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6

7 **OCD Regular Docket March 5, 2026-20260305_084550-** 8 **Meeting Recording 1**

9 March 5, 2026, 3:45PM

10 3h 24m 30s

11

12  **Pecos Hall** 6:57

13 Thank you.

14 Good morning, everyone.

15 It's 852 on March the 5th. We're going to start a little early this morning.

16 We have a 47 cases on the docket today.

17 We have Mr. Dean McClure and Mr. Andrew Fordyce, who are our technical
18 examiners. I think maybe Mr. Phil Goetz is also going to be in the background on the
19 first case. I've just been told that we have a few dismissals.

20 Those would be case.

21 Numbers 3.

22 Case number 4.

23 Case #7.

24 Let me keep going here.

25 Case #35.

26 Case number 36.

27 Is, oh and and of course case number 40.

28 Did I miss any?

29 No. OK, good.

30 And if I did, I'm sure you'll tell me along the way. All right. OK.

31 So we're on the record.

32 This will be an AI generated transcript.

33 I'm gonna call the first case. It is 24983 Oxy USA.

34 Good morning, Mr. hearing examiner Paula Vance with the Santa Fe Office of Holland
35 and Hart, on behalf of the applicant, Oxy USA Inc.

36 And we are back here to go over some supplemental.
37 Testimony and exhibits that morning in advance.
38 Get the other entries of appearance.
39 Good morning, Mr. Examiner.
40 Deena Bennett, on behalf of Chevron USA. Perfect. And what's your position at this
41 time?
42 Monitoring only monitoring. Perfect. OK.
43 Go ahead, Ms. Vest.
44 Thank you.
45 So we filed.
46 We got some feedback from the division requesting.
47 Sorry man, it's been a long week so far.
48 We got some, we got some feedback from the technical examiner requesting that
49 Oxy conduct an audit.
50 Of the Denver Project project areas in in this development area for Cedar Canyon
51 basically going over both of the closed gas capture cases or projects that have been
52 approved and also the EOR enhanced oil recovery cases or orders in the project
53 areas for each of those and seeing.
54 Where there are overlaps.
55 And So what we've done and I see Mr. Janicek, who is.
56 Our witness today, who provided his statement and put the exhibits together, is
57 basically some slides that go through that audit and show the overlaps and then
58 provide a proposed solution that basically segregates the project areas to address
59 those concerns of the division.
60 When did you file your amended exhibit packet?
61 We filed last Thursday.
62 Perfect. It's accepted into the record as evidence.
63 Let's get Mr. Janicek sworn.
64 Please raise your right hand, Sir.
65 You swear affirm under penalty of perjury, that the testimony you're about to give is
66 the truth.
67 The whole truth and nothing but the truth.

68

 **Janacek, Stephen C** 9:57

70 Yes.

71

72 **PH Pecos Hall** 9:59

73 That's funny, I heard.

74 Yes, but your lips didn't move, OK?

75 Would you?

76 Would you spell your name please?

77

78 **JC Janacek, Stephen C** 10:06

79 Yes, my name is spelled Stephen last name janicek Jan A/C Ek.

80

81 **PH Pecos Hall** 10:18

82 Thank you. And I understand the division has previously qualified you as an expert in
83 what field?

84

85 **JC Janacek, Stephen C** 10:24

86 Petroleum engineer.

87

88 **PH Pecos Hall** 10:25

89 Perfect. OK.

90 Mr. is it Mr. McClure?

91 Brad, do you know if Dean McClure's on?

92 Not seeing him.

93 I'll send him a message. Thank you.

94 While we wait, can I?

95 Well, actually, maybe I'll wait until Mr. McClure shows up, but I'll go ahead and tell
96 you.

97 We would ask that the division, you know, we're this case, has been pending for a
98 while and we would just ask that the division issue an order as soon as possible.

99 There are going to be some new wells in this area coming online soon. And there's
100 based on.

101 The.

102 Based on the gas plant, the outlook for peak production, it looks like there might be
103 some issues of disruption. So having this order in place to be able to utilize it will be
104 really important for Oxy's operations. OK, logical.

105 Miss Bennett, do you have anything to say? OK.

106 Did you object originally?
107 No. Oh, OK, Miss Vance.
108 Did anyone object originally?
109 Not to my knowledge.
110 I don't believe so. OK.
111 When was this case filed?
112 'Cause it looks pretty old.
113 I don't know off the top of my head, that's OK.
114 I just thought I'd ask just to kill some time.
115 Why don't we?
116 You want to go and recess in this case and we'll come right back.
117 That's perfectly let's do another case in the meantime, while we wait for Mr. Mifler
118 because I know we can take this next one under advisement, which is the good news
119 for for Avant operating, I'm calling 25748.
120 Good morning, Mr. Examiner.
121 Deena Bennett, on behalf of Avant, operating to LLC.
122 Thank you.
123 Good morning, Mr. hearing examiner, Yadid Sapna, with Hardy McClain on behalf of
124 Permian resources monitoring.
125 Good morning, Mr. hearing examiner Paul advance with the Santa Fe Office of
126 Holland and Hart, on behalf of MRC Permian Company.
127 And we are just monitoring perfect and do we have Caitlin Luck?
128 I believe she entered an appearance, didn't she?
129 She did, but she her client reached an agreement with Yvonne, OK.
130 So I think she's here though.
131 Miss luck?
132 OK, Miss Bennett, proceed.
133 Yes, in these cases, in this case it was heard on February 5th and we were coming
134 back for the limited purpose of ensuring that I made the requested change to the
135 compulsory pooling checklist to reflect the fact that certain of the wells were being
136 dismissed from the applic.
137 Which I did, and I also filed a dismissal requesting that those wells be dismissed,
138 which was granted perfect. And we reviewed your amended exhibit packet, which is
139 accepted as evidence and the case is taken under advisement.
140 Thank you.

141 You're welcome.
142 OK.
143 Then we have a couple of dismissed cases. I don't see Mr. McClure yet.
144 I guess we took him.
145 I guess we took him by surprise by starting early.
146 And let's go to, OK.
147 I think this is the next case we should hear, and that would be mubaran oil, 25776 N
148 25777.
149 Good morning, Mr. Examiner Hardy, on behalf of Mubar.
150 AK.
151 Go right ahead, Miss. Thank you.
152 We're back to present our amended exhibits that were timely submitted last week.
153 We've addressed the divisions concerns and I would ask that they be accepted and
154 that the cases be taken under advisement. They are accepted into evidence.
155 I know that there is a question about.
156 And and I think Mr. McClure is probably the best one to ask this question.
157 I hope he's OK.
158 I mean, I just spoke to him.
159
160 **GE Garcia, John, EMNRD 14:52**
161 Gregory.
162
163 **PH Pecos Hall 14:53**
164 Yes.
165
166 **GE Garcia, John, EMNRD 14:54**
167 I just called my hob's office and asked them if they could get Dean's attention.
168 So he should be joining shortly.
169
170 **PH Pecos Hall 15:00**
171 Thank you, Mr. Garcia.
172
173 **GE Garcia, John, EMNRD 15:01**
174 You're welcome.

175

176 **PH Pecos Hall 15:03**

177 Miss Hardy, I I think.

178 There's a question of why the exhibits were amended the way they were.

179 I know that there was a requested amendment, but it looks like you might have
180 amended them more than the requested than than the request.

181 So I believe.

182 That we updated our notice.

183 Information yes.

184 It so that's what the other amendments were. Yeah. Yeah. I I think once we get Mr.
185 McLean on the screen, I think what he's going to ask you to do.

186 I think he's willing to leave the record open for the rest of the day so that you can
187 basically go back to your original exhibit and just do the one thing that he wanted
188 you to do instead of taking other people off.

189 Is that what you did?

190 You took other people off.

191 I mean, I don't know.

192 I I actually think that we had.

193 Added parties who received notice that were being pooled.

194 There's Mr. McClure there.

195 Mr. McClure, I had called this case.

196 Mubar oil. There are two cases, 25776 and seven seven, and the exhibits have been
197 admitted into the evidence. And I know you had some questions for Miss Hardy, I
198 think.

199

200 **ME McClure, Dean, EMNRD 16:25**

201 Yes, I did, Mr. Mr. her examiner.

202

203 **PH Pecos Hall 16:28**

204 Go right ahead.

205

206 **ME McClure, Dean, EMNRD 16:29**

207 Thank you, miss Hardy.

208 It had appeared, let me actually get my case.

209 My case files open here.

210 But it had appeared that.
211 Maybe it dish or change was made to the commitment table where some additional
212 parties are now being listed as being committed, but it also had appeared that some.
213 Notice that had originally been submitted in your initial exhibit, packet was now
214 removed.
215 From your minded exhibit, packet does any of this kind of ring a bell? I guess as to
216 what we're looking at.

217

218 **PH Pecos Hall 17:10**

219 I don't think we.
220 I don't recall that we removed anyone.
221 I think we added.
222 So we had sent notices out and they were received.
223 After the initial hearing, I believe. And so that's why we added them and then added
224 them to the commitment table because when the case was continued.
225 It those parties had not signed agreements and they had received notice, they were
226 just added as it was clarified.
227 They're being pulled. That's my recollection.

228

229 **ME McClure, Dean, EMNRD 17:44**

230 I'm trying to bring up your let me look at your 'cause on your current looking at case
231 25776.
232 It looks like you provide the notice information for four different persons.
233 Does that sound right to you?

234

235 **PH Pecos Hall 18:01**

236 Yes.
237 So I think we did.

238

239 **ME McClure, Dean, EMNRD 18:03**

240 OK. And let me.

241

242 **PH Pecos Hall 18:04**

243 Yeah, I think we determined. So from my recollection, you had asked us.

244

245 **ME McClure, Dean, EMNRD** 18:09

246 Excuse me.

247

248 **PH Pecos Hall** 18:15

249 To provide notice to Civitas, I believe because they were an uncommitted party, and
250 so we did that. And that's part of the updated notice information. And then we had
251 also sent a notice to Kerr McGee because it was determined by Mubar that they
252 needed to be noticed as.

253 Well.

254 So we went ahead and did that.

255

256 **ME McClure, Dean, EMNRD** 19:08

257 Yeah. I apologize for the delay.

258 I'm sitting here looking at the case files.

259 Currently.

260 It may be that I have this first case number messed up and maybe it's the second one
261 that is the one that looks like originally was more notice cause looking at the 25776
262 we are gonna have to.

263 Talk to the land man. It looks like I apologize, Mr. hearing examiner.

264 It may be the second case that maybe we could provide additional.

265 Notice information for.

266

267 **PH Pecos Hall** 20:05

268 OK. Do you want to call your land man?

269 Sure. Mr. Blandford.

270 Braxton Blandford should be online and available.

271

272 **BB Braxton Blandford** 20:19

273 You all see me.

274

275 **PH Pecos Hall** 20:21

276 Yes.

277

278 **BB** **Braxton Blandford** 20:22

279 OK.

280

281 **PH** **Pecos Hall** 20:23

282 Good morning.

283 Would you raise your right hand?

284 You swear affirm under penalty of perjury, that the testimony you're about to give is
285 the truth.

286 The whole truth and nothing but the truth.

287

288 **BB** **Braxton Blandford** 20:33

289 I did.

290

291 **PH** **Pecos Hall** 20:33

292 Can you spell your name?

293

294 **BB** **Braxton Blandford** 20:36

295 Braxton Braxton Blandford.

296 Blandford.

297

298 **PH** **Pecos Hall** 20:43

299 And you have been accepted by this division as an expert in what field?

300

301 **BB** **Braxton Blandford** 20:48

302 Land.

303

304 **PH** **Pecos Hall** 20:49

305 Perfect. Go right ahead, Mr. McClure.

306

307 **ME** **McClure, Dean, EMNRD** 20:51

308 Thank you, Mr. Examiner, Mr. Bradford or Bradford, I'm five holidays.

309 What is your name again, Sir, I apologize.

310

311 **BB** **Braxton Blandford** 20:59

312 Blandford.

313

314 **ME** **McClure, Dean, EMNRD** 21:00

315 Branford, Mr. Branford, I'm looking at your commitment table on page 23 of page 23
316 of 39.

317

318 **BB** **Braxton Blandford** 21:06

319 Can you?

320

321 **ME** **McClure, Dean, EMNRD** 21:11

322 Do you see where I'm looking?
323 I'm looking at a list of persons.

324

325 **BB** **Braxton Blandford** 21:15

326 And.

327

328 **ME** **McClure, Dean, EMNRD** 21:16

329 Specifically, I'm looking at the Haddockon Petroleum Corporation.

330

331 **BB** **Braxton Blandford** 21:23

332 One second.

333 Yes, Sir, I see that.

334

335 **ME** **McClure, Dean, EMNRD** 21:28

336 OK. And you see over where it says negotiated deal for Hannikin Petroleum
337 Corporation looks like Miss Hardy is, can you provide us with a little more
338 information regards to what that negotiated deal?

339

340 **BB** **Braxton Blandford** 21:34

341 I did.

342 We acquired their interest.

343

344 **ME** **McClure, Dean, EMNRD** 21:45

345 Is referring to.

346 OK.

347 So then.

348

349 **PH Pecos Hall 21:50**

350 Well, hold on. Hold on, Mr. McClure.

351 The record would not have picked up his answer.

352 Repeat the answer, Mr. Blandford.

353

354 **BB Braxton Blandford 21:58**

355 Acquired hand again petroleum's interest.

356

357 **ME McClure, Dean, EMNRD 22:04**

358 OK.

359 So then by negotiated deal, what you mean is that haddock and Petroleum

360 Corporation no longer owns the interest in the proposed unit, is that correct?

361

362 **BB Braxton Blandford 22:18**

363 That's accurate.

364

365 **ME McClure, Dean, EMNRD 22:20**

366 OK. And is it also accurate that Hannah can Petroleum Corporation?

367 Is not being requested by Mubarak pulled in this case.

368

369 **BB Braxton Blandford 22:32**

370 That's correct.

371 We're we are not force pooling, Hannigan Petroleum.

372

373 **ME McClure, Dean, EMNRD 22:46**

374 OK. Thank. Thank you. Thank you, Mr. Herring. Examiner, I don't have any further
375 questions for this case, but I will need to look at that.

376 Note that second newborn case. If we also call it, I don't think catch if we did.

377

378 **PH Pecos Hall 22:57**

379 OK, I have a follow up question for the witness. When when did Mubaran acquire
380 Hannigan Petroleum interest?

381

382 **BB Braxton Blandford** 23:09

383 I don't remember the exact date, I would say.

384 Somewhere, likely in the last month to six weeks. But I I don't recall the exact date.

385 It was pretty recent.

386

387 **PH Pecos Hall** 23:24

388 OK.

389 So does that mean that does that mean that you would have given them notice at
390 the time you filed this case?

391

392 **BB Braxton Blandford** 23:38

393 I don't remember if we'd given him notice or not because we were in talks to acquire
394 their interest, but.

395 Dana and Jack, you may know better whether we.

396 Submitted notice or not, I don't recall.

397

398 **PH Pecos Hall** 23:59

399 How long would it take for you to figure out when you acquired their interest?

400

401 **BB Braxton Blandford** 24:04

402 I can probably look real one.

403 Give me one second.

404

405 **PH Pecos Hall** 24:15

406 Miss Hardy, do you? He said.

407 That you might know something about the notice. They were not on our on the
408 notice list so.

409

410 **BB Braxton Blandford** 24:31

411 Mr. Examiner, we acquired Hannigan.

412 Hannigan petroleum's interest the very, very beginning of February of this year.

413

414 **PH Pecos Hall** 24:44

415 OK, Mr. McClure, do you have any follow up?

416

417 **ME McClure, Dean, EMNRD** 24:52

418 No, I don't, Mr. herring examiner.

419

420 **PH Pecos Hall** 24:54

421 OK.

422 So can we take 777 under advisement?

423

424 **ME McClure, Dean, EMNRD** 25:00

425 Yes, we can take 25777 under advisement.

426

427 **PH Pecos Hall** 25:04

428 Perfect. And then you want to talk about 76, is that right?

429

430 **ME McClure, Dean, EMNRD** 25:11

431 Oh, actually, I apologize, Mr. Herring. Examiner.

432

433 **PH Pecos Hall** 25:15

434 OK.

435

436 **ME McClure, Dean, EMNRD** 25:16

437 776 is the one that I believe we can take under advisement. 777 is the one I need to
438 look at the case file again real fast for.

439

440 **PH Pecos Hall** 25:23

441 OK.

442 All right.

443 Thank you.

444

445 **ME McClure, Dean, EMNRD** 26:21

446 Of course it closed my Adobe on me.

447 Mr. Hearing examiner, the only question I would have is for the land man just to
448 confirm whether his answer to your question is correct for both cases.

449

450 **PH** Pecos Hall 26:59

451 OK.

452 Go ahead.

453

454 **ME** McClure, Dean, EMNRD 27:01

455 Mr. Mr. Branford, is it correct that had taken Petroleum Corporation was required,
456 was acquired by Mubarak at the same time for both of these cases?

457

458 **BB** Braxton Blandford 27:13

459 Yes, Sir.

460

461 **ME** McClure, Dean, EMNRD 27:15

462 And you believe that that was in the beginning of this year?

463 Is that what you said to Mr. hearing examiner earlier?

464

465 **BB** Braxton Blandford 27:24

466 It would.

467 It would have been the beginning of February 2026.

468

469 **ME** McClure, Dean, EMNRD 27:29

470 OK. And your understanding is that this application was actually submitted back to
471 the division back in November of 2025?

472 Is that correct?

473

474 **BB** Braxton Blandford 27:44

475 I do not recall when the initial exhibits would have been submitted.

476 I have to.

477

478 **ME** McClure, Dean, EMNRD 27:54

479 No, no worries we have.

480 We have record of that.

481

482 **BB** **Braxton Blandford** 27:57

483 OK.

484

485 **ME** **McClure, Dean, EMNRD** 27:57

486 Thank thank you, Mr. Rankford.

487 Mr. Harrison, I have no further questions for either of these cases and I think we can

488 take them both under advisement.

489

490 **PH** **Pecos Hall** 28:06

491 Perfect. Thank you, miss Hardy.

492 Thank you.

493 Nothing further.

494 All right, let's go back. Because we had called the Oxy USA case when you were not

495 online. Mr. McClure, we have accepted the.

496 Exhibits and we have the petroleum engineer ready for cross examination.

497

498 **ME** **McClure, Dean, EMNRD** 28:36

499 Thank you, Mr. Examiner.

500 And that's Mr. Janicek was ready for.

501

502 **PH** **Pecos Hall** 28:39

503 Yet yes, that's right.

504

505 **ME** **McClure, Dean, EMNRD** 28:41

506 OK.

507 Mr. Janacek.

508 Let's go ahead and take each of these underlying ER projects point by point.

509 See where we're looking at on that?

510 Let me go and get my case file opened up here.

511 Mr. Janacek, are you familiar with the ER project that was approved under order?

512 R 21383 this is in section 15 of Township 24 S, range 29 E.

513

514 **JC** **Janacek, Stephen C** 29:32

515 Yes, I'm generally aware of that one.

516

517 **ME McClure, Dean, EMNRD** 29:35

518 OK. Is it accurate?

519 It would be adequate to say that Oxy now wishes to withdraw that area from the
520 proposed project area for the closed loop gas capture case we're hearing today.

