you file a motion to consolidate it with 25708 and amend the pre hearing order?

Paula M. Vance 2:13:55
Would you like that as a separate filing or can I do that as a part of the application?

Pecos Hall 2:14:02
As a part of the application is fine with me as long as as long as the law clerk would see it and and recognize it as what it is. That's all I care about.

Paula M. Vance 2:14:11
I will make sure to follow up.

Pecos Hall 2:14:13
All right, perfect. Thank you.
Is there anything else, Miss Vance?

Paula M. Vance 2:14:17
Not for me, no.

Pecos Hall 2:14:18
Miss Hardy.
No, thank you.
OK, wonderful.
We're off the record in those two cases, I'm just.
I'm just curious.
M's Hardy.
Why do you think January 8 is a better day? To hear your affidavit than December 4?
I think that I'd have to go.
I think that that date just worked better for our witnesses. We need to be available.
All right.
Well, look if you.
It's within your control to move it to either docket you want to.
I was just trying to give it priority.
Appreciate that very much because we the December is full already.
I know, but I.
But I'd be happy to add it to that because this case has been filed a while ago and I'd

like to move it along I can.
Can I'll confirm with my with my client if you find that the December works. If you find that December works for you.
You're authorized to move it to December, but please send an e-mail to Freya and let her know our discussion and that I said that I would put it at the beginning.
Of the December docket.
OK, to make sure it's heard. OK. Thank you.
I appreciate that very much.
We're off the record in those two cases.
Let's move on to yet another powder horn case.
This is 25722 Dana Hardy on behalf of Powderhorn Excellent.

Miguel Suazo 2:15:35
Miguel Suazo with Baden Wozniak on behalf of Kotera, Magnum Hunter and Cimorex.

Pecos Hall 2:15:41
And you objected.

Miguel Suazo 2:15:43
Yes.

Pecos Hall 2:15:44
OK, for and what's the what are you trying to get out of this?

Miguel Suazo 2:15:47
Well, I think that Cotera has some issues with the development plan those proposed. I know that the parties are still negotiating terms, but at this point not uncertain as to whether or not they'll be fruitful.
Coterra is prepared to take this to a contested hearing, and we'll be submitting competing applications.

Pecos Hall 2:16:02
Mm-hmm.

So it is so in other words, if your negotiations don't go as as as as hoped for, you would submit proposals.

Miguel Suazo 2:16:13
Well, I think that we're planning on submitting proposals.

Pecos Hall 2:16:16
Ah.

Miguel Suazo 2:16:17
You know, if we don't, if we don't come to terms in the short in the near term and I don't think that's going to happen.
So my understanding Sandy's the class, preparing the proposals to go out for some of these next week. And just like the other case, the other Powderhorn case also in December and then we'll send out applications, you know, once the deadline passes, once the proposals have been sub.

Pecos Hall 2:16:24
Ah.
OK. And that would be for kotera?
Well, I guess simracs and kotera the same thing now.

Miguel Suazo 2:16:46
Correct.

Pecos Hall 2:16:47
And what about Magnum hunters?
That all the same.

Miguel Suazo 2:16:49
They're all under the Kotera umbrella.

Pecos Hall 2:16:52
OK.
So we can just say kotera then. OK, OK, I see Miss Hatley.

Miguel Suazo 2:16:54
Yes.

Hatley, Keri (LDZX) 2:16:57
Good morning, Mr. Examiner.
Carrie Hatley, entering her appearance on behalf of COG operating and we are objecting to this case.

Pecos Hall 2:17:04
And that's that's that's as rare as as Miss Kessler's objection is.
And why are you objecting?

Hatley, Keri (LDZX) 2:17:09
We're just keeping you on your toes this morning, Mr. Examiner.

Pecos Hall 2:17:11
Yes you are. Why are you objecting?

Hatley, Keri (LDZX) 2:17:14
We are hoping to negotiate with the parties, but we haven't decided exactly what our path forward will be.

Pecos Hall 2:17:20
OK.
Alright, OK, excellent.
Yeah. When I saw your objection, I was quite surprised.
OK, Miss Hardy, how do you want to proceed?
Excuse me, Mr. Examiner.
George Kempler, on behalf of EOG Resources monitoring this case.
Thank you, missus, Miss Hardy.
How do you want to proceed?
As you can see, Mr. Examiner, there are a lot of moving parts here.
So Powderhorn would like to set this case for a status conference on the December status conference docket. OK.