521

522 **JC Janacek, Stephen C** 29:54

523 I'm sorry, could you rephrase the question?

524

525 **ME McClure, Dean, EMNRD** 29:57

526 Yes, Sir. Mr. Janicek, is it accurate that Oxy now wishes to withdraw?

527 Umm.

528 The section 15.

529 Excluding possibly the north half of the north half from the project area in the
530 proposed unit today.

531

532 **JC Janacek, Stephen C** 30:22

533 That is correct for the proposed case that we're talking about today.

534

535 **ME McClure, Dean, EMNRD** 30:29

536 Mm-hmm.

537

538 **JC Janacek, Stephen C** 30:29

539 That is what we're proposing to do.

540

541 **ME McClure, Dean, EMNRD** 30:33

542 And any proposed?

543 Closed loop gas capture wells within that section 15 is also being asked by Oxy to
544 be withdrawn.

545

546 **JC Janacek, Stephen C** 30:45

547 Yes, I don't believe we have any wells within section 15 associated with this CLGC
548 project, but.

549 That logic would follow.

550

551 **ME McClure, Dean, EMNRD** 30:58

552 OK, looking at.

553 Section 16.

554 The EOR.

555

556 **PH Pecos Hall** 31:06

557 Can I?

558

559 **ME McClure, Dean, EMNRD** 31:09

560 I'm sorry, Miss Hardy or Miss Vance, I'm sorry.

561

562 **PH Pecos Hall** 31:10

563 Mr. McClure, can you can you repe?

564 Would you mind do me doing me a favor?

565 Can you repeat that order number that you mentioned at the start?

566

567 **ME McClure, Dean, EMNRD** 31:19

568 Yeah, for the, I guess it's what you got highlighted in that box on #2 of what you're
569 sharing.

570

571 **PH Pecos Hall** 31:25

572 Mm.

573

574 **ME McClure, Dean, EMNRD** 31:25

575 I have it wrote as R-2138 three.

576 You just have a case number there though, but I'm assuming that's the appropriate
577 case number that you have listed there.

578

579 **PH Pecos Hall** 31:34

580 OK.

581 OK.

582 I just wanted to confirm.

583 Thank you.

584

585 **ME McClure, Dean, EMNRD** 31:42

586 Mr. Janicek, moving on to, I guess what M's Vance is sharing that number one.

587 Box sitting there.

588 This would be an ER project approved under order R Dash 21832.

589 Are you familiar with that project?

590

591 **JC Janacek, Stephen C** 31:58

592 Yes.

593

594 **ME McClure, Dean, EMNRD** 32:00

595 Is it accurate to say that Oxy is now asking to withdraw that area from the proposed
596 project area here, including any well?

597 Included therein.

598

599 **JC Janacek, Stephen C** 32:14

600 Yes, that's correct.

601

602 **ME McClure, Dean, EMNRD** 32:16

603 OK.

604 The moving focus to I guess the box that you have identified as.

605 4 is what I'm interested in.

606 This would be your open case 22183 where Oxy is asking to expand.

607 A ERR project that was approved? Well, I guess I don't have the hearing order listed
608 for there on my side, but are you familiar with the project I'm referring to, I guess.

609

610 **JC Janacek, Stephen C** 32:47

611 Yes.

612

613 **ME McClure, Dean, EMNRD** 32:49

614 OK.

615 Is it accurate to say that?

616 Let me start again.

617 Would Oxy prefer this area?

618 The entire area within that Box 4 to be included in the EOR project associated with

619 case 22183.

620 Or your box 4 there.

621

622 **JC Janacek, Stephen C 33:21**

623 Yes.

624

625 **ME McClure, Dean, EMNRD 33:23**

626 In the I parties, let me.

627 It's accurate that Oxy would prefer that to be part of the EOA project and not part of

628 the closed loop gas capture project.

629

630 **JC Janacek, Stephen C 33:36**

631 That's correct.

632

633 **ME McClure, Dean, EMNRD 33:38**

634 Is Oxy asking to withdraw the entirety of what's in the box for including any wells

635 included therein?

636

637 **JC Janacek, Stephen C 33:49**

638 Say that again.

639

640 **ME McClure, Dean, EMNRD 33:52**

641 Is Oxy asking to withdraw the entirety of Box 4?

642 From the project area in the case today.

643

644 **JC Janacek, Stephen C 34:02**

645 No.

646

647 **ME McClure, Dean, EMNRD 34:07**

648 So how would Oxy proposed to move forward to include it in the order in the area
649 today?

650 But yet it's still asking to include it in the other EOR project.

651

652 **JC Janacek, Stephen C 34:25**

653 Since the other EOR project is still pending in order and has been pending in order

654 since 2021.
655 We figured that whenever the division was close to issuing an order, we could
656 discuss how to address the project area for case 22183 and the overlap with the gas
657 storage projects.

658

659 **ME McClure, Dean, EMNRD 34:50**

660 Now, how would you go about that without bringing it back to hearing and
661 reopening that case?

662

663 **JC Janacek, Stephen C 34:59**

664 Take it back to hearing and reopen the case.

665

666 **ME McClure, Dean, EMNRD 35:21**

667 OK, moving on to your box, your #5 box there towards the seven in there?

668 This was an ER project that had been approved under order R 21357.

669 Are you familiar with that project?

670

671 **JC Janacek, Stephen C 35:37**

672 Yes.

673

674 **ME McClure, Dean, EMNRD 35:39**

675 Mr. Jana, check.

676 It seems that Oxy is.

677 Stating that that project has now been terminated. Is that correct?

678

679 **JC Janacek, Stephen C 35:48**

680 That's correct.

681

682 **ME McClure, Dean, EMNRD 35:51**

683 Are you familiar with the ordering paragraphs?

684 Included in.

685 That associated order R-2135 seven.

686

687 **JC Janacek, Stephen C 36:03**

688 No, I'm, I'm. I have not pulled those up recently.

689

689 **ME McClure, Dean, EMNRD 36:09**

691 Would it surprise you to find out that there's a requirement?

692 That oxy provide a written statement to the division upon termination of the project.

693

693 **JC Janacek, Stephen C 36:26**

695 Yes, that would surprise me, but that's something that Oxy can definitely take care of.

696

696 **ME McClure, Dean, EMNRD 36:41**

698 Let me actually.

699 Bring it up here.

700 So I'm citing exactly what we're looking at.

701 Waiting on my little circles to go in my browser, waiting on the Internet, apparently.

702 Hmm.

703 And it's still not loading.

704 Well, I think we should be able to move on.

705 I'll regardless.

706 Are you familiar with?

707 I don't think you have it highlighted in the page that Miss Vance is sharing.

708 Can you can you move down one page, Miss Vance, please.

709 Yeah, there we go.

710 Mr.

711 Jan check. Are you familiar with the boxes that you have?

712 Identified as number six there that involves a closed loop, GAF casser project that
713 had been approved under order R 22206.

714

714 **JC Janacek, Stephen C 37:57**

716 Yes.

717

717 **ME McClure, Dean, EMNRD 38:00**

719 What is the reason?

720 Well, let me backtrack.

721 What is the current status of order R 22206?

722

723 **JC Janacek, Stephen C 38:11**

724 As of 2024, Oxy had requested an extension of the order.

725

726 **ME McClure, Dean, EMNRD 38:19**

727 OK, and that extension's not been approved yet?

728 Is that correct, Mr. Janicek?

729

730 **JC Janacek, Stephen C 38:24**

731 That's correct.

732

733 **ME McClure, Dean, EMNRD 38:28**

734 Why is it?

735 That.

736 Oxy let me back up a little bit.

737 Is it accurate to say that as Oxy submitted its application here?

738 It's proposing to have the R222 Zill 6 ER project.

739 Or excuse me, temporary storage project.

740 Detained within.

741 The project area being proposed.

742 In the case today.

743 You want me to reass?

744

745 **JC Janacek, Stephen C 39:03**

746 We we initially discussed that, but we did not propose that today because we did not
747 want to complicate things by combining 22 orders.

748

749 **ME McClure, Dean, EMNRD 39:20**

750 Is it accurate to say that?

751 The.

752 Source of gas associated with order R 22206 is the same as the proposed project

753 today.

754

755 **JC Janacek, Stephen C 39:37**

756 Yes.

757

758 **ME McClure, Dean, EMNRD** 39:44

759 If I were to tell you that the division will likely deny the extension request and allow
760 the order R 22206 to terminate of its own accord.

761 Would Oxy wish to bring those three wells into this proposed project?

762

763 **JC Janacek, Stephen C** 40:06

764 Absolutely we would.

765 We would probably prefer that to simplify things.

766

767 **ME McClure, Dean, EMNRD** 40:13

768 And would the ideal would oxy prefer that the division issue in order excluding those
769 three wells for this proposed project?

770 Making it necessary for Oxy to amend that order to include the three wells.

771 Or diversely.

772 Would Oxy rather continue this case and conduct new notice and bring in the three
773 wells right now?

774

775 **JC Janacek, Stephen C** 40:45

776 We want to.

777 The preferential path is to get the case we're discussing today approved with an
778 injection order.

779 Because we have.

780 Some new production coming online next week, so whatever path.

781 The division thinks is the shortest to issue an injection order for this project.

782 Oxy.

783 Wood.

784 We would favor that path and then we could discuss an amendment at a later date
785 to add the the three wells.

786

787 **ME McClure, Dean, EMNRD** 41:30

788 OK.

789 Now, let me preface that.

790 And ask you the question again, I guess.

791 With consideration that this case will end up needing to be continued anyway to give

792 Oxy an opportunity to.
793 At the in addition to possibly other things, but at the least submit the required
794 termination notice.
795 For that R-2135 seven. With that in mind, does that change?
796 Oxy's thought process here.
797
798 **JC Janacek, Stephen C 42:05**
799 No, I would like to look at that order and the termination language if you have it,
800 please.
801
802 **ME McClure, Dean, EMNRD 42:15**
803 Is that something that you could share with Mr. Jane?
804 Check Miss Vance.
805
806 **PH Pecos Hall 42:21**
807 Yes, I don't have that order up.
808 I'm not sure if you do and I can stop sharing my screen that that way.
809 I don't know if you mind sharing it so we can take a look at it.
810 I'm happy to do that, otherwise I would have to pull the order.
811
812 **ME McClure, Dean, EMNRD 42:38**
813 OK.
814 I should be able to. I mean I'm assuming I'm able to share I guess.
815 And make sure I have it brought up. I know my.
816 Internet had been running a little bit slow, but it looks like.
817 I have it up here.
818 Yeah. Let me see about sharing.
819 Mr. Janicek, can you see my my screen here?
820
821 **JC Janacek, Stephen C 43:13**
822 Yes, if you could zoom a little, that'd be a little bit more great.
823
824 **ME McClure, Dean, EMNRD 43:16**
825 Yes, Sir.

826

827 **JC** **Janacek, Stephen C** 43:17

828 Thank you.

829

830 **ME** **McClure, Dean, EMNRD** 43:23

831 I'm looking at Vivica.

832 I'm looking at ordering paragraph 18 of order R-2135 seven.

833 And my question in regards, well, I'll give you a chance to read it.

834 Go ahead, Mr. Gencke.

835

836 **JC** **Janacek, Stephen C** 43:36

837 OK.

838 Thank you.

839 OK.

840 I've read it. Thank you.

841

842 **ME** **McClure, Dean, EMNRD** 43:53

843 And Mr. Janettek, do you understand what the requirement is associated with this
844 ordering paragraph?

845

846 **JC** **Janacek, Stephen C** 44:00

847 Yes.

848

849 **ME** **McClure, Dean, EMNRD** 44:02

850 OK.

851

852 **JC** **Janacek, Stephen C** 44:05

853 I I think I was mainly I think I might have used the wrong verbiage whenever I said
854 terminated I was referring to that ordering paragraph 17 above it.

855 Where? Authority.

856 Had been lost due to two years of non injection, so there weren't any operations.

857 To.

858 Update the OCD about termination if that makes sense.

859

860 **ME** **McClure, Dean, EMNRD** 44:37

861 With it in mind that this case will need to be continued until that written notice
862 referenced in paragraph 18 is met.
863 Does that change your?
864 Does that change Oxy's preference?
865 In regards to the three wells and project area included in R 22206, that being the
866 other closed loop guest capture case.

867

868 **JC** **Janacek, Stephen C** 45:06

869 I.

870 I don't. I'm sorry.

871 I don't think I can answer that question yet.

872 Could you go back and pull up that ordering paragraph 17?

873

874 **ME** **McClure, Dean, EMNRD** 45:14

875 I don't know if that's relevant, Mr. Janicek.

876 I was only sharing so you to see if you understood the question I'm asking you, but

877 that's fine if if Oxy doesn't have a preference, it's it's it's perfectly fine in regards to

878 that.

879

880 **JC** **Janacek, Stephen C** 45:32

881 I'm sorry, could you rephrase the question again?

882 If we're not gonna go back.

883

884 **ME** **McClure, Dean, EMNRD** 45:36

885 OK.

886

887 **PH** **Pecos Hall** 45:37

888 There wasn't.

889 Hold on.

890 There wasn't a question, Mr. Janicek.

891

892 **ME** **McClure, Dean, EMNRD** 45:39

893 Mike.

894

895 **PH Pecos Hall** 45:40

896 It was just a statement. So can you go on, Mr. McClure?

897

898 **ME McClure, Dean, EMNRD** 45:44

899 Yes, I can, Mr. herring examiner.

900 Mr. hunting examiner, may we take a few minutes for me to touch base with one of
901 our other technical examiners here.

902 I apologize, Mr. I'm. I'm finished with asking questions to Mr. Janet. Check, I believe.

903

904 **PH Pecos Hall** 46:04

905 OK, perfect.

906

907 **ME McClure, Dean, EMNRD** 46:09

908 Unless something else becomes relevant in my discussion with.

909

910 **PH Pecos Hall** 46:11

911 OK, sounds good.

912 Can can I ask?

913 I was gonna say let's go in recess on this so that Mister McClure can have a
914 discussion with, I think Mr. Getz, and see how he wants to proceed.

915 So, OK, we're in recess on this case, Mr. McClure.

916 Let's we're going to go on to some cases that I know we can take under advisement
917 and we can move along here.

918 I'm gonna call 25793 Permian Resources.

919 Good morning, Mr. hearings aminur. We actually did get it.

920 Setya we actually filed a notice of dismissal for this case yesterday afternoon.

921 This is the Colonel Freuckels case.

922 You're right.

923 Thank you. Thank you.

924 So there we are.

925 That was that was a quick one. Alright, let's move.

926 We're off the record on that case.

927 Let's go on to kotera energy, 2580625805.

928 Good morning, Mr. Examiner.

929 Dina Bennett, on behalf of Kotara Energy operating.
930 Thank you.
931 Good morning, Mr. hearing examiner Paula Vance.
932 With the Santa Santa Fe Office of Holland and Hart, on behalf of MRC Hat Mesa LLC,
933 and we are just monitoring. OK, thank you.

934

935 **JK** **Jordan Kessler** 47:18

936 Good morning, Mr. Examiner.
937 Jordan Kessler, on behalf of EOG Resources, also monitoring WESTCASE.

938

939 **PH** **Pecos Hall** 47:23

940 Thank you, Miss Kessler.
941 There was a Randy Cohn.
942 Yes, Mr. Examiner, he entered an appearance and has since withdrawn his objection.
943 And he's entered into an agreement with Kotera, OK.
944 So did you submit what the division wanted I did?
945 Then we accepted into the record and it's taken under advisory in both in both cases
946 in both cases.
947 Thank you very much.
948 Appreciate it very much.
949 Yes you will.
950 Let's move on to Matador production. It looks like we have here.
951 5 cases to 582-1222.
952 2324 and two five. Yes. Good morning, Mr. hearing examiner, Raileigh Starnes with
953 the Santa Fe Office of Holland and Heart, on behalf of MRC Permian Company.
954 I don't think there were any other.
955 You're right, appearances.
956 I hope we actually continue these cases from the February docket to perfect notice
957 on a number of parties and are here today with these five consolidated cases seeking
958 orders pulling all of the uncommitted interests in the Bone Spring formation for
959 cases 258-2122.
960 And two, three.
961 And the wolfc Jennifer, 24 and 2/5.
962 We've supported our applications.
963 We've filed our revised hearing packets with all of the usual exhibits.

964 Compulsory pulling application checklist, one of which was revised pursuant to
965 notice from Division.
966 Application Self Affirm statement of our land, man.
967 Isaac Evans Self affirmed statement of geologist Anna Thorson. Self affirm statement
968 of notice which will reflect that notice was timely sent first on December 19th of
969 2025.
970 And then again on February 13th of 2026.
971 Those notices of publication and 425822 MRC, is also seeking approval of an
972 overlapping spacing unit so that hearing packet contains a sample copy of our
973 overlapping notice.
974 And that same case is also a non standard location which will be filing for separately.
975 If there are no questions, we'd ask the exhibit.
976 Exhibits we admitted into the record and these cases taken under advisement. There
977 are no questions.
978 The exhibits are admitted into the record. The cases are taken under advisement.
979 Thank you, Mr.
980 Let's move on to Marathon Oil. This is 25877.
981 Mr. Examiner Dana Hardy with Hardy McLean, on behalf of Marathon. Thank you.
982 And there are no other parties.
983 We are back to submit additional exhibits that we timely filed last week.
984 We had changed the primary product.
985 To gas in on the checklist, as Mr. McClure requested, we provided an updated plan of
986 tracks and ownership information to show who is being pooled or to clarify that
987 information and also provide an updated notice information. So with that, I would
988 ask that the exhibits be admitted and.
989 Case be taken under advisement.
990 They are admitted it's taken under advisement. Thank you.
991 Moving on to other cases of yours, Miss Hardy or Miss McLean, these are Permian
992 resource 25904.
993 Yes, Jackie McLean on behalf of Permian Resources. Thank you.
994 And there are no other parties. And this was also an admitted exhibit packet.
995 We we accept.
996 We accept the amended exhibit packet into evidence.
997 We take the case under advisement.
998 Yeah, Miss McLean, we're gonna move on to Mubaran oil 25909. Mr. Examiner Dana

999 Hardy with Hardy McLean. On behalf of Mubar, there are no other parties. And this
1000 was another case where we are back with admitted exhibits that were timely
1001 submitted last week. I.
1002 Would ask that they be accepted and that the case be taken under advisement.
1003 Perfect, they're accepted and it's taken under advisement. Thank you.
1004 Moving on to a Holland and heart case, hillcorp energy.
1005 25938 But I think there are other hillcorp cases.
1006 Two, since they're all going to be taken under advisement, why don't I call them all at
1007 the same time?
1008 That works for me. Excellent.
1009 So I called 25938.
1010 I'm also calling 424325950 and 52. Thank you.
1011 Good morning, Mr. hearing examiner, technical examiner Paula Vance with the Santa
1012 Fe Office of Holland and Hart, on behalf of the applicant Hillcorp Energy.
1013 Company and these are all well density requests for exception.
1014 I won't go through the details since it sounds like the technical examiner has already
1015 reviewed them in the first three cases, though I will say we have different technical
1016 folks involved, so in those cases we have the statement and exhibits from Landman,
1017 Gatewood, Brown, who has previously test.
1018 Before the division and his credentials have been accepted as a matter of record and
1019 then also on the reservoir engineering side, we have Marcus Hill, who has also
1020 previously testified.
1021 And his credentials have been accepted as a matter of record.
1022 The we also included myself, affirmed statement of notice everything was timely,
1023 including the notice of publication.
1024 With that, I would ask that that set be taken under advisement, that the exhibits be
1025 admitted into the record in the cases be taken under advisement.
1026 Happy to move on to the other two if you're ready.
1027 I'm ready to take all five under advisement.
1028 I just wasn't.
1029 Sure.
1030 Great. That sounds perfect. Next.
1031 So we're moving along here.
1032 I missed the assignment, OK.
1033 Mr. ah, OK.

1034 So Mr. McClure must be still discussing.
1035 So let's move on.
1036 I'm wondering what happened. OK.
1037 No, we have that OK.
1038 So I think we're now gonna begin with the cases where Mr. Fordyce is the technical
1039 examiner, and we'll begin with kotera energy. 25955 entries, please.
1040 Good morning, Mr. Examiner.
1041 Deena Bennett, on behalf of Kotera Energy operating and there's no other parties, no
1042 other parties. Go right ahead. Thank you.
1043 Oh wait, there's a there's a hand up.
1044 For a Miss Reeves, I think.
1045 Did I see that right?
1046
1047 **RT Reeves, Leslie T** 53:33
1048 I apologize.
1049 It was on accident.
1050
1051 **PH Pecos Hall** 53:35
1052 Oh, OK.
1053 Well, thank you. OK.
1054 Go ahead, Miss Bennett.
1055 Thank you. In this case, Kotera energy operating seeks an order pooling
1056 uncommitted interests in a bone spring spacing unit.
1057 That's approximately 649 acres in the West half of irregular Section 4 and the West
1058 half of section 9, Township 19 S, range 34, E Lee County, New Mexico, and we've
1059 submitted the usual suite of exhibits, including land exhibits from Ashley St. Pierre
1060 who?
1061 Previously testified before the division, and her credentials have been accepted as a
1062 matter of record.
1063 And geology exhibits from Stacy Fry, who's also previously testified before the
1064 division, and her credentials have been accepted as a matter of record, and we've
1065 also included myself affirm notice of declaration of notice, which shows that notice
1066 was timely, mailed and timely published. And in this case K.
1067 Is seeking approval of a non standard unit and we've included as Exhibit A9 the plat
1068 showing.

1069 The non standard unit offset.
1070 Offsetting tracks as well as the notice parties for the offsetting units.
1071 So with that, I would ask that the exhibits in case number 25955 be admitted into the
1072 record and the case be taken under advisement.
1073 They are admitted without exception.
1074 Let's get your Mr. Fordyce.
1075 Who do you want to question?
1076
1077 **FE Fordyce, Andrew, EMNRD 54:56**
1078 The land man.
1079
1080 **PH Pecos Hall 54:57**
1081 Perfect. Is it Miss Saint Pierre?
1082 Yes it is.
1083 Thought it was Miss St. Pierre. Are you with us?
1084
1085 **AP Ashley St. Pierre 55:02**
1086 Yes, I'm here.
1087
1088 **PH Pecos Hall 55:04**
1089 Excellent. Would you turn on your camera?
1090 And would you perfect and would you raise your right hand, please?
1091 You swear affirm under penalty of perjury, the testimony you're about to give is the
1092 truth, the whole truth, and nothing but the truth.
1093
1094 **AP Ashley St. Pierre 55:18**
1095 Yes, I do.
1096
1097 **PH Pecos Hall 55:19**
1098 Thank you. And I know I recognize you.
1099 So your credentials are obvious.
1100 Go right ahead, Mr. Fordyce.
1101
1102 **FE Fordyce, Andrew, EMNRD 55:27**
1103 But Miss St.

1104 Pierre, I have a question if I could direct your attention to exhibit A4.

1105 That should be on page 25 of the exhibits.

1106

1107 **AP Ashley St. Pierre 55:45**

1108 Yes.

1109

1110 **FE Fordyce, Andrew, EMNRD 55:50**

1111 Could you provide?

1112 A summary of the spacing unit.

1113 In its interest as a whole and not broken out by by track.

1114 So just describing the whole spacing unit in a summary rather than by specific tracks.

1115 And in and in that exhibit point out the parties that are being pooled.

1116 Typically highlighted in yellow.

1117

1118 **AP Ashley St. Pierre 56:25**

1119 Yes, OK. Are you talking on page 25 of 66?

1120

1121 **FE Fordyce, Andrew, EMNRD 56:30**

1122 Yeah. So if you could just summarize the unit.

1123

1124 **AP Ashley St. Pierre 56:31**

1125 OK.

1126

1127 **FE Fordyce, Andrew, EMNRD 56:36**

1128 Instead of having it broken out by tract where you know interest might be listed

1129 multiple times, just compile a summary.

1130

1131 **AP Ashley St. Pierre 56:45**

1132 Yes, OK.

1133

1134 **FE Fordyce, Andrew, EMNRD 56:46**

1135 For this, for this case in this exhibit.

1136

1137 **AP Ashley St. Pierre 56:50**

1138 Yes, I can.

1139

1140 **FE Fordyce, Andrew, EMNRD 56:52**

1141 OK.

1142 Could you provide that by the end of the day?

1143

1144 **AP Ashley St. Pierre 56:56**

1145 Yes.

1146

1147 **FE Fordyce, Andrew, EMNRD 56:58**

1148 If we could get an amended exhibit, I believe we could take this case under
1149 advisement, if that could be provided by the close of Business Today.

1150

1151 **AP Ashley St. Pierre 57:07**

1152 Yes, Sir.

1153

1154 **FE Fordyce, Andrew, EMNRD 57:09**

1155 Thank you very much.

1156

1157 **PH Pecos Hall 57:10**

1158 Suspended.

1159

1160 **FE Fordyce, Andrew, EMNRD 57:10**

1161 I didn't have any other question.

1162

1163 **PH Pecos Hall 57:12**

1164 Yes, Miss Bennett.

1165 Can that be done?

1166 Yes, I would just point out though to exhibit A5, which may have the very information
1167 that Mister Fordyce is seeking on exhibit A5. That is the entire pooled party list.

1168 So we did not highlight them on exhibit A4 because we prepared a separate exhibit
1169 that identifies every party that's being pooled and also on exhibit A5, we broke out
1170 the unit working interest.

1171 By parties who are being pooled.

1172 Which is the aggregate in the unit, which is what I understand Mr. Fordyce is asking
1173 for. So I'm happy to submit a revised exhibit packet today.

1174 But I also just wanted to point that out in case that does address Mr. Fordyce's
1175 questions. Let's see.

1176

1177 **FE Fordyce, Andrew, EMNRD 57:56**

1178 Miss Bennett, are all of the interests in the unit listed in Exhibit A5?

1179

1180 **PH Pecos Hall 58:03**

1181 Only the interest being pooled.

1182

1183 **FE Fordyce, Andrew, EMNRD 58:11**

1184 Then I still would like to see a summary of the unit that that's a standard exhibit
1185 whereby all of the interest in the unit are summarized as a unit and.

1186 You know, somehow highlighted or otherwise denoted the, the parties being pulled.

1187

1188 **PH Pecos Hall 58:30**

1189 Thank you.

1190 Thank you.

1191 So is that something that M's Saint Pierre will help you with?

1192 Yes, OK.

1193 So M's Saint Pierre, is that something you can get to M's Bennett today?

1194

1195 **AP Ashley St. Pierre 58:38**

1196 Yes.

1197

1198 **PH Pecos Hall 58:39**

1199 Excellent. And you can do a amended packet with the cover letter.

1200 Yes, I can.

1201 Great. Then we'll leave the record open till the rest of the day for you to submit that.

1202 Since we don't need further review of that.

1203 Thank you very much.

1204 We're off the record. In that case, let's go back to the Oxy case. I believe Mr. McClure
1205 has some direction for Miss Vance.

1206

1207 **ME McClure, Dean, EMNRD 58:58**

1208 Yes, thank you. Mr. Herney Examiner M's Vance.

1209 We're going to need to continue this case and Oxy's going to need to submit that
1210 termination notice.

1211 To the case file for R-2135 seven.

1212

1213 **PH Pecos Hall 59:17**

1214 I would request 'cause. We can get that filed today.

1215 And since it, you know, going off of the feedback that we have gotten for the division
1216 from the division, that they understand that this is a high priority for OXY, that this
1217 has been pushed out a number of times and that you know the division is working
1218 on.

1219 Trying to turn around these types of orders more quickly and and also I I said this for
1220 the benefit of the hearing examiner, but you weren't on yet, but I.

1221 But I oxy does have new wells for the Cedar King in development coming online and
1222 there are some projections that suggest there might be some limitations to take
1223 away during peak production.

1224 So I would request that we have today to be able to file by 5:00 PM on that the
1225 written notice that you're looking for.

1226 I'm working on getting and I actually just sent you and the hearing examiner an e-
1227 mail letting you know that we are working on that, but we will get it filed as soon as
1228 possible and would just request that rather than continue it.

1229 We get that filed because it sounds like that was.

1230 That's the outstanding item at this point and.

1231 And that this case, you know, not be continued, but be taken under advisement and
1232 also asking that we get are able to get an expedited.

1233 Did order as soon as possible.

1234

1235 **ME McClure, Dean, EMNRD 1:00:47**

1236 No M's Vance.

1237 Within the new, a minute exhibits. Is there a clean list of all the wells and the newly
1238 proposed project area included there?

1239

1240 **PH Pecos Hall 1:01:02**

1241 Yes, I believe it is.

1242

1243 **ME McClure, Dean, EMNRD** 1:01:03

1244 Can you draw my attention to it?

1245

1246 **PH Pecos Hall** 1:01:06

1247 Yes, if you can hang on one second and I will ask the Mr. Janicek if he can come back

1248 up that way. He can walk through the exhibit if you have any questions about it.

1249 But yes, there should be.

1250 Give me one second.

1251 Find my teams.

1252 Don't hang up.

1253 There we go.

1254 And it should be.

1255

1256 **ME McClure, Dean, EMNRD** 1:01:31

1257 Yes.

1258

1259 **PH Pecos Hall** 1:01:32

1260 There we go.

1261 And which exhibit are we looking at?

1262 It it's all the same exhibit, but this is slide I believe.

1263 Should be slide 6 of what exhibit.

1264 Supplemental exhibit. I I thank you. Mm-hmm.

1265

1266 **ME McClure, Dean, EMNRD** 1:01:55

1267 And Miss Vance, I I can also ask this Mr. Janet check. But do you know if there is a list
1268 of the wells?

1269 Being proposed now with all the wells excluded out of it.

1270 Mr. Janicek, are you still with us?

1271

1272 **JC Janacek, Stephen C** 1:02:15

1273 Yes, I'm here. Can you hear me?

1274

1275 **ME McClure, Dean, EMNRD** 1:02:17

1276 Yes, we can, Sir.

1277 I'm Mr. herring. Examine.

1278 You don't have any.

1279 Am I fine to ask Mr. Mr. Janicek additional questions?

1280

1281 **PH Pecos Hall** 1:02:25

1282 Of course, he's still Underoath.

1283

1284 **ME McClure, Dean, EMNRD** 1:02:27

1285 Thank you, Mr. Herring examiner.

1286 Mr. Janicek is there included anywhere in the exhibit packet?

1287 A list of all the current wells that Oxy is asking to be included.

1288

1289 **JC Janacek, Stephen C** 1:02:44

1290 No, we do not have an updated list because the only change was removing the

1291 Cedar Canyon 23 four H from the list of wells.

1292

1293 **ME McClure, Dean, EMNRD** 1:02:58

1294 Is.

1295 With Chevron's, I believe it was Chevron's original objection and those two wells
1296 removed there does that.

1297 Is that also included in your consideration for a having a fresh list of wells?

1298

1299 **JC Janacek, Stephen C** 1:03:19

1300 I can't recall these Chevron objection.

1301

1302 **ME McClure, Dean, EMNRD** 1:03:26

1303 OK. I guess if I were to ask OXY to provide me with a list of all the wells, it's currently
1304 asking the division for injection authority for, do you understand what I'm asking for?

1305

1306 **JC Janacek, Stephen C** 1:03:37

1307 Yes, we can provide your list of wealth.

1308

1309 **ME McClure, Dean, EMNRD** 1:03:40

1310 OK.

1311 Thank you, Mr. Janet Heck, M's Vance, if we could also provide either an amended

1312 exhibit or another supplemental exhibit that provides an updated list of all injection
1313 wells that Oxy is asking to include in this proposed project at this point.

1314

1315 **PH Pecos Hall 1:03:59**

1316 Yes, we will get that done today.

1317

1318 **ME McClure, Dean, EMNRD 1:04:02**

1319 Mr. hearing examiner.

1320 The division's wondering if we can have a continuance for at least two weeks for us
1321 to review the submissions done today.

1322

1323 **PH Pecos Hall 1:04:16**

1324 OK.

1325 I mean it's it's up to you how much time you want to review.

1326 We have several dockets coming up that we might expedite this case on. Obviously,
1327 the one on the 10th is too soon.

1328 We have another one on the 12th.

1329 I believe we have a status conference docket on the 19th. That's about two weeks
1330 from now.

1331 Fred, could we add this or could Miss Vance continue this case to that docket?

1332 That's fine.

1333 We also have a contested hearing on March 24th.

1334 I think the 19th I'd rather.

1335 I'd rather do it as soon as possible, but Mr. McClure would like 2 weeks and 14 and
1336 five is 19. So.

1337 That could work for me.

1338 Mr. McClure, does that work for you? The 19th.

1339

1340 **ME McClure, Dean, EMNRD 1:05:09**

1341 The status conference on the 19th will be fine for us.

1342

1343 **PH Pecos Hall 1:05:13**

1344 All right.

1345 I mean, I know you don't normally appear on that docket, but we're trying to
1346 expedite this for Miss Vance.

1347

1348 **ME McClure, Dean, EMNRD** 1:05:16

1349 No.

1350

1351 **PH Pecos Hall** 1:05:19

1352 So, Miss Vance, you know what the division wants.

1353 Would you please continue your case to the 19th?

1354 We'll try to move it along as quickly as we can. Thank you.

1355 I appreciate that of course.

1356 OK, we're off the record in 24983 and Mr. McClure, we're done with your cases.

1357 Thank you for your participation.

1358 All right, let's go back to Mr. Fordyce's cases and I think we have a bunch of these
1359 that we can move through quickly, which I'd like to do.

1360 So I'm going to call them a little out of order and this is everyone's signal that, you
1361 know, let's keep this quick 'cause we're going to take them under advisement.

1362 Let's go with #24 and 25.

1363 On our well, it looks like we have a bunch of matador cases. I'm going to read them
1364 off 2570102030405.

1365 506 Yes, good morning, Mr. gearing examiner raileigh Starnes with the Santa Fe
1366 Office of Holland and Hart on behalf of Matador production company. And there are
1367 no other appearances.

1368 Perfect. These are 6 consolidated cases seeking to reopen and amend previously
1369 issued orders to add 1 record title owner only.

1370 We filed all the exhibits and if there are no questions, I ask, they'd be taken under
1371 advisement. Perfect. That's OK.

1372 Yes, we accept all of your exhibits without exception into the record.

1373 And we take all of your cases under advisement.

1374 Thank you.

1375 That's those right now.

1376 I'm gonna skip over the Admiral Permian.

1377 I'm gonna go to Permian Resources 25769 and seven. Oh, Jackie McLean, on behalf
1378 of Permian Resources. Thank you, Paula Vance with the Santa Fe Office of Holland
1379 and Hart, on behalf of Mubar Oil Company. And we're just monitoring perfect M's
1380 McLean. Yes.

1381 And it sounds like these can be.

1382 Committed into the record, which I would ask that they be done and the cases be
1383 taken under advisement, granted, both granted. So thank you very much, Miss
1384 McLean.

1385 Thank you.

1386 All right. So let's move on to another Hardy McLean case. This is Marathon Oil,
1387 Permian 25889, Mr. Examiner.

1388 Dana Hardy, on behalf of Marathon. Thank you.

1389

1390 **JK** **Jordan Kessler** 1:07:35

1391 Good morning, Mr. Examiner.

1392 Jordan Kessler, on behalf of EOG Resources monitoring only.

1393

1394 **PH** **Pecos Hall** 1:07:40

1395 Thank you, Miss Kessler.

1396 And we have Gallagher and Kennedy.

1397 They had interned appearance for Oxy. That's correct.

1398 Have you had any communication with them?

1399 Not since they filed their injury appearance was there an objection with the entry of
1400 appearance. No. OK.

1401 Then go right ahead.

1402 Thank you.

1403 It sounds like these exhibits are agreeable to the division, so I would ask that they be
1404 accepted and that the case be taken under advisement.

1405 Perfect. Granted in both occurrences.

1406 So that case we're off the record now.

1407 Let's go on to yet another one that looks good.

1408 We have 25891 spur energies, Minister Examiner Dana Hardy, on behalf of Spur.

1409 OK.

1410 Thank you.

1411 And there are no other parties. And if the division has no questions, I would ask that
1412 the exhibits be admitted and that the case be taken under advisement.

1413 Perfect, they are admitted and it's taken under advisement. Thank you.

1414 Let me see here.

1415 We're gonna skip a let's skip a few more here.

1416 Let's go down to coteria energy 25918 and 19.

1417 Mr. holiday.

1418

1419 **BH Benjamin Holliday** 1:08:48

1420 Good morning, everyone.

1421 Mr. Examiner Ben Holladay, on behalf of the applicant.

1422

1423 **PH Pecos Hall** 1:08:52

1424 Go right ahead, Mr. Holiday.

1425

1426 **BH Benjamin Holliday** 1:08:54

1427 Yes, Sir.

1428 So these are two amendment requests. Katera is seeking an order amending pulling
1429 orders number R2375 and R 23749 for one year.

1430 We've got the standard suite of exhibits associated with this, and Mr. Morgan, with
1431 the land expert or excuse me, the land witness for Koteria, is ready to testify. If we
1432 have any questions.

1433

1434 **PH Pecos Hall** 1:09:20

1435 I don't believe there are any questions, Mr. Holiday. So we admit your exhibits into
1436 evidence and we take your two cases under advisement.

1437

1438 **FE Fordyce, Andrew, EMNRD** 1:09:24

1439 Yes.

1440

1441 **BH Benjamin Holliday** 1:09:29

1442 Perfect. Thank you.

1443

1444 **PH Pecos Hall** 1:09:31

1445 All right, now I want to go back to two cases which I'm not sure if I was told these will
1446 be dismissed or not.

1447 This is a Holland heart cases. The blue chip cases are these the ones that are being
1448 dismissed.

1449 They are OK, great. So we don't have to call.

1450 We're not going to call those two cases.

1451 Let's go on to one more case.
1452 This is EOG Resources 25965.
1453 Good morning, Mr. Examiner.
1454 Deena Bennett, on behalf of EOG Resources.
1455 Thank you.
1456 And Gallagher Kennedy again.
1457 Yes, they did enter an appearance, but they did not object.
1458 They did not go right ahead. Thank you.
1459 If the division does not have any question about the exhibits in these cases, EOG
1460 would respectfully ask that the exhibits be admitted and the case be taken under
1461 advisement.
1462 Thank you very much.
1463 They are taking into evidence and it is taken under advisement.
1464 So thank you.
1465 Case is over with. Alright, now let's go back to a little bit more tricky ones.
1466 So when I call these, you know we're gonna need to question your witnesses, et
1467 cetera, et cetera.
1468 OK.
1469 I wanna make a note here, Miss Bennett. Before I forget, your coteria energy case
1470 25955 that exhibit A4.
1471 You're still submitting something by the end of the day, is that right?
1472 Yes, perfect. OK.
1473 All right, the record will remain open in that case.
1474 All right, we're done with that case.
1475 So now we're gonna go to the first one.
1476 That's a little troublesome.
1477 This is Admiral Permian 25708.
1478 I don't like it.
1479 It has nothing to do with my liking it or nothing.
1480 I don't like that troublesome characterization, but here I am, Jackie McLean, on
1481 behalf of Admiral Permian.
1482 Good morning, Mr. hearing Examiner, Apollo Vance with the Santa Fe Office of
1483 Holland and Heart, on behalf of MRC Permian Company and we are just monitoring.

1484

1485 **HK Hatley, Keri (LDZX)** 1:11:29

1486 Good morning, Mr. glaminer.

1487

1488 **PH Pecos Hall** 1:11:29

1489 Here's M's hatley.

1490

1491 **HK Hatley, Keri (LDZX)** 1:11:31

1492 Keri Hatley entered her appearance on behalf of Conoco Phillips and we are just
1493 monitoring.

1494

1495 **PH Pecos Hall** 1:11:35

1496 Wonderful. Thank you both, Miss McLean.

1497 Yes, thank you. In this case, Admiral seeks an order pulling all uncommitted interest
1498 in the Bone Spring Formation underlying A320 acre more or less non standard
1499 spacing unit in the east half of section 18 Township 23 S, range 28 E in Eddy County.

1500 And we will dedicate this unit to the cross go Estates fee unit wells.

1501 Exhibits were timely submitted and include the land testimony and corresponding
1502 exhibits of Hunter Hall, who was previously testified before the division and has been
1503 recognized as an expert in petroleum land matters.

1504 Then we also have geology testimony and corresponding exhibits from William
1505 Carroll, who is not previously testified before the vision.

1506 So if we have questions for him, we would like to move him.

1507 To be admitted as an expert in petroleum geology matters.

1508 Finally, we have noticed testimony with copies of the notice letter.

1509 This case has been sitting here for some time as it was originally objected to and was
1510 going to be contested.

1511 So notice was sent on October 22nd, 2025 and we have an affidavit of publication
1512 from October 30th, 2025.

1513 I know there are questions, so we are happy to answer those perfect. The exhibits are
1514 admitted into evidence and Mr. Fordice.