I don't have that date in front of me, do you?
Oh, wait a second.
I do 23rd.
Is it the 23rd?
I thought it was.
It's written here.
Maybe it's not four. Oh, 18th.
I'm sorry, 18th.
That sounds better. I'm sorry.
Yes, it is correct.
80 yes, 18th.
Alright, so you'll move it. You'll continue it.
OK.
Very good.
Then we'll have a status conference on 12/18 and we'll see how this is proceeding.
Great. Thank you.
Anything else, miss Hardy?
No, thank you.
Alright then. We're off the record.
In this case, we have the last two cases of operating 25747 and 4/8.
Good morning, Mr. Examiner.
Deena Bennett, on behalf of Avant operating. Thank you.
Jackie McLean, on behalf of Permian.

Paula M. Vance 2:18:31
Good morning, Mr. hearing examiner Paula Vance, on behalf of good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland and Heart on behalf of Matador and we entered an appearance and objected at this point.

Pecos Hall 2:18:47
Before I go to Miss McLean and miss Miss Luck, what what's your objective here?

Paula M. Vance 2:18:53
Right now I believe that matador and Avant are negotiating, so to my knowledge, matador is not planning on sending out competing proposals.

Pecos Hall 2:18:59

Oh.
OK.
All right.
And I'll come to you, Miss Bennett, in just a moment.
Go ahead, Miss McLean.
Yes, Jackie McLean with Hardy McClain on behalf of Permian Resources and we've objected and your objective is we are going to pile competing applications. Very good. Thank you.
And miss luck. Good morning again, Mr. Hein Examiner Kaitlyn Locke, appearing for WR Non OP LLC, which is Waterloo's non operating interest and not objecting in this case just observing and preserving rights.
Thank you.
Perfect. Thank you, miss luck.
Miss McLean, before I go back to Miss Bennett, any ideas on when you might be sending out proposals?
If you haven't already, I believe they've already gone out and I believe that we're gonna be filing for the January 8th docket.
I understand perfectly, miss Bennett.
Thank you, Mr. Examiner.
So both MMRC has less than 3% in this unit and Permian Resources has 4% approximately in the unit.
And so we're avant is ready and wants to go to hearing.
This is not something that should be delayed.
I've reviewed the Permian resources.
Proposal proposal and they're proposing wells that extend into section 10 where Permian?
Nothing and Avon owns 78%.
So Avon is ready.
We're gonna go to hearing, OK? And so if.
In fact, Permian Resources does in fact file competing applications. Then any of the two January dates will work for Avant January 13th, January 27th and even the February 10th, OK date and.
And what I would ask though, is to set a contested hearing, but also.

I would like to file a continuance for these two cases to the December 18th docket, of course, so that we can have a status conference to see if Permian follows through with its competing applications.
That's you have authority to do that, of course.
So Miss McLean, if we set this for a 27 January.
Contested hearing. Does that work for you?
I believe we have several other contested hearings that date already, but you know how these are.
Yeah, I mean, they'll all go away.
That's fine.
I mean, my preference would be, I mean we are going.
I have drafted the applications.
I don't why everyone's doubting.
My follow through today, but I'm I'm going to be filing.
I think what you know, so we don't waste time and come back on yet another status conference.
What would make more sense is.
We file the applications, they can object.
They'll automatically get on the status conference before this contested hearing date, so they can see if we filed by checking the docket. And I can also send her Miss Bennett a copy.
If she like but, but my question to you was, does the January 27 contested hearing date work for you?
I would have to ask the clients I 'cause I just I I don't know if they're. If the we have the other Permian Resources contested hearing that day, but this is another set of witnesses. So I would have to make sure that they're available of course.
Mr. Examiner.
I too have additional cases on January 27th and I am fully prepared to move forward and the division did send out the proposed contested hearing dates while in advance of today so that we could be prepared to discuss hearing dates and we did that with Yvonne and.
Yvonne is ready to move forward, so it be Avon strong preference to set the have a pre hearing order issued for January 27th.
Got it.
So so Miss McLean, as you know, I do give preference to the applicator.

Applicator to the.
To the applicant.
If for some reason your witnesses are just not available, please file a motion with an affidavit showing us why we we would not be able to have it on the 27th and then we might move it to. If it works for Miss Bennett, February 10, which is.
Not that far.
After it's less than two weeks after, or maybe two weeks after the January 27, but we'll issue the pre hearing order and we'll wait to hear from Miss McLean if there is a conflict.
With her witnesses, is there anything further, miss Bennett?
Nothing further.
Thank you.
Sounds good, miss McLean.
Nothing from Permian Resources M's Vance.

Paula M. Vance 2:23:42
Nothing for me. Hi from San Francisco.

Pecos Hall 2:23:47
OK.
Well, I'm glad you're having fun.

Paula M. Vance 2:23:51
I'm on military duty so.

Pecos Hall 2:23:54
OK.
Well, that could still be fun, I guess.
Depends on how you look at it.
So if there's nothing else, then that's the last of our cases today, and I thank everyone for their participation.

Paula M. Vance 2:23:59
True.

Pecos Hall 2:24:04

We're off the record. Thank you.

Pecos Hall stopped transcription