1515 Which witnesses do you have questions for?

1516

1517 **FE Fordyce, Andrew, EMNRD** 1:13:02

1518 I have questions for the lineman.

1519

1520 **PH Pecos Hall** 1:13:04

1521 Lenman, who has already been admitted.

1522 So let's get the Landman sworn in. Mr. Hunter hall.

1523

1524 **HH Hunter Hall** 1:13:14

1525 I'm here.

1526

1527 **PH Pecos Hall** 1:13:15

1528 Excellent, Mr. Hall.

1529 Would you please raise your right hand?

1530 You swear affirm under penalty of perjury, the testimony you're about to give is the

1531 truth, the whole truth, and nothing but the truth.

1532

1533 **HH Hunter Hall** 1:13:25

1534 I do.

1535

1536 **PH Pecos Hall** 1:13:26

1537 Thank you.

1538 Please lower your hand and spell your name.

1539

1540 **HH Hunter Hall** 1:13:28

1541 Hunter Hall, HUNTER Space HALL.

1542

1543 **PH Pecos Hall** 1:13:33

1544 OK. And Miss McLean has told me that you've been previously admitted as an expert

1545 for this division.

1546

1547 **HH Hunter Hall** 1:13:40

1548 I have.

1549

1550 **PH Pecos Hall** 1:13:41

1551 In what field?

1552

1553 **HH** **Hunter Hall** 1:13:43

1554 Trolley land matters.

1555

1556 **PH** **Pecos Hall** 1:13:44

1557 Go right ahead, Mr. Fordyce.

1558

1559 **FE** **Fordyce, Andrew, EMNRD** 1:13:47

1560 Mr. Hall, if I could.

1561 Direct your attention to your statement.

1562 It's on page seven of the exhibits.

1563

1564 **HH** **Hunter Hall** 1:13:57

1565 OK, I'm there.

1566

1567 **FE** **Fordyce, Andrew, EMNRD** 1:13:57

1568 Umm.

1569

1570 **PH** **Pecos Hall** 1:13:58

1571 I'll bring it up. Oh, great.

1572 Thank you.

1573

1574 **FE** **Fordyce, Andrew, EMNRD** 1:14:12

1575 Thank you.

1576 So in the statement basically.

1577 We could summarize it by saying that you want Admiral Porgie, who wants to seek
1578 the non standard spacing unit for a consolidation of surface facilities.

1579 Is that correct?

1580 So.

1581 The the unit that's proposed is is standard.

1582 And you're seeking non standard spacing unit and I'm trying to understand why you
1583 think that you need one. If you could help me understand that.

1584

1585 **HH** **Hunter Hall** 1:14:55

1586 Sure. I think I think the way that we originally looked at the unit was if there were

1587 part of it was probably some.
1588 If there was maybe a little bit of lack of clarity around how EU turn wells would be
1589 factored in and so if you interpret them as a single mile wells on each side of the 160
1590 acres, they're deviating, you could say 160.
1591 Acres would be dedicated to each and so we were just a little bit unclear, but the
1592 intent around the NSL.
1593 Is a shared facility and and that facility will also be shared with the case that was
1594 heard last week for the Wolf camp.
1595 Just in a different zone.
1596 So we just wanted to make sure that we were covering our bases.

1597

1598 **FE** **Fordyce, Andrew, EMNRD** 1:15:42

1599 You're aware that that these lands are on fee surface and minerals, correct?

1600

1601 **HH** **Hunter Hall** 1:15:47

1602 We are.

1603

1604 **FE** **Fordyce, Andrew, EMNRD** 1:15:48

1605 OK.

1606 If Admiral Permian would, since it's not needed, drop their request for the non
1607 standard unit.

1608 And and resubmit the compulsory pulling application to reflect that.

1609 I think we can move on with this case.

1610

1611 **HH** **Hunter Hall** 1:16:13

1612 Dana. Jackie, do you agree?

1613

1614 **PH** **Pecos Hall** 1:16:17

1615 Give me one second. I'm trying to.

1616

1617 **HH** **Hunter Hall** 1:16:19

1618 OK.

1619

1620 **PH** **Pecos Hall** 1:16:20

1621 To pull this up.

1622 If I recall, I believe that.
1623 We had and I'm just trying to go to the place and we had requested the.
1624 Non standard spacing because.
1625 There is.
1626 Hold on.
1627 Do you want to just take 5 minutes?
1628 Yes, let me just look through it.
1629 This you can talk to your witness offline.
1630 We can all go to the bathroom, OK?
1631 You're off the record for 5 minutes. Thank you.
1632 It is what time is it? 1009. Thursday, March 5th.
1633 We're back on the record, Miss McLean.
1634 Yes, thank you.
1635 After reviewing the exhibits we had initially submitted this case requesting a non
1636 standard proration unit because.
1637 There was no lateral within 330 feet of that center line separating the east half E half
1638 from the West half E half.
1639 But.
1640 If the division feels differently and this is a standard spacing unit, we are happy to
1641 just amend the checklist to take off that request for non standard proration unit and
1642 submit it as a request for a standard spacing unit, and then we can move forward
1643 with the case.
1644 Mr. Fordyce.
1645
1646 **HH** Hunter Hall 1:23:56
1647 OK.
1648
1649 **FE** Fordyce, Andrew, EMNRD 1:23:58
1650 Yes, and and I'll just add to to double check, I I also confirm with other other division
1651 staff to to make sure that I wasn't overlooking something.
1652 This is a standards spacing unit. If you if you wanna go ahead and and drop the
1653 request for the NSP and and submit.
1654 An amended CPAC.
1655 We can take this case under advisement.

1656

1657 **PH** **Pecos Hall** 1:24:23

1658 OK. We'll do that by the end of the day.

1659 Perfect. All right. We'll leave the record open until the end of the day, but we will take
1660 it under advisement.

1661 Thank you. Thank you.

1662 OK.

1663 So that case is over.

1664 Let's move on to Longfellow Energy 25911.

1665

1666 **SS** **Shaheen, Sharon** 1:24:48

1667 Sharon Shaheen, on behalf of Longfellow in energy.

1668

1669 **PH** **Pecos Hall** 1:24:52

1670 Good morning, miss Shaheen.

1671 There are no other.

1672

1673 **SS** **Shaheen, Sharon** 1:24:54

1674 Good morning.

1675

1676 **PH** **Pecos Hall** 1:24:55

1677 There are no other parties.

1678 Go right ahead.

1679

1680 **SS** **Shaheen, Sharon** 1:24:58

1681 Thank you.

1682 Let me just pull my notes up real quick.

1683 In this case, Longfellow holds 100% of the working interest in the proposed spacing
1684 unit and therefore seeks to pool only the overrides in the ASO formation underlying
1685 the north half of section 31, Township 16 S, range 31 E they proposed to drill eight
1686 well.

1687 The petty 31 AB wells we've provided you with, the usual exhibits A&B and related
1688 sub exhibits that have been submitted by the land managers, both of whom have
1689 previous been qualified as expert witnesses before the division.

1690 My notice statement is also included as Exhibit C with the usual sub exhibits.

1691 Notice was timely mailed on February 12th and published on February 17th.
1692 With that, I ask that exhibits AB and C the related sub exhibits be admitted into the
1693 record and that this case be taken under advisement.
1694 Of course we are happy to answer any questions.
1695 Mr. Gaston and Mr. de Hammer are both available.

1696

1697 **PH Pecos Hall 1:26:05**

1698 Perfect, thank you, Michehene admitted without exception.
1699 And Mr. Fordyce, do you have questions for this case?

1700

1701 **FE Fordyce, Andrew, EMNRD 1:26:14**

1702 Yes, I just have one question for the line man.

1703

1704 **PH Pecos Hall 1:26:17**

1705 OK.

1706 Let's get the land man on.

1707

1708 **SG Stuart Gaston 1:26:23**

1709 All right.

1710

1711 **PH Pecos Hall 1:26:28**

1712 Alright, good morning, Mr. Gaston.

1713 I recognize you.

1714 Would you raise your right hand?

1715

1716 **SG Stuart Gaston 1:26:32**

1717 Good morning.

1718

1719 **PH Pecos Hall 1:26:34**

1720 Do you swear firm under penalty of perjury that the testimony you're about to give is
1721 the truth?

1722 It's the whole truth.

1723 Nothing but the truth.

1724

1725 **SG** **Stuart Gaston** 1:26:42

1726 I do.

1727

1728 **PH** **Pecos Hall** 1:26:43

1729 Very good.

1730 Thank you, Sir.

1731 Would you spell your name please?

1732

1733 **SG** **Stuart Gaston** 1:26:46

1734 Yes, it's Stuart.

1735 Stuart Gaston Gaston.

1736

1737 **PH** **Pecos Hall** 1:26:53

1738 And you've previously been admitted as an expert by this division.

1739

1740 **SG** **Stuart Gaston** 1:26:57

1741 Yes, Sir. In petroleum Land Management.

1742

1743 **PH** **Pecos Hall** 1:27:00

1744 Thank you, Sir. Mr. Fordyce.

1745

1746 **FE** **Fordyce, Andrew, EMNRD** 1:27:04

1747 Mr. Gaston, if I could just direct your attention to.

1748 Page 38, which is the beginning of the well proposals included in these exhibits.

1749

1750 **SG** **Stuart Gaston** 1:27:20

1751 Yes.

1752

1753 **FE** **Fordyce, Andrew, EMNRD** 1:27:24

1754 So these well proposals are for Van Halen. Fedcom 33 AB wells.

1755 In this application is for petty federal com 31 AB wells.

1756 I'm just curious why these well proposals were submitted in these for these exhibits.

1757

1758 **SS** **Shaheen, Sharon** 1:27:47

1759 If I may, Mr. Examiner, I believe that that is on me.

1760

1761 **SG** **Stuart Gaston** 1:27:48

1762 E-mail.

1763

1764 **SS** **Shaheen, Sharon** 1:27:53

1765 We accidentally included the wrong well proposals and I'm happy to submit a revised
1766 exhibit package today.

1767

1768 **PH** **Pecos Hall** 1:28:01

1769 OK.

1770 Thank you, miss Shaheen.

1771 Now with the witness answer the question please.

1772

1773 **SG** **Stuart Gaston** 1:28:06

1774 Yes, it looks like that they are included by mistake and will be corrected and
1775 resubmitted today.

1776

1777 **FE** **Fordyce, Andrew, EMNRD** 1:28:16

1778 OK I have.

1779 I have no further questions for the land man.

1780 I I do however have.

1781 Two minor corrections for the compulsory pooling application checklist on page 4.

1782 Since we're going to be making some corrections, if we could correct the spacing
1783 unit size to the right number of acres, which is not 320 in this case, it would.

1784 This is it would be 301.73 acres.

1785 And then.

1786 A little further down.

1787 In proximity tracks it says yes, the north half of the South half of section 31 and I

1788 believe that should read the north half of the north half rather than S half.

1789 So it should be N half N half of section 31 I believe.

1790

1791 **SS** **Shaheen, Sharon** 1:29:17

1792 Thank you.

1793 Yes. Again, these are my mistakes.

1794

1795 **PH** Pecos Hall 1:29:21

1796 OK.

1797

1798 **FE** Fordyce, Andrew, EMNRD 1:29:22

1799 And I have.

1800

1801 **PH** Pecos Hall 1:29:23

1802 Miss Shaheen, how long will it take for you to correct what Mr. Fordyce wants?

1803

1804 **SS** Shaheen, Sharon 1:29:27

1805 We can have that to you before the end of the day.

1806

1807 **PH** Pecos Hall 1:29:30

1808 Alright, Mr. Fordyce, does that work for you?

1809

1810 **FE** Fordyce, Andrew, EMNRD 1:29:34

1811 Hey.

1812

1813 **PH** Pecos Hall 1:29:34

1814 All right, very good.

1815 So, Miss Shaheen, we'll take this case under advisement. Once you submit the proper
1816 documents.

1817 As long as the documents are submitted with a cover page by 5:00 PM today.

1818

1819 **SS** Shaheen, Sharon 1:29:45

1820 Will do.

1821 Thank you so much.

1822

1823 **PH** Pecos Hall 1:29:46

1824 All right.

1825 Thank you.

1826 We're off the record.

1827 In that case, the next case that we're gonna hear is the three XTO energy cases.

1828 These are 259444546.

1829

1830 **MS Miguel Suazo** 1:30:01

1831 Good morning, Mr. Examiner.

1832 Miguel Suazo with Betty and Wozniak appear on behalf of Xtio Energy, and there are
1833 no other parties in these cases.

1834

1835 **PH Pecos Hall** 1:30:08

1836 Good morning, Mr. Suazo.

1837

1838 **MS Miguel Suazo** 1:30:12

1839 OK.

1840 Well, I'll start with the first one, which is the Rose in this case 25944 xtocene 768 acre
1841 more or less standard horizontal spacing unit comprised of the east half of sections
1842 1930 and 31 Township, 26 S range.

1843 East.

1844 Eddy County, New Mexico, covering the Rose 19 fed com 203 H in 217 H which are
1845 going to produce from the wolf camp in the Bone Spring.

1846 The exhibit packet was filed on January 27th of this year.

1847 Exhibit A is the compulsory pooling checklist.

1848 B is the application and proposed notice of hearing filed on January 27th.

1849 Exhibit sees the affidavit of commercial and land advisor Chad Smith, who has
1850 testified before the division, and his qualifications accepted and made a matter of
1851 record. And those also include his sub exhibits. Exhibit D is the affidavit of a
1852 geologist, Matt Kearney, who has also testified before the.

1853 Provision as well as his sub exhibits D1 through D5 and finally exhibit E is the notice
1854 affidavit showing the notice letters were mailed on February 10th, 2026 to the
1855 addresses of record of the interested parties and proof of publication was made in
1856 the car.

1857 Kern Argus on February 14th.

1858 And with that, I'd like to ask that these exhibits be admitted into the record, and
1859 these matters taken under advisement and the witnesses are available for any
1860 questions. If the division has any.

1861

1862 **PH Pecos Hall** 1:31:42

1863 Thank you, Mr. Swazo admitted. Without exception Mr. Mr. Fordyce.

1864 Do you want to handle these one at a time, or do you want to do these all at the

1865 same time?

1866

1867 **FE Fordyce, Andrew, EMNRD** 1:31:54

1868 25 Mr.

1869 Hearing examiner 25, Norfolk 944 and 946 are bone springs cases that I would have

1870 similar questions for. If we want to address those first and then move to the the 3rd

1871 125945.

1872

1873 **PH Pecos Hall** 1:32:12

1874 Very good.

1875 So, Mr. Suazo.

1876 You just presented 44.

1877 Is that correct?

1878

1879 **MS Miguel Suazo** 1:32:18

1880 Correct.

1881

1882 **PH Pecos Hall** 1:32:19

1883 Why don't you briefly present fortysex?

1884

1885 **MS Miguel Suazo** 1:32:23

1886 Sure. Let me get that.

1887 All right. In 25946 XTOC can is 769 acre more or less horizontal spacing unit in the

1888 East Ave. sections 2029 and 32 in Eddy County covering the Sophia 20 fed com 306 H

1889 and three oh.

1890 8H, we have the standard suite of exhibits A through D the witnesses in this case are

1891 the same as as the last one.

1892 Chad Smith, who is previous, testified in Matt Kearney.

1893 Who is also testified?

1894 Exhibit E is the affidavit showing that notice was mailed on February 10th and proof

1895 of publication was made in the Carlsbad Current Argus.

1896 And with that, I'd like to request that the exhibits in this case be taken under
1897 advisement, so that Mister Fordus can ask his questions.

1898

1899 **PH** **Pecos Hall** 1:33:20

1900 Admitted without exception, OK.

1901

1902 **FE** **Fordyce, Andrew, EMNRD** 1:33:22

1903 What you.

1904

1905 **PH** **Pecos Hall** 1:33:23

1906 Mr. Fordyce, which witnesses do you want to question?

1907

1908 **FE** **Fordyce, Andrew, EMNRD** 1:33:27

1909 I have questions for the land man.

1910

1911 **PH** **Pecos Hall** 1:33:29

1912 Only. OK, Mr. Suazo, call your Landman.

1913

1914 **MS** **Miguel Suazo** 1:33:35

1915 Chad Smith.

1916

1917 **CS** **chad smith** 1:33:40

1918 How's it going?

1919 Sorry, can you not hear me?

1920

1921 **PH** **Pecos Hall** 1:33:44

1922 Yes, I can hear you.

1923 Please raise your right hand.

1924 You swear affirm under penalty of perjury, that the testimony you're about to give is
1925 the truth.

1926 The whole truth.

1927 Nothing but the truth.

1928

1929 **CS** **chad smith** 1:33:58

1930 Yes, I do.

1931

1932 **PH Pecos Hall** 1:34:00

1933 All right, you can put your hand down.

1934 Please spell your name.

1935

1936 **CS chad smith** 1:34:05

1937 CHADSMITH.

1938

1939 **PH Pecos Hall** 1:34:09

1940 OK. And have you been previously qualified as an expert by this division?

1941

1942 **CS chad smith** 1:34:14

1943 Yes.

1944

1945 **PH Pecos Hall** 1:34:15

1946 In what field?

1947

1948 **CS chad smith** 1:34:17

1949 Troy and Land Management.

1950

1951 **PH Pecos Hall** 1:34:19

1952 OK. All right. Now, are you in the car?

1953

1954 **CS chad smith** 1:34:23

1955 Yes, I'm actually on vacation right now and I'm just coming back to the airport and I I

1956 had to take this call in the car.

1957

1958 **PH Pecos Hall** 1:34:31

1959 Right now I see that.

1960 So I'm wondering what's going to happen if you are directed to testify about an

1961 exhibit, but, well, I guess we'll cross that bridge when we get to it.

1962

1963 **CS chad smith** 1:34:34

1964 Take exit.

1965

1966 **PH Pecos Hall** 1:34:42

1967 Mr. Fordyce, go right ahead.

1968

1969 **FE Fordyce, Andrew, EMNRD** 1:34:45

1970 Hang on.

1971 Ask good morning, Mr. Smith.

1972 I was just going to start with.

1973 This proposed unit for the two rows fedexwells in this first case and Sophia 25th,

1974 come two wells again in the the other case were gonna discuss. The unit requires an

1975 NSP.

1976 So I was wondering why an NSP was not requested in this application?

1977

1978 **CS chad smith** 1:35:16

1979 There NSP was going to be requested after we got the official APIs and.

1980 The wells have been approved by the NMOCD.

1981

1982 **FE Fordyce, Andrew, EMNRD** 1:35:35

1983 So you're gonna basically try to get this pooling order and then apply for the NSP

1984 administratively.

1985

1986 **CS chad smith** 1:35:43

1987 We were trying to get the APAPDS approved by the NM OCD that then we were

1988 going to apply for the NSP.

1989

1990 **FE Fordyce, Andrew, EMNRD** 1:35:55

1991 OK.

1992 I.

1993 I don't have any questions. Any further questions on these two cases?

1994 Then I do have a correction for the compulsory application checklist for Mr.

1995 Schwazzo.

1996

1997 **PH Pecos Hall** 1:36:13

1998 Go right ahead.

1999

2000 **MS Miguel Suazo** 1:36:13

2001 OK.

2002

2003 **FE Fordyce, Andrew, EMNRD** 1:36:16

2004 If you look on Page 3.

2005

2006 **MS Miguel Suazo** 1:36:20

2007 Which case are you referring to?

2008 Or is this for both of them?

2009

2010 **FE Fordyce, Andrew, EMNRD** 1:36:24

2011 It would be for both.

2012

2013 **MS Miguel Suazo** 1:36:26

2014 OK.

2015

2016 **FE Fordyce, Andrew, EMNRD** 1:36:27

2017 OK.

2018 So in the other situation section for proximity tracks, it says no.

2019 But the gives a proximity defining well.

2020 It lists a well rose 19 fedcom 203 H.

2021 And that actually is not a proximity defining well.

2022 So if we could just get that portion removed or?

2023 You know the responses is no there or Na I guess.

2024 Neither one.

2025

2026 **MS Miguel Suazo** 1:37:01

2027 OK. No, we can certainly get that taken care of in short order.

2028

2029 **FE Fordyce, Andrew, EMNRD** 1:37:07

2030 OK, I have no further questions on these two cases.

2031

2032 **PH Pecos Hall** 1:37:11

2033 So, Mr. Fordyce, depending on how quickly Mr. Suazo can do what you asked him to
2034 do, how do you want to proceed with those two cases?

2035

2036 **FE Fordyce, Andrew, EMNRD 1:37:23**

2037 Umm.

2038 We could take them under advisement, if they.

2039 That have been at exhibits could be submitted by the end of the day.

2040

2041 **MS Miguel Suazo 1:37:33**

2042 We can make that happen.

2043

2044 **PH Pecos Hall 1:37:33**

2045 Mr. Yes, Mr. Suazo, you can.

2046

2047 **MS Miguel Suazo 1:37:37**

2048 Yes, Sir.

2049

2050 **PH Pecos Hall 1:37:38**

2051 Alright then, as long as you do that, these two cases will be taken under advisement.

2052 If for some reason you can't let us know and we'll continue them or you'll continue

2053 them to another docket in March.

2054 OK, let's now go on to 25945.

2055

2056 **MS Miguel Suazo 1:37:54**

2057 Sure, in this case Xdoc seeking a 769 acre more or less standard horizontal spacing

2058 unit in the east half of sections 2029 and 32, Township, 26 S rims, 30 E and Eddy

2059 County.

2060 This is going to be comprised of the Sophia 20, fedcom 300H3O2H3O3H3O4H3O7H

2061 and the Sofia 20 DASH, 202932 Fed state com 3O5H.

2062 Which will produce from the Purple Sage Wolfcamp.

2063 The exhibit packet was filed on February 26.

2064 Exhibit A is the compulsory pooling checklist.

2065 B is the application and proposed notice of hearing exhibit.

2066 C is the affidavit of land advisor Chad Smith and his sub exhibits exhibit.

2067 D is the affidavit of geologist Matt Kearney.

2068 Both of them have testified before the division before and Exhibit E is the notice
2069 affidavit showing that letters were mailed on February 10th to the addresses of
2070 record.

2071 And proof of publication was made in the Carlsbad Kern Argus.
2072 February 14th, and with that, I'd like to request that these exhibits be admitted into
2073 the record and the witnesses are available for any questions.

2074

2075 **PH Pecos Hall** 1:39:06

2076 Admitted. Without exception, Mr. Fordyce, who do you have questions for?

2077

2078 **FE Fordyce, Andrew, EMNRD** 1:39:11

2079 I have questions for the geologist.

2080

2081 **PH Pecos Hall** 1:39:15

2082 And, Mr. Suazo, your geologist.

2083

2084 **MS Miguel Suazo** 1:39:18

2085 Yes, that's Matt Kearney.

2086

2087 **PH Pecos Hall** 1:39:19

2088 OK.

2089 Good morning, Mr. Kearney.

2090 Would you raise your right hand?

2091 Do you swear a firm under penalty of perjury that the testimony you're about to give
2092 is the truth?

2093 All truth nothing but the truth.

2094

2095 **MK Matt Kearney** 1:39:37

2096 Yes, I do.

2097

2098 **PH Pecos Hall** 1:39:39

2099 Thank you.

2100 Please spell your name.

2101

2102 **MK** **Matt Kearney** 1:39:41

2103 Matthew Matthew Kearney Kearney.

2104

2105 **PH** **Pecos Hall** 1:39:47

2106 Thank you.

2107 You can put your hand down.

2108 Have you previously been qualified as an expert by this division?

2109

2110 **MK** **Matt Kearney** 1:39:53

2111 Yes.

2112

2113 **PH** **Pecos Hall** 1:39:54

2114 In what field?

2115

2116 **MK** **Matt Kearney** 1:39:56

2117 Geology.

2118

2119 **PH** **Pecos Hall** 1:39:58

2120 Petroleum geology or just geology?

2121

2122 **MK** **Matt Kearney** 1:40:01

2123 Petroleum geology.

2124

2125 **PH** **Pecos Hall** 1:40:02

2126 All right.

2127 Thank you, Sir. Mr. Fordyce.

2128

2129 **FE** **Fordyce, Andrew, EMNRD** 1:40:07

2130 Mr. Kearney, I'm looking at page 63 of the exhibits, which is exhibit D4 in this case.

2131

2132 **MK** **Matt Kearney** 1:40:17

2133 OK.

2134

2135 **FE** **Fordyce, Andrew, EMNRD** 1:40:19

2136 That's the gun barrel exhibit, so.
2137 That's showing that there are four proposed wells in the Wolfcamp A and two
2138 proposed wells in the Wolfcamp D.
2139 Empty.
2140 It's my understanding that what is commonly referred to as the Wolfcamp D.
2141 Is.
2142 Probably the top of the Pennsylvanian.
2143 System comprised of Cisco and Canyon Formations, which is not part of the
2144 Wolfcamp pool.
2145 In this case, so was looking for some clarification on that.

2146

2147 **MK** **Matt Kearney** 1:41:07

2148 Yes, those are at least our terminology.

2149 Those would still be Wolfcamp.

2150 They're they're above the Cisco Pennsylvanian, which would be Wolfcamp F of lower.

2151

2152 **FE** **Fordyce, Andrew, EMNRD** 1:41:25

2153 So the 300 H and the 303 H are not in the Pennsylvania system, and the Cisco or the
2154 Canyon.

2155

2156 **MK** **Matt Kearney** 1:41:34

2157 Correct.

2158

2159 **FE** **Fordyce, Andrew, EMNRD** 1:41:34

2160 They are part of the. They are. You're claiming that they're part of the the Wolfcamp
2161 as described.

2162 In the order R 14262 for this purple Sage Wolfcamp pool.

2163

2164 **MK** **Matt Kearney** 1:41:47

2165 Yes, Sir.

2166

2167 **FE** **Fordyce, Andrew, EMNRD** 1:41:50

2168 Umm.

2169 If the division requested a supplemental exhibit whereby you take, you could take

2170 some some logs and compare that to the type log and and the other logs used in the

2171 cross section for this order.
2172 To.
2173 To accomplish demonstrating that that it for sure is not part of the Pennsylvania
2174 system, would you be able to supply that?

2175

2176 **MK Matt Kearney** 1:42:25

2177 Yes, I I can.

2178 Probably not today, but I can.

2179 I can work on that.

2180

2181 **FE Fordyce, Andrew, EMNRD** 1:42:34

2182 OK.

2183 So that's what the the division will will be requesting today.

2184 Supplemental exhibit for this case. You know, to demonstrate that these Wolfcamp D
2185 wells are are indeed in the Wolfcamp.

2186 Pool and formation and and not in the Pennsylvania system.

2187

2188 **MK Matt Kearney** 1:42:58

2189 All right.

2190 Thank you.

2191

2192 **FE Fordyce, Andrew, EMNRD** 1:43:02

2193 I have no further questions, Mr.

2194

2195 **PH Pecos Hall** 1:43:05

2196 All right, Mr. Suazo, it sounds like you need some time to get what Mr. Fordyce wants
2197 and to continue this case for further review.

2198

2199 **MS Miguel Suazo** 1:43:18

2200 Yes, I agree.

2201 I would defer to Mr. Kearney on how quickly he thinks he can put those that
2202 supplemental exhibit together and then maybe we can schedule it for a date later
2203 this month.

2204

2205 **PH Pecos Hall** 1:43:31

2206 Yeah, but it's up, Mr. Kearney.

2207

2208 **MK Matt Kearney** 1:43:31

2209 Yeah.

2210

2211 **PH Pecos Hall** 1:43:33

2212 What's what's a reasonable timeframe for you?

2213

2214 **MK Matt Kearney** 1:43:36

2215 Later this month, should should be fine.

2216 I'm thinking a couple of days.

2217

2218 **PH Pecos Hall** 1:43:45

2219 All right, all right.

2220 Why don't we say so?

2221 Mr. Fordyce, you also need time to review whatever it is that Mister Kearney submits.

2222 Do you think the 19th of March would work?

2223

2224 **FE Fordyce, Andrew, EMNRD** 1:43:59

2225 Yes, Mr. Examiner, I believe that'll work.

2226

2227 **PH Pecos Hall** 1:44:01

2228 Mr. Kearney.

2229 That's two weeks from now, Mr. Suazo.

2230

2231 **MS Miguel Suazo** 1:44:07

2232 That's fine.

2233

2234 **PH Pecos Hall** 1:44:08

2235 Please include a cover letter.

2236

2237 **MS Miguel Suazo** 1:44:10

2238 We will do that.

2239

2240 **PH** Pecos Hall 1:44:11

2241 All right, so we're off the record in this case.

2242 Thank you.

2243 All right, moving now on to.

2244

2245 **MS** Miguel Suazo 1:44:14

2246 Thank you.

2247

2248 **PH** Pecos Hall 1:44:18

2249 Let's do I'm gonna save 45 for last.

2250 Let's do Permian resources here.

2251 This is 25948 entries please.

2252 Jackie McLean, on behalf of Permian Resources.

2253 Thank you.

2254 And ERG had entered an appearance.

2255 I know Miss Kessler was on earlier, but I'm not sure if she still is.

2256 I see a JK here.

2257

2258 **JK** Jordan Kessler 1:44:46

2259 I am sorry about that.

2260 The the order was a little confusing to me.

2261 This is Jordan Kessler. On behalf of EOG.

2262 Sorry for the delay, just monitoring.

2263

2264 **PH** Pecos Hall 1:44:53

2265 Yeah, we're we're jumping around M's Kessler.

2266 Sorry about that. OK, thank you.

2267 And you're just monitoring.

2268

2269 **JK** Jordan Kessler 1:45:00

2270 That's correct, yes.

2271

2272 **PH** Pecos Hall 1:45:01

2273 All right.

2274 Thank you, M's Kessler.
2275 All right, M's McLean.
2276 Thank you. In this case, Permian Resources seeks an orderly allocated interest in the
2277 Wolfcamp formation underlying a 480 acre more or less non standard spacing unit
2278 comprised of the South half N half of Section 7 Township, 19 S, range 28 E The South
2279 half.
2280 North half of.
2281 Sections 11 and 12 Township 19 S range 27 E in Eddy County.
2282 And this unit will be dedicated to the Alpine Eagle 711 state COM 202 H well.
2283 Exhibits were timely submitted for this case and include land and geology testimony
2284 and corresponding zhibbits of Adam Reeker and Chris Rudelhuber, both of whom
2285 have previously testified before the division as experts in their respective fields. We
2286 also include our notice testimony, along with copies of the notice letter.
2287 Which was timely, sent on February 11th and the affidavit of publication.
2288 From February 17th, 2026, and I understand that there are questions and we are
2289 happy to answer those perfect. Your exhibits are admitted without exception.
2290 Mr. Fordyce, who do you have questions for in this case?

2291

2292 **FE Fordyce, Andrew, EMNRD 1:46:11**

2293 I'll have questions for the lineman and geologist, Mr. Herring, Zammer.

2294

2295 **PH Pecos Hall 1:46:17**

2296 Perfect. Would you call them M's McLean?

2297 Yes, Mr. Adam Reeker and Chris Rudel, Huber.

2298 Alright, thank you.

2299 OK. Would you would both gentlemen please raise your right hand?

2300 Do you swear or affirm under penalty of perjury that the testimony you're about to
2301 give is the truth?

2302 The whole truth and nothing but the truth.

2303

2304 **AR Adam Reker 1:46:44**

2305 I do.

2306

2307 **CR Chris Reudelhuber 1:46:44**

2308 I do.

2309

2310 **PH** **Pecos Hall** 1:46:45

2311 Thank you.

2312 Let's start with you.

2313 You can put your hands down.

2314 Thank you. Mr. Recker, would you please spell your name?

2315

2316 **AR** **Adam Reker** 1:46:50

2317 It's Adam.

2318 AD AM reeker REKER.

2319

2320 **PH** **Pecos Hall** 1:46:55

2321 All right.

2322 Thank you and M's McLean advise that you've previously been qualified by this
2323 division as an expert.

2324

2325 **AR** **Adam Reker** 1:47:02

2326 Yes, Sir. In petroleum lane matters.

2327

2328 **PH** **Pecos Hall** 1:47:04

2329 Very good.

2330 Thank you, Mr. Rudel. Hog, would you say the same?

2331

2332 **CR** **Chris Reudelhuber** 1:47:08

2333 Chris, Chris. Royal Hubert REUDELHUBER.

2334

2335 **PH** **Pecos Hall** 1:47:15

2336 And previously been admitted.

2337

2338 **CR** **Chris Reudelhuber** 1:47:18

2339 Petroleum geology.

2340

2341 **PH** **Pecos Hall** 1:47:19

2342 Perfect. Thank you, Mr. Fordes.

2343

2344 **FE Fordyce, Andrew, EMNRD** 1:47:26

2345 Reeker I'm looking at.

2346

2347 **AR Adam Reker** 1:47:27

2348 Yes.

2349

2350 **FE Fordyce, Andrew, EMNRD** 1:47:29

2351 I'm looking at page 20 of the exhibits, which is.

2352 The start of the well proposals for this this case.

2353

2354 **PH Pecos Hall** 1:47:38

2355 And I will share the thank you.

2356

2357 **FE Fordyce, Andrew, EMNRD** 1:47:52

2358 So in the well proposals it discusses.

2359 In Township, 19 S range 28 E.

2360 Eight wells that are proposed.

2361 In section all of Section 711 and 12.

2362 So.

2363 There's.

2364 Four wells that are proposed in the third Bone Springs.

2365 And four wells that are proposed in the Wolfcamp.

2366 This case is for the 202 H.

2367 In the South half of the north, half of those sections.

2368 There's also.

2369 A2 O1 HI believe in this well proposal that would be in the north half of the north
2370 half of this section.

2371 So I'm curious to ask.

2372 Why? Why did the program resources feel the need to request a non standard unit?

2373 When in this gas pool, it would have been easy to construct the same unit with 160
2374 acre building blocks and proposed those two wells in a standard unit.

2375

2376 **AR Adam Reker** 1:49:11

2377 Yes, Sir.

2378 So we brought the Alpine Eagle, 131H133H and 134-H as well as the 202 'cause. That
2379 is our plan.

2380 Sorry, on the December docket we had to reapply with the NS PS associated with the
2381 202.

2382 So we already have orders for the one 31133 and 134 H that are outlined in this well
2383 proposal as part of the first drilling events, the asset team advised me that we
2384 wanted to do those four wells as part of the 1st.

2385 Drilling event.

2386 So that is what I brought forth for pooling in December and today. So we could have.

2387 You are correct. Out of the 201 and 202 and made it standard. That was not what I
2388 was advised was our plan according to our drill schedule and our timing.

2389 So I am conforming to what our management has outlined for the development plan
2390 for our phase one of the outpatient development.

2391

2392 **FE Fordyce, Andrew, EMNRD 1:50:08**

2393 Would your drilling schedule and development plan?

2394 Have.

2395 Kept you from proposing a standard unit just for this 202 H.

2396 In your.

2397

2398 **AR Adam Reker 1:50:26**

2399 Sorry, go ahead.

2400

2401 **FE Fordyce, Andrew, EMNRD 1:50:26**

2402 Well, let me let me just add in your statement.

2403 On on Page Six, it says that Permian's requesting this NSP to avoid wasted resources,
2404 prevent waste and protect correlative rights.

2405 But I'm not sure how it accomplishes that.

2406 And and still struggling with.

2407 The request for the NSP here.

2408

2409 **AR Adam Reker 1:50:53**

2410 Yeah. So I think from my perspective or my understanding.

2411 The building blocks for the gas pool that the 202 H is in would be for us to stay 330
2412 feet in the heel and toe and 660 in the perpendicular spacing line. We fully intend

2413 and want this well to make oil so.
2414 We wanted it to be closer to oil spacing.
2415 That would be the reason for the NSP.
2416 And then we have staggered as I mentioned below our wells. Accordingly the 131,
2417 the 202, the 133 and the 1:34 we already have orders for three of the four of them in
2418 order to accomplish that.
2419 So that is the reason for the NSP.
2420 If we it's, it's in a gas pool, so we are needing the NSP to basically make it closer to
2421 oil spacing or what when when we intend to make oil.
2422 And so it would pull in the entire 320 acre N half of those sections. We do not want
2423 to do that.
2424 We want to have it be on the 40 acres that it penetrates 40 acre building blocks as
2425 opposed to one 60s.

2426

2427 **FE Fordyce, Andrew, EMNRD** 1:52:07

2428 OK, with, with that being said, now I'm looking at your C-102 that was submitted on
2429 page 15.
2430 And just so that I understand and I can and be clear on on what your your reasoning
2431 was.
2432 Could you?
2433 Can you explain that one more time while we're looking at your proposed well bore
2434 on this C102?

2435

2436 **AR Adam Reker** 1:52:49

2437 Explain. So we intend, if I'm understanding the question correctly, we intend to drill
2438 four wells as part of our first event, three in the Third Bone Spring and one in the
2439 Wolfcamp formation. The north half N half will be a bone spring. Well, there will be
2440 two well.
2441 In the South half, being Bone Spring wells, the one in between would be the South
2442 half.
2443 North.
2444 Half what I'm seeking to pull today and it is going to be in the Wolfcamp formation,
2445 that was what I was advised by.
2446 Our asset development team.
2447 As such, it would pull in the sorry. Go ahead.

2448

2449 **FE Fordyce, Andrew, EMNRD** 1:53:19

2450 Oh, go ahead.

2451 No, I was. I was interrupting.

2452 Please please finish.

2453

2454 **AR Adam Reker** 1:53:25

2455 So because of the pool rules associated with the Wolfcamp, it would have pulled in
2456 the entire N half of these sections.

2457 And we would have had to stay within 330 and 660 setbacks.

2458 We don't want to do that in this case.

2459 We intend to drill this well and we intend for it to make oil, so we wanted to drill it
2460 like it was in an oil pool and only pull in the 40s that it penetrates being the South
2461 half of the north half of sections 11:12 and 7:00.

2462

2463 **FE Fordyce, Andrew, EMNRD** 1:53:52

2464 The Bone Springs wells that you're discussing or above this obviously and in a
2465 different pool, so I'm not sure how that.

2466 Exactly.

2467 Leads to the conclusion that this has to be a Wolfcamp.

2468 Spacing unit in a gas pool constructed A40 acre building blocks.

2469

2470 **AR Adam Reker** 1:54:18

2471 We were advised previously whenever we attempted to pull this in December that
2472 the wolf camp was a gas pool.

2473

2474 **PH Pecos Hall** 1:54:18

2475 I.

2476

2477 **AR Adam Reker** 1:54:25

2478 Is that what you're asking so.

2479

2480 **FE Fordyce, Andrew, EMNRD** 1:54:27

2481 I'm asking I guess.

2482 How do the Bone Springs wells impair you from constructing this?

2483 Wolf cap gas spacing unit.

2484 In a.

2485 In a standard way or standard unit.

2486 If I hear that's what you're claiming.

2487

2488 **AR** Adam Reker 1:54:50

2489 Umm.

2490

2491 **PH** Pecos Hall 1:54:52

2492 Can I add?

2493 Can I jump in?

2494 Just to clarify just a moment, let's get the let's get the witness to finish the answer.

2495

2496 **AR** Adam Reker 1:55:00

2497 Yeah, I don't know if I'm, I would say qualified.

2498 Maybe Chris has a thought on that as to the geology.

2499 Witness has a thought on that, but I don't.

2500 I don't know that I understand the question or.

2501 Or yeah, I don't.

2502

2503 **FE** Fordyce, Andrew, EMNRD 1:55:15

2504 Well.

2505 I guess what I'm hearing, Mr. Wrecker, is that because of the spacing units for the
2506 Bone Springs wells.

2507 You thought that it would be better to construct this spacing unit for a Wolfcamp
2508 gas pool with 40 acre spacing or 40 acre building blocks.

2509 Excuse me, but I'm not sure how one affects the other.

2510 You you could have just constructed this wolf camp.

2511 Gas pool with the standard 160.

2512 Acre blocks and one would have wouldn't affect the other.

2513

2514 **AR** Adam Reker 1:56:00

2515 OK.

2516

2517 **PH** Pecos Hall 1:56:00

2518 Mr. Fordyce. Mr. Fordice, are you finished asking questions to this witness, Mr.
2519 Reeker?

2520

2521 **AR** Adam Reker 1:56:02

2522 Sorry, go ahead.

2523

2524 **FE** Fordyce, Andrew, EMNRD 1:56:10

2525 Yeah, I guess I am.

2526

2527 **PH** Pecos Hall 1:56:12

2528 I mean, it sounds like you're you sound like you've come to a bit of an impasse in
2529 your mind, Miss McClain.

2530 I know you're dying to say something.

2531 Well, I think it could be really helpful.

2532 So we initially brought these cases, as Mr. Rieger said, in December and.

2533 These were all initially constructed, as you know, north half N, half S, half N, half four
2534 separate spacing units in what Permian Resources believed to be oil pools.

2535 All with standard.

2536 40 acre spacing at the hearing, Mr. McClure informed Permian Resources that the
2537 wolf camp was in fact a gas pole and asked us to come back to hearing to request
2538 ANSP because we needed a smaller spacing unit than what would be standard
2539 spacing for a gas pool. So.

2540 It was because of Mr. McClure's direction.

2541 That we are here today requesting the non standard spacing.

2542 Unit because we sent out the well proposals for these four separate spacing units,
2543 thinking that they were standard.

2544 They, the Wolfcamp is in fact an oil pole.

2545 So under his direction, we filed requesting non standard spacing.

2546 So we could keep it in that 40 acre oil spacing.

2547 All right, Mr. McClure.

2548 I'm sorry, Mr. McClure. Mr. Fordyce, if you want, we can take.

2549 A if. If you have questions for the geologist, I would suggest now is a good time.

2550 For that, but also do you wanna take a few minutes afterward? We can go into recess

2551 after you question the geologist. You can speak to Mr. McClure if you have any

2552 questions about how he advised the parties. The party in December. If you think that

2553 would be helpful.

2554 If not, then we don't have to.

2555

2556 **FE Fordyce, Andrew, EMNRD 1:58:04**

2557 Mr. herring examiner.

2558 I would say that first of all, the discussion that.

2559 We're having or just had now.

2560 Has probably.

2561 Eliminated the questions that I had forthcoming for the geologist.

2562

2563 **PH Pecos Hall 1:58:19**

2564 OK.

2565

2566 **FE Fordyce, Andrew, EMNRD 1:58:21**

2567 As the questions I had for him have probably now been answered.

2568 And further I I would say that if.

2569 Understanding.

2570 What M's McLean has just said, if Mr. McClure had directed them to to come back

2571 with this NSP.

2572 Then I would say that I don't have any other questions about this case.

2573

2574 **PH Pecos Hall 1:58:52**

2575 So in other words, you finished your questions to the witnesses, you heard Miss

2576 McLean and and and hopefully that was helpful.

2577 And you don't have anything further for this case, is that right?

2578

2579 **FE Fordyce, Andrew, EMNRD 1:59:04**

2580 That is correct, Mr.

2581

2582 **PH Pecos Hall 1:59:06**

2583 So can we take this case under advisement?

2584

2585 **FE Fordyce, Andrew, EMNRD 1:59:09**

2586 Yes.

2587

2588 **PH Pecos Hall** 1:59:10

2589 OK, fantastic. And you don't need anything else to be submitted?

2590

2591 **FE Fordyce, Andrew, EMNRD** 1:59:16

2592 No, Sir.

2593

2594 **PH Pecos Hall** 1:59:17

2595 Perfect. Great. OK.

2596 Then we're off the record. In this case, all right.

2597 So let me look at something here. Hold on one minute.

2598 OK, I'm gonna call now.

2599 Mubaran oil.

2600 25975 This is the line 47 case.

2601 Mr. Examiner.

2602 Dana Hardy, on behalf of Mubarak.

2603

2604 **HK Hatley, Keri (LDZX)** 1:59:48

2605 Good morning, Mr. Examiner.

2606 Kerry Hatley, entering her appearance on behalf of COG operating Concha oil and
2607 gas and Marathon Oil Permian, and we're monitoring only.

2608

2609 **PH Pecos Hall** 1:59:56

2610 Thank you, Ms. Hatley.

2611 Go right ahead, Ms. Hardy.

2612 Thank you.

2613 In this case, MUBAR seeks an order pooling uncommitted interest in the Second
2614 Bone Spring interval underlying an 876.842 acre. More or less non standard
2615 horizontal unit.

2616 And we are seeking approval of the non standard unit in this application.

2617 We you know what? I am sorry I am.

2618 Actually I have a cold and I'm reading my wrong. OK, correct summary.

2619 Do you wanna start over?

2620 Yes, I do want to start over.

2621 Let me go to the right case now.

2622 OK.
2623 Sorry about that.
2624 Muvran seeks an order pooling uncommitted interest in the Wolfcamp underlying a
2625 480 acre, more or less standard horizontal space. Seeing unit comprised of the north
2626 half of section 24 and the northeast quarter of section 23, Township 23 S, range 26 E.
2627 In Addie County, we did timely submitted our exhibits last week and then we
2628 submitted a corrected version on Monday.
2629 To provide an updated ownership exhibit and our witnesses are Braxton Blandford.
2630 As the land man who's previously testified as an expert in petroleum land matters,
2631 and geologist Tyler Hill, who has also previously testified and been recognized as an
2632 expert in geology matters.
2633 So unless there are questions, I would ask that the exhibits be admitted for this case
2634 and that it be taken under advisement without exception, and Mr. Fordyce, which
2635 witnesses do you want to question here?
2636

2637 **FE Fordyce, Andrew, EMNRD** 2:01:24

2638 I have questions for the land man.

2639

2640 **PH Pecos Hall** 2:01:26

2641 Perfect. Would you call your Landman?

2642 Yes, Mr. Blandford. Precise. Good, perfect. And Mr. Blandford, I remind you that
2643 you're still Underoath.

2644

2645 **BB Braxton Blandford** 2:01:36

2646 Yes, Sir.

2647

2648 **PH Pecos Hall** 2:01:37

2649 Go right ahead, Mr. Fordez.

2650

2651 **FE Fordyce, Andrew, EMNRD** 2:01:42

2652 Mr. Blandford, if I could direct your attention to let's start on page.

2653 13 of the exhibits.

2654 Which is the C1O2.

2655 First page of that form.

2656

2657 **BB** **Braxton Blandford** 2:01:56

2658 OK.

2659

2660 **FE** **Fordyce, Andrew, EMNRD** 2:01:59

2661 So I just wanted to clear up some discrepancy.

2662 Actually, with the well name.

2663 What you see on the sea?

2664 Well, two that has an API number associated with it is the Iceman 2423 Fed com.

2665 Well proposed #712H.

2666 In many places in in, in the exhibits.

2667 It's referred to as the Iceman 2422.

2668 Property name so.

2669 Just wanted to.

2670 To verify that it is one or the other.

2671 And apparently it looks like to me it would be the Iceman 2423.

2672

2673 **BB** **Braxton Blandford** 2:02:49

2674 It would be the Iceman 2423.

2675 The where you see the Iceman 2422 would be for.

2676 South.

2677 Half cases that are not being heard today.

2678

2679 **FE** **Fordyce, Andrew, EMNRD** 2:03:06

2680 OK.

2681 Thank you for that, Mister Blandford.

2682 With that being cleared up, then for this case I would just need to request some
2683 corrections to the application checklist.

2684 Beginning on page four of the exhibits.

2685 So obviously then we would need to correct the well family name to Iceman 2423 fed
2686 com and and again the well number one well name.

2687 It would be incorrectly listed as Iceman 2422 rather than 23 in place of that 22.

2688

2689 **PH** **Pecos Hall** 2:04:02

2690 Yes, we can get that submitted today, Mr. Examiner.

2691

2692 **BB** **Braxton Blandford** 2:04:03

2693 OK.

2694

2695 **FE** **Fordyce, Andrew, EMNRD** 2:04:07

2696 And as a side note, the orientation is East West, I believe, not West to east.

2697 Since we're making corrections.

2698

2699 **PH** **Pecos Hall** 2:04:15

2700 OK, we can correct that as well.

2701

2702 **FE** **Fordyce, Andrew, EMNRD** 2:04:20

2703 I had no further questions for this case, Mr.

2704

2705 **PH** **Pecos Hall** 2:04:25

2706 Perfect. So how long will it take for you to make those corrections? We can do that
2707 this afternoon.

2708 Perfect. So as long as you submit the corrected information today, we'll take the case
2709 under advisement.

2710 Great. Thank you very much.

2711 Alright, now we have 1 case left, but we're gonna take a break before we hear it.

2712 This is case 25953. It is mubaran oil.

2713 I don't believe there are any other cases on our docket that we have not addressed,
2714 but I'd like to hear.

2715 From council, Miss Hardy, whether are we missing anything? I don't believe so.

2716 No, thank you, Miss Vance.

2717 No, but I did stay around because I wanted to ask the hearing something.

2718 That's why I'm. Is it about your oxycase? No, no, no.

2719 It's just a general request.

2720 So I know that the division has made it a policy that when we file revised hearing
2721 packets that you remove the previously filed.

2722 However, I would request that we not do that because I have had a couple of
2723 instances where I have gone back to try and refer to what was previously filed to
2724 confirm, you know, information and then also because Mr. McClure did note that just
2725 include the revision for.

2726 That particular hearing packet.
2727 So it doesn't track any previously filed revised hearing packets.
2728 So I was going to ask if we could keep everything in the record.
2729 So for the reason that we started doing the way we're doing it now is to not confuse
2730 the technical examiners. Now generally when you file an amended exhibit packet,
2731 you file a cover letter.
2732 So it says exactly what was changed. Just so you know, Freya has access to every
2733 document that's ever been accessed that's ever been submitted. And if you need an
2734 old document that's no longer in the record, you can always e-mail Freya and she'll
2735 send it to you.
2736 OK, OK, good, good to know. But I understand now there are times where we ask for
2737 supplemental information and that's different than an amended checklist.
2738 So we're gonna take a 5 minute break so that I can go and have a conversation
2739 offline and we'll be back on the record in a few minutes. Thank you very much.
2740 OK.
2741 It is 11:03 AM.
2742 We're back on the record.
2743 I am going to recall case number 24983, Miss Vance. What I understand now is that
2744 the division is willing to leave the record open until 5:00 PM on Friday to receive that
2745 supplemental letter. It'll be a filing.
2746 That will do the filing.
2747 That is the request for the order to be terminated.
2748 And then we'll also do a revised hearing packet that lists the wells that will be
2749 included under this this particular case.
2750 Perfect. And if you do those two things, this case will be taken under advisement at
2751 that time.
2752 Perfect greatly appreciated.
2753 Thanks for coming back. Thank you.
2754 We're off the record. In that case, let's go to our our last case of the day. This is
2755 number 45 on our docket.
2756 25953.
2757 You burn oil and cheese.
2758 Please Dana Hardy, on behalf of Mubar.
2759 AK good morning, Mr. Examiner.
2760 Dina Bennett, on behalf of Avant operating to LLC and I'm entering my appearance

2761 verbally and I'll confirm with a filing later today.
2762 Not objecting, just monitoring. Thank you.
2763 I believe EOG Resources also entered an appearance.
2764 Is that right?
2765 Miss Hardy, they did.
2766 Yes, miss Kessler. Are you there?
2767 OK.
2768 They didn't object, did they?
2769 They did not.
2770 No, I didn't.
2771 So go right ahead, miss. OK.
2772 Thank you.
2773 In this case, Muburn seeks to pool uncommitted interest in the Second Bone Spring
2774 interval underlying an 876.42 acre, more or less non standard horizontal spacing unit
2775 comprised of the north half of section 19, Township 18 S, range 30, E The North.
2776 Half of section 24.
2777 Township 18 S range 29 E.
2778 East and the Northwest, Quarter and West half of the northeast quarter of section 23,
2779 Township 18 S, range 29 E and Eddy County, New Bern will dedicate the unit to the
2780 IOU 1923 FEDCOMWELLS. We are seeking approval of the non standard spacing unit
2781 in.

2782
2783 **FE Fordyce, Andrew, EMNRD** 2:19:34

2784 Thank you.

2785

2786 **PH Pecos Hall** 2:19:45

2787 Accordance with the divisions prior instructions on the initial version of this
2788 application that was previously heard.

2789 The proposed spacing unit includes a West area and an east area.

2790 Which are separated by the east half of the northeast quarter of section 23 and that
2791 separate separating area will not be produced or penetrated by the well bore.

2792 So it's not being pulled.

2793 We timely submitted exhibits for this case and have provided the land, testimony and
2794 exhibits of Braxton Blandford, who's previously testified as an expert in land matters.

2795 We have provided geology, testimony and exhibits of Charlie Crosby, who has

2796 previously testified.
2797 As an expert in geology before the division and we also have included reservoir
2798 engineering testimony and exhibits of Gavin Eddington, who has also previously
2799 testified as an expert in engineering matters before the division, and then we also
2800 provided our notice information which shows that notice was timely sent.
2801 By certified mail and was timely published.
2802 So I understand that there are questions and I believe our three witnesses should be
2803 available to answer them.
2804 Thank you, miss Hardy.
2805 The exhibits are admitted without exception, and let me find out. Mr. McClure, do
2806 you want to go first or is it? Mr. Fordyce is going first?

2807

2808 **FE Fordyce, Andrew, EMNRD 2:21:19**

2809 Mr.

2810 Hearing examiner.

2811 I'm not sure if Dean is with us yet. I have.

2812 I have one quick question for the Landman. If you want to proceed with that.

2813

2814 **PH Pecos Hall 2:21:28**

2815 Well, let's do that.

2816 I did see Mr.

2817 I did see Mr. McClure just a few moments ago, so I don't know where he's. Maybe
2818 he's having technical trouble, but go right ahead, Mr. Juarez.

2819 Let's get are we?

2820 Are we going to have questions for more than just the land man, do you think?

2821

2822 **FE Fordyce, Andrew, EMNRD 2:21:46**

2823 I have a question only for the land man. I'm not sure if Mr. McClure has more.

2824

2825 **PH Pecos Hall 2:21:51**

2826 OK. OK. OK. Oh, OK and.

2827 Let's get the land man on. There you are.

2828 You're still Underoath, Mr. Blandford.

2829 Go right ahead, Mr. Fordeight.

2830

2831 **BB** **Braxton Blandford** 2:22:02

2832 Yes, Sir.

2833

2834 **FE** **Fordyce, Andrew, EMNRD** 2:22:05

2835 Good morning, Mr. Blandford again.

2836 I had.

2837 I just have a question.

2838 Given that these wells are are drilled and encased.

2839 Regarding should any issue arise in the future, you know, perhaps there there could
2840 be some suspicion of interwell communication between, you know newborns well
2841 and and eogs well.

2842 Something should arise in the future.

2843 Some some problem.

2844 How does newborn plan to ensure isolation in the non completed interval in the
2845 future should any issues arise?

2846 How would how would me born or have you given any thought to how newborn
2847 would ensure isolation?

2848 And in that non completed interval and how how would a mechanical integrity test?
2849 Performed.

2850

2851 **BB** **Braxton Blandford** 2:23:09

2852 I I think that is a question better asked of our technical team. If I'm understanding
2853 the question correctly.

2854 If if you're asking about.

2855

2856 **FE** **Fordyce, Andrew, EMNRD** 2:23:24

2857 Mr. Wilford, sit with, say, well, I wasn't sure what all you had. Maybe been briefed on.

2858

2859 **BB** **Braxton Blandford** 2:23:26

2860 The.

2861

2862 **FE** **Fordyce, Andrew, EMNRD** 2:23:29

2863 I see that Mister.

2864 Eddington had supplied some exhibits.

2865 I don't know if Mr. Eddington is available to answer this question.

2866 As from the reservoir engineer perspective.

2867

2868 **BB** **Braxton Blandford** 2:23:43

2869 Alright, yes.

2870

2871 **PH** **Pecos Hall** 2:23:45

2872 I believe he should be available. Then we need to get him sworn in, yes.

2873 Good morning.

2874 Would you raise your right hand?

2875 Do you swear or affirm under penalty of perjury that the testimony you're about to
2876 give is the truth, the whole truth, and nothing but the truth?

2877

2878 **BB** **Braxton Blandford** 2:24:11

2879 I do.

2880

2881 **PH** **Pecos Hall** 2:24:12

2882 Thank you.

2883 You can put your hand down.

2884 Would you spell your name?

2885

2886 **BB** **Braxton Blandford** 2:24:16

2887 Gavin Gavin. Eddington, EDINGTON.

2888

2889 **PH** **Pecos Hall** 2:24:23

2890 Have you been accepted as an expert by this division?

2891

2892 **BB** **Braxton Blandford** 2:24:27

2893 I have.

2894

2895 **PH** **Pecos Hall** 2:24:28

2896 In what field?

2897

2898 **BB** **Braxton Blandford** 2:24:30

2899 Reservoir engineering.

2900

2901 **PH Pecos Hall** 2:24:32

2902 OK, Mr. Fordex, you want to direct your question to this gentleman?

2903

2904 **FE Fordyce, Andrew, EMNRD** 2:24:36

2905 Yeah. Good morning, Mr. Edington.

2906 Did did you hear my question or do you need me to repeat it?

2907

2908 **BB Braxton Blandford** 2:24:42

2909 If you could repeat it, that would be.

2910

2911 **FE Fordyce, Andrew, EMNRD** 2:24:45

2912 OK.

2913

2914 **BB Braxton Blandford** 2:24:45

2915 Good.

2916

2917 **FE Fordyce, Andrew, EMNRD** 2:24:46

2918 So the the question that the division has given the fact that these wells are are drilled
2919 and encased and cemented.

2920 Has newborn given any thought or do they have a plan?

2921 Or has there been a discussion?

2922 Regarding should there be any issues in the future?

2923 Related to you know, perhaps.

2924 There's a suspicion of submitting or, well, communication or or something of that
2925 nature.

2926 What what would newborns plan be to be able to ensure isolation in the non
2927 completed portion of the wellbore?

2928 You know, or how would it?

2929 How would newborn go about performing a mechanical integrity test?

2930 Has there been some some discussion regarding that?

2931

2932 **BB Braxton Blandford** 2:25:41

2933 I'm I'm not aware of any of any discussion of that nature.

2934 To my knowledge.

2935 But with with the plan of how we go we we plan to develop these wells by not
2936 perforating.

2937 In that separated area or fracking in that area, then there should be minimal risk.

2938 To both RRW and the existing well from EOG.

2939

2940 **FE** **Fordyce, Andrew, EMNRD** 2:26:25

2941 But no, you know, so just to to clarify, so no.

2942 Thought or plan has been discussed should any problems arise or be detected.

2943 Is that fair to say?

2944

2945 **BB** **Braxton Blandford** 2:26:39

2946 Not not not to my knowledge.

2947

2948 **FE** **Fordyce, Andrew, EMNRD** 2:26:48

2949 OK.

2950 Thank you for that, Mister Eddington.

2951 I don't have any further questions, Mr. hearing examiner.

2952 I don't know if Mr. McClure's ready.

2953

2954 **PH** **Pecos Hall** 2:26:56

2955 I think he is.

2956 I see him there, Mr. McClure.

2957 Which witnesses would you like to question?

2958

2959 **ME** **McClure, Dean, EMNRD** 2:27:01

2960 Thank you, Mr. Hernan. Examiner.

2961 I'll have questions for both the land man and reservoir engineer.

2962

2963 **PH** **Pecos Hall** 2:27:07

2964 Do you want to ask them as a panel?

2965

2966 **ME** **McClure, Dean, EMNRD** 2:27:10

2967 It doesn't matter to me.

2968 Well, let me take it back.

2969 I'd actually rather ask them one at a time.

2970 I think that's probably easiest.

2971

2972 **PH** Pecos Hall 2:27:16

2973 OK.

2974 Well, we have, Mr.

2975 Eddington here on the screen.

2976 Do you wanna start with him?

2977

2978 **ME** McClure, Dean, EMNRD 2:27:23

2979 Yeah, that's perfectly fine, Mr. Examiner.

2980

2981 **PH** Pecos Hall 2:27:26

2982 Go right ahead.

2983

2984 **ME** McClure, Dean, EMNRD 2:27:28

2985 Thank you, Mr. hearing examiner.

2986 Mr. Eddington, I'm looking at your.

2987 The exhibit I believe it's yours on page 61 of 122, this looks like an exhibit C4.

2988 It's a breakout.

2989 Oh yeah, there we go.

2990 I don't know if.

2991 Miss Hardy, Miss McLean is sharing, but looks like we're on there.

2992 Do you see where we're referring to Mr. Eddington?

2993

2994 **BB** Braxton Blandford 2:27:55

2995 I do.

2996

2997 **ME** McClure, Dean, EMNRD 2:28:00

2998 OK.

2999 So I'm looking at your break out here and it looks like could you just briefly I guess

3000 very briefly, just walk me through what we're looking at here with the three different

3001 scenarios.

3002

3003 **BB** Braxton Blandford 2:28:14

3004 Yeah.
3005 If you turn to exhibit C3 right before this, there's a visual breakdown of what those
3006 scenarios would look like as well.

3007

3008 **ME McClure, Dean, EMNRD 2:28:26**

3009 Mm-hmm.

3010

3011 **BB Braxton Blandford 2:28:27**

3012 So the first being the the proposed 3 mile laterals with the with the no perforation
3013 zone in the separating area where we have a single.

3014 Surface pad from just outside section.

3015 19 and we we drilled 2 wells and the second scenario would be where we stop those
3016 laterals short at the West Line West line of Section 24 and they would be two mile
3017 wells. And then alternatively you could surface.

3018 From section 23 and drill AU turn well in the same zone.

3019 And and stay out of the separated area that's being considered here and.

3020 The the last scenario scenario three would be instead of AU turn lateral you were just
3021 to drill two straight laterals.

3022 Instead, and so if we return back to exhibit C4.

3023 What I'm.

3024 Including in this comparison table.

3025 Here is the specifics of those 3 scenarios and the the details of what are the required.

3026 You know well pad sizes for surface use and and tank battery facilities.

3027 Stuff of that nature, the vertical section of pipe being you know you have two
3028 wellbores that you're drilling in scenario one.

3029 Down to the target interval scenario two, you now have 3 wellbores.

3030 What that you're adding AU turn lateral in and then scenario three, you have two
3031 additional straight hole laterals.

3032 So that's where you see an increased vertical section of pipe footage from scenario
3033 one through scenarios 2:00 and 3:00.

3034 Completed lateral footage being how much?

3035 Total lateral between all all wells that you could theoretically perforate by abiding by
3036 your your pool rules and setbacks, including on either side of the separating area.

3037 And by that nature, you know how much anticipated reserves you could expect to
3038 recover.

3039 From those.
3040 3 scenarios and then a a list of.
3041 Economics of of how how each one compares to one another as it pertains to you
3042 know, the the drilling and completion and and.
3043 Additional pads and additional surface hole and and and vertical section pipe all of
3044 that being considered into.
3045 An economic comparison between all three scenarios.

3046

3047 **ME McClure, Dean, EMNRD 2:31:47**

3048 I think.
3049 Thank you, Mr. Addington.
3050 I'm looking at. We got it up on the screen there.
3051 I'm looking like at your kind of table there where you have like the three
3052 development scenarios listed out and I'm looking at the development PV 15 column.
3053 You see what I'm referring to?

3054

3055 **BB Braxton Blandford 2:32:06**

3056 Yes.

3057

3058 **ME McClure, Dean, EMNRD 2:32:07**

3059 What is that column? I guess telling us here.

3060

3061 **BB Braxton Blandford 2:32:13**

3062 That's that's basically showing the potential economic outcome of each development
3063 that is being considered when accounting for.
3064 Costs of, you know, drilling and completing wells.
3065 And you know, using the anticipated production from those wells running and over
3066 there over the over to the right of that.
3067 Is telling you, you know, we're we're using internal cost structure for well cost
3068 incompletions.
3069 And facilities. What what?
3070 You know we're we're using for our projected oil and gas prices for our you know
3071 future revenues and you know assuming that we're you know eight, eight 100%
3072 working interest in the well 75% NRI and we.

3073 Total up our discounted future cash flows and that's that's what's being shown in
3074 that development PV 15 column.

3075

3076 **ME McClure, Dean, EMNRD** 2:33:23

3077 Yeah. So essentially, just make sure I'm on the same page.

3078 A newborn is projecting with scenario one that it will turn a \$12.8 million profit,
3079 whereas in scenario two 3.1 million scenario 30 point 3,000,000. Is that correct?

3080

3081 **BB Braxton Blandford** 2:33:45

3082 Essentially, it's a that that is, that is the the comparison, yes, is that you know what,
3083 what potential economic return each scenario presents?

3084

3085 **ME McClure, Dean, EMNRD** 2:33:45

3086 For my misunderstanding.

3087 And this isn't a, and if I understand what you were saying earlier, this isn't.

3088 The overall profit for the project. This would be the profit that newborn would realize.
3089 Is that correct?

3090

3091 **BB Braxton Blandford** 2:34:17

3092 No, these that last bullet point in the commentary being that the economics are
3093 generated assuming 100% working interest in 75% NRI, that is that is gross that is
3094 not net to mubar.

3095

3096 **ME McClure, Dean, EMNRD** 2:34:31

3097 OK.

3098

3099 **BB Braxton Blandford** 2:34:31

3100 That is, that is, that is the total for all parties involved.

3101

3102 **ME McClure, Dean, EMNRD** 2:34:37

3103 OK, I see.

3104 I see what you're pointing out, and this would assume 25% royalties. Is that where
3105 we're getting the 75%?

3106

3107 **BB** **Braxton Blandford** 2:34:45

3108 That that's correct, yes.

3109

3110 **ME** **McClure, Dean, EMNRD** 2:34:47

3111 OK.

3112 So essentially new born Reprojecting additional 10 million around about \$10 million

3113 profit using scenario one versus scenario 2. Is that correct?

3114

3115 **BB** **Braxton Blandford** 2:35:04

3116 That's right.

3117

3118 **ME** **McClure, Dean, EMNRD** 2:35:06

3119 Now when you were computing the completed lateral fertility for a scenario.

3120 Two, where was the pause point and resumption point placed in that U-turn well?

3121

3122 **BB** **Braxton Blandford** 2:35:23

3123 Basically where?

3124 The where the well transitions from a straight hole into the bend into the.

3125 U.

3126

3127 **ME** **McClure, Dean, EMNRD** 2:35:35

3128 OK.

3129 Now I'm looking at, well, the prior page, the page 60 where we have like this blue.

3130 Slashed region in scenario two, do you see where I'm referring to Mr. Eddington?

3131

3132 **BB** **Braxton Blandford** 2:35:48

3133 Right.

3134

3135 **ME** **McClure, Dean, EMNRD** 2:35:49

3136 What is the? I guess the width of that blue slashed area?

3137

3138 **BB** **Braxton Blandford** 2:35:59

3139 I don't have that in front of me right this second, but I believe it's a little over 700 ish

3140 foot.

3141

3142 **ME McClure, Dean, EMNRD 2:36:15**

3143 And is the blue slashed area the area that doesn't have completions in it? Is that
3144 correct?

3145

3146 **BB Braxton Blandford 2:36:22**

3147 That's what's being represented.

3148

3149 **ME McClure, Dean, EMNRD 2:36:25**

3150 But you think it's over 700 for it rather than maybe 330 feet or something like that?

3151

3152 **BB Braxton Blandford 2:36:33**

3153 I mean it's it's tough to tell what the exact scale is there, but you know, based on
3154 Mubar has not drilled AU turn well.

3155 In in its history, but based on available.

3156 Data of of operators who have.

3157 And and what they put on their Platts, I think it was estimated that it's approximately
3158 from the apex of EU.

3159 To where the well transitions to being straight hole again is is somewhere north of
3160 700 feet.

3161

3162 **ME McClure, Dean, EMNRD 2:37:19**

3163 And that OK and and with that in mind, I guess I do see and the apex does it go right
3164 up against like the quote UN quote separating area, is that where that apex is
3165 hitting?

3166

3167 **BB Braxton Blandford 2:37:30**

3168 Yeah, here in this scenario, yes.

3169 So that the the well would not penetrate into the separated area.

3170

3171 **ME McClure, Dean, EMNRD 2:37:39**

3172 OK, I guess.

3173 Are you aware that general operating procedures with AU turn well would be to

3174 complete up until I don't know what the math is, but like 250 feet something like that

3175 from?

3176 Your boundary, rather than at that 770 feet.

3177

3178 **BB** **Braxton Blandford** 2:38:04

3179 I don't know the the general operating procedure. As you know Mubar has not
3180 performed this.

3181

3182 **ME** **McClure, Dean, EMNRD** 2:38:09

3183 Mm-hmm.

3184

3185 **BB** **Braxton Blandford** 2:38:13

3186 In in its history, but.

3187 In, in either case, even if it if it happened to be a lesser footage, it still would be like
3188 total total completed lateral would still be lesser on EU turn in in than either of the
3189 other two scenarios.

3190 Even if it were, you know, 200 or 50 or whatever footage that you pointed out, that's
3191 still uncompleted lateral.

3192 That you know, you wouldn't necessarily have to do in on either of the other two
3193 cases.

3194

3195 **ME** **McClure, Dean, EMNRD** 2:38:57

3196 I mean also just to provide a bit more context, when I was just thrown out like that
3197 250 number, I don't know what it is off the top of my head.

3198 Essentially what the operators will do is they'll just measure 350 feet from.

3199 Perpendicular to the tangent of the well bore, which it's it's less than 300 feet, but
3200 it's.

3201 I don't know.

3202 I sure it depends upon exactly how much of A you there actually is in the well as to
3203 that exact measurement.

3204 I guess.

3205 Would it be accurate to say that your completed lateral in your developmental
3206 scenario two would be greater than what you have?

3207 Depicted here though.

3208

3209 **BB** **Braxton Blandford** 2:39:49

3210 Potentially.
3211 I don't know that it's mubarrn's viewpoint that we would complete in the bend of the
3212 of EU if we were to drill one.

3213 And so, you know, I wouldn't say for sure whether I agree with that.

3214

3215 **ME McClure, Dean, EMNRD 2:40:08**

3216 Do you believe that mubar?

3217 AK in the hole that it could otherwise complete and just decide not to.

3218

3219 **BB Braxton Blandford 2:40:21**

3220 I think I think we would complete everything that we viewed as.

3221 With respect to risk of completing in in the bend of AU and what that does to your
3222 mechanical integrity of your pipe, I think that we would likely prefer not to complete
3223 in EU.

3224 To not potentially raise any issues in that regard, and therefore the completed lateral
3225 that I laid out would remain the same.

3226

3227 **ME McClure, Dean, EMNRD 2:40:53**

3228 Well, Mr. Eddington, earlier you stated that Mubar hasn't drilled any U-turn wells.

3229 Is that correct?

3230

3231 **BB Braxton Blandford 2:41:01**

3232 That's right.

3233

3234 **ME McClure, Dean, EMNRD 2:41:06**

3235 I guess if you were to research it and find out that the all the other operators in the
3236 state of New Mexico.

3237 Are completing within the curve.

3238 Would you Boren not consider it?

3239 I guess.

3240

3241 **BB Braxton Blandford 2:41:24**

3242 I would.

3243 I would say that it would be under consideration.

3244 I'm just. I'm saying that I don't believe that mubar would elect to perforate in any

3245 portion of the bend of the.

3246 U portion of the lateral.

3247

3248 **ME McClure, Dean, EMNRD** 2:41:38

3249 You don't.

3250 I apologize, Sir.

3251 I I'm not sure.

3252 Did you say you don't believe or you don't know? I'm sorry.

3253

3254 **BB Braxton Blandford** 2:41:46

3255 Like we've, we've had limited discussions on drilling U turns in general.

3256

3257 **ME McClure, Dean, EMNRD** 2:41:51

3258 No.

3259

3260 **BB Braxton Blandford** 2:41:51

3261 So I'd you know, I don't know that we have, you know, decided one way or another

3262 what we would do.

3263

3264 **ME McClure, Dean, EMNRD** 2:41:54

3265 OK.

3266

3267 **BB Braxton Blandford** 2:41:58

3268 But I do have a feeling that the way we currently lean is that we would not complete

3269 in that portion of EU.

3270

3271 **ME McClure, Dean, EMNRD** 2:42:12

3272 In the scenario two and the scenario 3.

3273 Both of these wells would be or in both of these scenarios, you'd have a single pad

3274 on the West side of the project area.

3275 Is that correct?

3276

3277 **BB Braxton Blandford** 2:42:31

3278 Yes.

3279

3280 **ME McClure, Dean, EMNRD** 2:42:33

3281 Is there an existing pad there that you would be building off of, or would you be
3282 creating a new pad?

3283

3284 **BB Braxton Blandford** 2:42:41

3285 I think these would require creating a new pad.

3286

3287 **ME McClure, Dean, EMNRD** 2:42:45

3288 OK, as far as facilities, is there a central tank battery or something right there that
3289 newborn would tie into or would it be a new construction required?

3290

3291 **BB Braxton Blandford** 2:42:55

3292 Construction for for those.

3293

3294 **ME McClure, Dean, EMNRD** 2:42:59

3295 OK. So in your cost analysis.

3296 In scenario 2.

3297 In scenario three, you're essentially building in like the cost of like two separate
3298 facilities, 2 separate pads.

3299 Is that correct?

3300

3301 **BB Braxton Blandford** 2:43:16

3302 That that is correct for those two scenarios, yes.

3303

3304 **ME McClure, Dean, EMNRD** 2:43:24

3305 Do we have a breakout for?

3306 For like the cost associated with the facility versus the costs associated with drilling
3307 depleting the wells.

3308

3309 **BB Braxton Blandford** 2:43:39

3310 Yes, I believe on .12.

3311 In my testimony, I detailed that depending on which scenario is being considered

3312 and you know how many wells will need to build a battery for, it could cost anywhere

3313 from basically a million and a half to two and a half, \$1,000,000 for.

3314 Per well for a battery.

3315

3316 **ME McClure, Dean, EMNRD 2:44:23**

3317 Pam, could you, my apologies.

3318 Mr. Anakin, could you break out? I guess what we're looking at here is this, like Pro
3319 well cost.

3320 Is that what you were saying and what you have here in your paragraph 12?

3321

3322 **BB Braxton Blandford 2:44:38**

3323 It's a.

3324 It's a per well cost.

3325 So scenario two would be a single well.

3326 Having having no associated wells that you're that you're sharing cost and building a
3327 new battery and flow lines and and right away you could be somewhere around two
3328 and a half million dollars whereas per well whereas if you were to have multiple wells
3329 like scenario three would be.

3330 Two wells in the in the West area.

3331 That would be, you know, about 1.6 million per well, which then if you go another
3332 sentence down that that correlates to 3.2 million in in savings on the two well case
3333 versus two and a half, \$1,000,000 in savings on the single UL scen.

3334

3335 **ME McClure, Dean, EMNRD 2:45:40**

3336 All right. So in scenario one, your facility costs would be approximately like 2.53
3337 million.

3338 Is that accurate?

3339

3340 **BB Braxton Blandford 2:45:54**

3341 Yeah, that that's probably close to accurate.

3342 And then this particular point is additional potential cost from developing the West
3343 area with a different pad and different surface facilities and all of the associated.

3344

3345 **ME McClure, Dean, EMNRD 2:46:16**

3346 And you would still have.

3347 Let's just call it approximately 3,000,000 for the east side.

3348 But in addition to that, with EU turn you would have how much approximately for a
3349 facility in that scenario.

3350

3351 **BB** **Braxton Blandford** 2:46:23

3352 Correct.

3353 About two and a half million.

3354

3355 **ME** **McClure, Dean, EMNRD** 2:46:34

3356 OK, now in scenario three, would that also be the 2 1/2?

3357 3 million or what? Are you looking in scenario 3 for facility costs?

3358

3359 **BB** **Braxton Blandford** 2:46:44

3360 Closer to three.

3361

3362 **ME** **McClure, Dean, EMNRD** 2:46:47

3363 OK. But in the single to well with EU turn, it would be towards your upper end that
3364 you have there that 2.5, is that correct?

3365

3366 **BB** **Braxton Blandford** 2:46:57

3367 Right per well, correct, yes.

3368

3369 **ME** **McClure, Dean, EMNRD** 2:47:04

3370 Is this kind of is the facility cost? Do they constitute?

3371 The majority of the additional costs or is there much in consideration for having to
3372 drill the additional vertical?

3373

3374 **BB** **Braxton Blandford** 2:47:18

3375 There's there's more. Definitely more consideration on drilling the the vertical portion
3376 of those wells.

3377

3378 **ME** **McClure, Dean, EMNRD** 2:47:28

3379 So it was more cost associated with that than there is in the facilities, is that correct?

3380

3381 **BB** **Braxton Blandford** 2:47:35

3382 Yeah, all of all of the total cost, all in facilities drilling, all of that goes into the

3383 economic comparison table where you see a difference of.
3384 Round Number \$10 million between scenarios one and two and and further cost
3385 degradation and moving into scenario 3, all all in total that that's you know the
3386 majority of what's showing up in the the development PB 15.
3387 Difference there?

3388

3389 **ME McClure, Dean, EMNRD 2:48:07**

3390 Now, do you have the additional cost associated with drilling listed anywhere or is
3391 only reference to like back, back end it back out of your profit here?

3392

3393 **BB Braxton Blandford 2:48:21**

3394 I don't believe I included the specifics of the additional drilling costs there.

3395

3396 **ME McClure, Dean, EMNRD 2:48:28**

3397 OK. But you believe the difference is greater than the three million costs associated
3398 like additional facility?

3399 Let me let me ask my question, I guess.

3400

3401 **BB Braxton Blandford 2:48:41**

3402 Sure, if I understood, yeah.

3403

3404 **ME McClure, Dean, EMNRD 2:48:43**

3405 At approximately what is the magnitude?

3406 Of cost that is associated with drilling the additional.

3407 Vertical wellbores.

3408

3409 **BB Braxton Blandford 2:48:59**

3410 Probably need to calculate the specifics of that on its own.

3411 I'm I'm more familiar with total.

3412 Drilling costs, which would include the lateral portion and whatnot.

3413 So I I don't think I have that number handy off the top of my head.

3414

3415 **ME McClure, Dean, EMNRD 2:49:19**

3416 Well, your drilling costs, I mean.

3417 Well, do you have your drilling costs listed out here?

3418 'Cause that would be. That'd be perfectly fine. Rather than considering the vertical.

3419 I just don't know if you have that listed anywhere.

3420

3421 **BB** **Braxton Blandford** 2:49:37

3422 I don't think it's listed in these exhibits, no?

3423

3424 **ME** **McClure, Dean, EMNRD** 2:49:46

3425 They're not saying that I'm going to ask for, but if I were to, would you understand if

3426 I were to ask for the drilling cost broke out, would you understand what I'm asking

3427 for?

3428

3429 **BB** **Braxton Blandford** 2:49:59

3430 I guess to to clarify are you are you asking because like is the you or the two straight

3431 whole sections of lateral?

3432 Are you?

3433 Are you asking about what the cost of those would entail in addition to the cost of

3434 the vertical section?

3435

3436 **ME** **McClure, Dean, EMNRD** 2:50:19

3437 Well, the more I think about it, I think just the drilling overall would get me what I

3438 need because looking at your table here on, Oh yeah, like we still have on the screen

3439 like you have like the vertical section pipe footage listed out there.

3440 Does this take into account?

3441 I'm guessing it doesn't.

3442 Does it take into account like that U-turn where you're not completed?

3443

3444 **BB** **Braxton Blandford** 2:50:48

3445 It does.

3446 All of that stuff is is.

3447 Being being considered here.

3448 The that it's it's taken into account by the total of the completed lateral footage and

3449 EU turn case being a lesser number thereby you know 12113 hundred ish foot.

3450

3451 **ME** **McClure, Dean, EMNRD** 2:50:58

3452 OK, but does this?

3453

3454 **BB** **Braxton Blandford** 2:51:13

3455 Than the case scenario one or three.

3456

3457 **ME** **McClure, Dean, EMNRD** 2:51:19

3458 Yeah, but it's your second column.

3459 Is that purely the vertical or does that include your like your U-turn?

3460

3461 **BB** **Braxton Blandford** 2:51:26

3462 Yeah, that, that's that's just the.

3463 Total footage of of Casey that would be required to get down to the target interval.

3464

3465 **ME** **McClure, Dean, EMNRD** 2:51:35

3466 Oh, OK.

3467 So it is the vertical then.

3468 Like exactly how it's depicted, correct.

3469

3470 **BB** **Braxton Blandford** 2:51:46

3471 Right.

3472

3473 **ME** **McClure, Dean, EMNRD** 2:51:48

3474 OK. I guess back to the point at hand. I guess overall drilling costs for each of the scenarios.

3475 Including the completed lateral and the uncompleted lateral.

3476 Would you understand what I'm asking for by that?

3477

3478 **BB** **Braxton Blandford** 2:52:09

3479 I would.

3480 You know.

3481 I I have, you know, come up with all of those estimates.

3482 And I ran my economics with those so.

3483

3484 **ME** **McClure, Dean, EMNRD** 2:52:29

3485 OK.

3486 So then your answer is yes, you would.

3488 Under. I'm not saying I'm going to. I'm just you would understand what I'm asking
3489 for if I were to.
3490 Is that correct?

3491

3492 **BB Braxton Blandford** 2:52:39

3493 I believe so.

3494

3495 **ME McClure, Dean, EMNRD** 2:53:05

3496 By Mr. Eddington. Thank you. I don't think I have any further questions for you, Mr.
3497 Herring. Examiner, I think I'm ready for the land man.

3498

3499 **PH Pecos Hall** 2:53:13

3500 OK.

3501 And Mr. Blandford, I remind you that you're still Underoath.

3502

3503 **BB Braxton Blandford** 2:53:24

3504 Sir.

3505

3506 **PH Pecos Hall** 2:53:25

3507 Go right ahead, Mr. McClure.

3508

3509 **ME McClure, Dean, EMNRD** 2:53:27

3510 Thank you, Mr.

3511 Blandford. Real quick question off the bat I'm looking at.

3512 Your page 40 of 122 I think I have your.

3513 Contacts. Yes, I do. So what?

3514 We're looking at.

3515 You see, it looks like we have it on the screen there.

3516 Do you see where I'm referring to Mr. Blandford.

3517

3518 **BB Braxton Blandford** 2:53:53

3519 Yes, Sir.

3520

3521 **ME McClure, Dean, EMNRD** 2:53:55

3522 OK. And specifically, I'm looking at your bullet point #2 for 7th month, 25th day 2024
3523 where it talks about joint or joint development agreement between you and elg.

3524

3525 **BB** **Braxton Blandford** 2:54:11

3526 Yes, Sir.

3527

3528 **ME** **McClure, Dean, EMNRD** 2:54:13

3529 OK. And it says here that this agreement was.

3530 Executed on the 7:25, but it's effective July 15th.

3531 2024 is that just confirming I'm understanding this correctly.

3532

3533 **BB** **Braxton Blandford** 2:54:29

3534 Yes, Sir.

3535

3536 **ME** **McClure, Dean, EMNRD** 2:54:31

3537 OK. And the joint development agreement?

3538 That.

3539 Is different than a joint operating agreement. How?

3540

3541 **BB** **Braxton Blandford** 2:54:48

3542 But it's called a joint development agreement.

3543 In this case it's it's a form out agreement that we did with with EOG.

3544

3545 **ME** **McClure, Dean, EMNRD** 2:54:57

3546 OK, does.

3547 It does.

3548 It essentially is the same.

3549 Authorities granted the same stipulations that a standard JOA.

3550 Is that correct?

3551

3552 **BB** **Braxton Blandford** 2:55:09

3553 I'm sorry.

3554 I asked that again.

3555

3556 **ME** **McClure, Dean, EMNRD** 2:55:12

3557 OK. Would it be accurate?
3558 To consider the joint development agreement the same way as a joint operating
3559 agreement.

3560

3561 **BB** **Braxton Blandford** 2:55:25

3562 No.

3563 I mean because the the joint development agreement is the is the farm out
3564 agreement that we worked with EOG and they later.
3565 Executed a JOA that we agreed to mutually.

3566

3567 **ME** **McClure, Dean, EMNRD** 2:55:46

3568 The Joint development agreement.

3569 I guess allow me to do here.

3570

3571 **BB** **Braxton Blandford** 2:55:53

3572 To to go and drill these wells and earn greater interest in the unit.

3573

3574 **ME** **McClure, Dean, EMNRD** 2:56:03

3575 OK.

3576 So we're essentially this would be EOG.

3577 Signing on to or agreeing to New Borrans.

3578 Development plan, would that be accurate to say?

3579

3580 **BB** **Braxton Blandford** 2:56:22

3581 Yeah, I would say that's accurate.

3582

3583 **ME** **McClure, Dean, EMNRD** 2:56:25

3584 OK, but it's not until they sign a JLA that they would be.

3585 Committed to the unit, though, is that accurate to say.

3586

3587 **BB** **Braxton Blandford** 2:56:37

3588 Accurate and they have signed the JOA, but yes that would be accurate.

3589

3590 **ME** **McClure, Dean, EMNRD** 2:56:43

3591 Yeah, I don't see on the commitment table.

3592 I think he had it listed.

3593 Do you have that as a bullet point here when they actually signed your JLA?

3594 Because I'm not sure as I was seeing that one.

3595

3596 **BB Braxton Blandford** 2:56:54

3597 I don't.

3598 I don't believe that.

3599 I have the date they signed the JOA on there.

3600

3601 **ME McClure, Dean, EMNRD** 2:57:05

3602 Would it be take place before or after all these like where you have like e-mail

3603 correspondence with EOG regarding well proposal and working interest owner? Is it

3604 like after all these or like before that do you think?

3605

3606 **BB Braxton Blandford** 2:57:19

3607 I don't recall exactly when they when they signed the joint operating agreement.

3608 It would have been some time thereafter when we proposed the wells. I think that

3609 was in August of 2025.

3610 You know, and at that point they actually executed our joint operating agreement.

3611

3612 **ME McClure, Dean, EMNRD** 2:57:46

3613 Yeah, it looks like you meld it on August 18th, 2025.

3614 Does that look correct?

3615

3616 **BB Braxton Blandford** 2:57:52

3617 That looks correct.

3618

3619 **ME McClure, Dean, EMNRD** 2:57:54

3620 Now, so clearly some point after that then.

3621

3622 **BB Braxton Blandford** 2:57:57

3623 Mm-hmm.

3624

3625 **ME McClure, Dean, EMNRD** 2:57:58

3626 You you think it was in 2025 rather than like 2026 for instance, I guess?

3627

3628 **BB** **Braxton Blandford** 2:58:02

3629 I do.

3630 I I do.

3631

3632 **ME** **McClure, Dean, EMNRD** 2:58:07

3633 OK.

3634 You think it was?

3635 I guess you.

3636 Yeah. Let me back up.

3637 I guess changing topics. Can you just briefly describe for me the reason that
3638 newborns requesting this NSP?

3639

3640 **BB** **Braxton Blandford** 2:58:36

3641 The NSP is being requested because because of the separated area as those CDs
3642 defined it, and that we're not gonna perforate the east half northeast of section 23.
3643 Because of Eogs existing Terlingua well.

3644 And with that well-being within the same bench of the Bone Spring formation.

3645

3646 **ME** **McClure, Dean, EMNRD** 2:59:03

3647 Well, I guess not to completely derail you, but let me re ask my question and maybe
3648 a better way.

3649 Is it accurate to say that the reason you born is requesting an NSP is to be able to
3650 use a common facility for the entirety of the proposed unit?

3651

3652 **BB** **Braxton Blandford** 2:59:24

3653 Would say that that is a part of the reason.

3654

3655 **ME** **McClure, Dean, EMNRD** 2:59:29

3656 That's a part of the reason.

3657 I mean, I guess I apologize for cutting off on your last answer, if you could elaborate
3658 on what the other reason is, I guess.

3659

3660 **BB** **Braxton Blandford** 2:59:43

3661 Well, I mean with I think Mr. Eddington outlined a lot of the economic reasons and

3662 things of that nature and.
3663 You know why we believe that this is the preferred and optimal development plan?
3664 But with the as far as the NSP?
3665 My understanding is that when there is a noncontiguous tract such as the east half
3666 northeast of 23 not being included in our spacing.
3667 Unit and NSP is required by the OCD.

3668

3669 **ME McClure, Dean, EMNRD 3:00:22**

3670 OK, I guess.

3671 Would it be I guess?

3672 Would it be accurate to say that the reason Mubarak for the NSP is for be able to use
3673 common facilities?

3674 A common facility across this entire area, in addition to echarmonic savings due to.

3675 The development plan in the well positioning and such.

3676

3677 **BB Braxton Blandford 3:00:50**

3678 Yes.

3679

3680 **ME McClure, Dean, EMNRD 3:00:55**

3681 If I can draw your attention to page 17 of 122, this is like a plat showing the NSP
3682 affected tracks.

3683 Do you see where we're?

3684 Milford.

3685

3686 **BB Braxton Blandford 3:01:18**

3687 I do.

3688

3689 **ME McClure, Dean, EMNRD 3:01:21**

3690 OK, now I notice on the next page down you have like a list of affected offset
3691 operators. Do you see where I'm referring to?

3692

3693 **BB Braxton Blandford 3:01:30**

3694 Yes, Sir.

3695

3696 **ME McClure, Dean, EMNRD 3:01:32**

3697 And like the first one listed, there is Mubar oil company. And then there's like a
3698 number of different legal descriptions below that.

3699 Do you see what I'm referring to?

3700

3701 **BB Braxton Blandford** 3:01:41

3702 Yes, Sir.

3703

3704 **ME McClure, Dean, EMNRD** 3:01:44

3705 For these areas.

3706 Who are the working interest owners?

3707 Is that listed anywhere here?

3708

3709 **BB Braxton Blandford** 3:01:56

3710 For each of the.

3711 For each of these legal descriptions.

3712

3713 **ME McClure, Dean, EMNRD** 3:02:06

3714 Let me re ask my question.

3715 For each of these areas depicted by these legal descriptions in the bullet points
3716 below mubar.

3717 Do you list out the working interest owners anywhere?

3718

3719 **BB Braxton Blandford** 3:02:25

3720 Some of them would would be likely included on this, but I've not included.

3721 I would.

3722 I would assume that I'm probably not included each one of them.

3723

3724 **ME McClure, Dean, EMNRD** 3:02:44

3725 Below, like, oh, go ahead Sir.

3726

3727 **BB Braxton Blandford** 3:02:44

3728 With.

3729

3730 **ME McClure, Dean, EMNRD** 3:02:46

3731 I'm sorry, I thought you were finished if your answer.

3732

3733 **BB** **Braxton Blandford** 3:02:48

3734 Just with with just within these various mubaran developments, I'm not.

3735 I'm not the land man. Over each one of these developments.

3736 So I'm unsure on on the answer to that question.

3737

3738 **ME** **McClure, Dean, EMNRD** 3:03:05

3739 Where you have like listed just.

3740 Where you have underlined affected record title owners. Do you see where I have

3741 that referred to?

3742

3743 **BB** **Braxton Blandford** 3:03:14

3744 I do.

3745

3746 **ME** **McClure, Dean, EMNRD** 3:03:16

3747 Are these actually record title owners or is there a typo and this is working interest
3748 owners?

3749

3750 **BB** **Braxton Blandford** 3:03:23

3751 These would be the record title owners.

3752

3753 **ME** **McClure, Dean, EMNRD** 3:03:35

3754 OK. In the affected tracks that newborn considered for its.

3755 Evaluation here.

3756 This separating area that you have depicted on page 17.

3757 You see what I'm referring to?

3758

3759 **BB** **Braxton Blandford** 3:03:54

3760 Yes.

3761

3762 **ME** **McClure, Dean, EMNRD** 3:03:55

3763 Was the ownership.

3764 Of that considered, when you were putting together consideration for NSP notice.

3765

3766 **BB** **Braxton Blandford** 3:04:04

3767 Yes.

3768

3769 **ME** **McClure, Dean, EMNRD** 3:04:07

3770 And is that the that one's operated by EOG, correct?

3771

3772 **BB** **Braxton Blandford** 3:04:12

3773 That's accurate.

3774

3775 **ME** **McClure, Dean, EMNRD** 3:04:14

3776 And it looked like EOG was provided notice of this application, correct?

3777

3778 **BB** **Braxton Blandford** 3:04:19

3779 That's correct.

3780

3781 **ME** **McClure, Dean, EMNRD** 3:04:22

3782 OK. But just to confirm one more time, you don't know if the working interest owners
3783 in the surrounding tracks was provided notice.

3784

3785 **BB** **Braxton Blandford** 3:04:35

3786 I'm not 100% sure if in every one of the surrounding tracks if we got every single
3787 working interest owner.

3788 As to the separated area, I I am 100% sure that all working interest owners were
3789 notified.

3790

3791 **ME** **McClure, Dean, EMNRD** 3:04:52

3792 OK. I guess if I were to ask Mubarak to provide me with a list of the working interest
3793 owners for each of these tracks, that newborn is the operator for you understand
3794 what I'd be asking for.

3795

3796 **BB** **Braxton Blandford** 3:05:09

3797 Just a list of the working interest owners in those tracks.

3798

3799 **ME McClure, Dean, EMNRD** 3:05:14

3800 Yes, that is correct.

3801

3802 **BB Braxton Blandford** 3:05:17

3803 Yes, I would understand what you're asking for.

3804

3805 **ME McClure, Dean, EMNRD** 3:05:33

3806 Now, if I recall correctly.

3807 Actually I'm looking at it right now.

3808 Is it correct to say that Mubaran owns approximately 48% of the working interest
3809 across the proposed unit?

3810

3811 **BB Braxton Blandford** 3:05:50

3812 I believe that's correct.

3813 I'm not looking at the ownership exhibit right now, but that sounds about right.

3814

3815 **ME McClure, Dean, EMNRD** 3:05:57

3816 I believe it's on page 29 of 122 if we want to look.

3817 You see what I'm referring to, Mr. Blandford.

3818

3819 **BB Braxton Blandford** 3:06:11

3820 I did.

3821

3822 **ME McClure, Dean, EMNRD** 3:06:13

3823 Would it be accurate to say that Mubar owns approximately 48% of the working
3824 interest across this proposed unit?

3825

3826 **BB Braxton Blandford** 3:06:21

3827 Yes, Sir.

3828

3829 **ME McClure, Dean, EMNRD** 3:06:32

3830 OK. Thank thank you, Mr. Blandford.

3831 Mr. herring examiner.

3832 I don't have any more questions for the expert witnesses, but I do have some

3833 questions about notice for I don't know if it's Miss Hardy or Miss McLean or who I
3834 need to ask on that.

3835

3836 **PH Pecos Hall** 3:06:44

3837 Miss Hart, it's miss Hardeen.

3838 Go right ahead.

3839

3840 **ME McClure, Dean, EMNRD** 3:06:47

3841 OK.

3842 Thank you, Mr. Examiner.

3843 M's Hardy.

3844 Do you know what notice was provided for the NSP in this case?

3845

3846 **PH Pecos Hall** 3:06:56

3847 Yes. If you look at our exhibit C.

3848 That lists the parties who were noticed.

3849 And we have a notice letter.

3850 For the NSP and then the notice of the pulling application.

3851 And then our list is shown.

3852 Starting at page 66 of the PDF.

3853

3854 **ME McClure, Dean, EMNRD** 3:07:25

3855 Now your your expert witness didn't seem to know for sure, so I'm assuming you
3856 may not.

3857 But I'll ask you in case you do.

3858 Do you know if the working interest owners?

3859 In those offsetting tracks, which newborn operated were provided notice of this
3860 case?

3861

3862 **PH Pecos Hall** 3:07:45

3863 I don't, Mr. McClure.

3864 I would need to find that out work on that with Mr. Blandford.

3865

3866 **ME McClure, Dean, EMNRD** 3:07:54

3867 OK, thank thank you, Miss Hardy.
3868 Mr. Henning. Examiner, I I personally don't have anything further for this case.
3869
3870 **PH Pecos Hall 3:08:03**
3871 How do you want to proceed?
3872
3873 **ME McClure, Dean, EMNRD 3:08:05**
3874 Were we gonna maybe touch base?
3875
3876 **PH Pecos Hall 3:08:07**
3877 Oh, that's right. Yes. OK.
3878
3879 **ME McClure, Dean, EMNRD 3:08:10**
3880 Help.
3881
3882 **PH Pecos Hall 3:08:10**
3883 Let's take a 5 minute break.
3884 This will be the last five minute break we take for the day and we're going to discuss
3885 the case and come back and let you know how we're going to proceed. Thank you.
3886 Thank you.
3887
3888 **ME McClure, Dean, EMNRD 3:08:13**
3889 Yeah.
3890
3891 **PH Pecos Hall 3:23:33**
3892 OK.
3893 It's 1209. I'm sure everyone wants to go to lunch.
3894 We have finished our conference between the technical team and myself and Mr.
3895 McClure.
3896 Do you wanna let the applicant know how you want to proceed?
3897
3898 **ME McClure, Dean, EMNRD 3:23:46**
3899 Oh yes, I can. Mr. her name Examiner M's Hardy. If we can go ahead and conduct
3900 research as to the working interest owners in each of those offsetting tracks. And

3901 then if notice is not correct, if we can go ahead and get that notice cured. Do you?
3902 Understand what I'm asking for.

3903

3904 **PH Pecos Hall** 3:24:13

3905 I do.

3906 And Mr. McClure, we can do that quickly.

3907 We did.

3908 We confirmed that we did provide notice to working interest and offset tracks, but
3909 Mr. Blandford would like to confirm that we got all of them so he can do that.

3910 By tomorrow afternoon, close of business and then we can determine whether we
3911 need to send notice to anyone else.

3912

3913 **OCD Regular Docket March 5, 2026-20260305_084550-**
3914 **Meeting Recording**

3915 March 5, 2026, 7:10PM

3916 2m 5s

3917

3918 **PH Pecos Hall** 0:05

3919 So M's Hardy, knowing that there might be a cure, do you want to?

3920 Just since if we don't, what docket to put it on, but I'd like to get it on as soon as we
3921 can.

3922 For your sake and your clients sake, do you want to communicate with the division?

3923 Maybe you could send an e-mail to Mr. McClure, Mr. Fordyce and myself.

3924 Let us know what your research shows and how you want to proceed.

3925 Yes, that would be great.

3926 And then you have a bunch of dockets in March that we could potentially add this
3927 case back to. OK, in the meantime, I think Mr. McClure would like some well data.

3928 Not well.

3929 Data some cost data.

3930 So, Mr. McClure, do you wanna? Since we have some time?

3931 You want to throw that in there?

3932

3933 **ME McClure, Dean, EMNRD** 0:47

3934 Yeah, yeah. Yes, I can. Mr. Examiner M's Hardy.

3935 Just the cost or the cost for the drill associated with drilling the wells for each of the
3936 developmental plans that I touch base with Mr. Eddington on.

3937

3938 **PH Pecos Hall 1:01**

3939 Understood. Thank you. We can get that.

3940 Yes, how? Just had a just out of curiosity, how are there 3 scenarios if the wells are
3941 already drilled?

3942 Well, the division asked us to provide economic analysis about other options.

3943 I see.

3944 So that's what we've done, OK.

3945 Thank you, Mr. McClure.

3946 Mr. Fordyce. Anything further.

3947

3948 **ME McClure, Dean, EMNRD 1:26**

3949 Nothing from me, Mr. Examiner.

3950

3951 **PH Pecos Hall 1:28**

3952 Mr. fordez.

3953

3954 **FE Fordyce, Andrew, EMNRD 1:29**

3955 I have nothing further, Mr. Green Examiner.

3956

3957 **PH Pecos Hall 1:33**

3958 And does that cover any data that you would like to see?

3959

3960 **FE Fordyce, Andrew, EMNRD 1:39**

3961 Yes.

3962

3963 **PH Pecos Hall 1:40**

3964 OK. Thanks.

3965 All right, M's Hardy. Anything further.

3966 No, thank you. All right.

3967 Well, thank you and thank you to your witnesses and we are our business has
3968 concluded.

3969 We're off the record.

3970 Thank you. Thank you.

3971

3972 ● **Pecos Hall** stopped transcription

3973