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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:
Case Nos. 26166, 26060.

HEARING
DATE: Tuesday, July 7, 2026
TIME: 8:30 a.m.
BEFORE: Hearing Examiner Gregory Chakalian
LOCATION: Wendell Chino Building, Pecos Hall
1220 South Saint Francis Drive
Santa Fe, NM 87505
REPORTED BY: Gerald Aragon
JOB NO.: 8031799

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A P P E A R A N C E S

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ALSO PRESENT:

Dean McClure, Technical Examiner
Jonathan Samaniego, Owner Operator, American
Energy Resources, LLC (by videoconference)
Freya Tschantz, Law Clerk, New Mexico Energy,
Minerals, and Natural Resources Department, Oil
Conservation Division

I N D E X

WITNESS(ES):

DX

CX

RDX

RCX

BLAKE HERBER

By Mr. McClure

9

16

By Mr. Rankin

15

By Mr. McClure

26

CLAY WOOTEN

By Mr. McClure

21

By Mr. Rankin

24

1	E X H I B I T S		
2	NO.	DESCRIPTION	ID/EVD
3	Case 26166:		
4	Exhibit A	Compulsory Pooling	
5		Application Checklist	/7
6	Exhibit B	MRC Application for	
7		Compulsory Pooling	/7
8	Exhibit C	Clay Wooten Self-Affirmed	
9		Statement	/7
10	Exhibit C-1	Overlap Exhibit	/7
11	Exhibit C-2	C-102	/7
12	Exhibit C-3	Land Tract Map	/7
13	Exhibit C-4	Ownership Breakdown	/7
14	Exhibit C-5	Sample Well Proposal Letters	/7
15	Exhibit C-6	Chronology of Contracts	/7
16	Exhibit C-7	Evidentiary Notice	/7
17	Exhibit D	Blake Herber Self-Affirmed	
18		Statement	/7
19	Exhibit D-1	Locator Map	/7
20	Exhibit D-2	Subsea Structure Map	/7
21	Exhibit D-3	Stratigraphic Cross-Section	/7
22	Exhibit D-4	Gun Barrel Diagram	/7
23	Exhibit E	Self-Affirmed Statement of	
24		Notice	/7
25	Exhibit F	Affidavit of Publication	/7

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E X H I B I T S (Cont'd)

NO.	DESCRIPTION	ID/EVD
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Case 26060:

(None marked.)

1 P R O C E E D I N G S

2 THE HEARING EXAMINER: Good morning.

3 It is 8:30 a.m. on July 7, 2026. I am Gregory
4 Chakalian, the hearing examiner with the New Mexico
5 Oil Conservation Division.

6 We have an echo in the room. I wonder
7 whether someone's microphone might be on.

8 All right. We have a docket of two
9 cases today. We're going to do the first one first
10 because it is short. It's a hearing by affidavit for
11 Matador Production. It is case 26166. Entries of
12 appearance, please.

13 MR. RANKIN: Good morning, Mr. Hearing
14 Examiner. Adam Rankin appearing on behalf of the
15 applicant, MRC Permian Company, in this matter.

16 THE HEARING EXAMINER: And I don't see
17 any other parties.

18 MR. RANKIN: Not to my awareness.

19 THE HEARING EXAMINER: Go right ahead.

20 MR. RANKIN: Thank you, Mr. Examiner.
21 I believe this case was previously presented to the
22 division. The division requested at the end of the
23 hearing that the applicant submit a revised
24 supplemental exhibit packet including a gun barrel
25 exhibit, which has been done.

1 The exhibit packet was supplemented and
2 refiled with the division, including Exhibit D-4,
3 which is a gun barrel diagram requested by the
4 division. Having been filed and supplemented, we ask
5 that the case now be taken under advisement, unless
6 Mr. McClure has additional questions for the
7 applicant.

8 THE HEARING EXAMINER: Okay. The
9 amended exhibit packet is admitted into evidence
10 without exception.

11 (Case 26166 Exhibit A through Exhibit F
12 were received into evidence.)

13 THE HEARING EXAMINER: Mr. McClure, any
14 further questions?

15 MR. MCCLURE: Mr. Hearing Examiner, I
16 will have questions for the geologist and then a
17 really fast question for the landman.

18 THE HEARING EXAMINER: All right.
19 Thank you.

20 Who do you have, Mr. Rankin?

21 MR. RANKIN: Mr. Examiner, let me make
22 sure that our folks are available. I think I saw them
23 online. I believe -- yeah -- we have our geologist
24 witness available.

25 THE HEARING EXAMINER: We'll start with

1 him.

2 MR. RANKIN: Yeah.

3 THE HEARING EXAMINER: I'll swear the
4 land-person in at the same time if you -- if you find
5 the land-person. I think they're both there. All
6 right.

7 Good morning, gentlemen. I can't see
8 your names, so I'm going to have to ask you to spell
9 them in just a moment. But would you please raise
10 your right hands?

11 Do you swear or affirm the testimony
12 you're about to give is the truth, the whole truth,
13 and nothing but the truth?

14 MR. HERBER: I do.

15 MR. WOOTEN: I do.

16 THE HEARING EXAMINER: Thank you.
17 Let's start with the gentleman in the blue shirt with
18 the pattern on it. Thank you.

19 What is your name, please?

20 MR. WOOTEN: I'm Clay Wooten, C-L-A-Y
21 W-O-O-T-E-N.

22 THE HEARING EXAMINER: Thank you. And
23 I recognize that you've been admitted as an expert
24 before this division before, but in what field?

25 MR. WOOTEN: Petroleum landman.

1 THE HEARING EXAMINER: You're the
2 landman. Okay. Very good.

3 And you, sir?

4 MR. HERBER: Blake Herber, B-L-A-K-E
5 H-E-R-B-E-R.

6 THE HEARING EXAMINER: And have you
7 been previously admitted as an expert before this
8 division?

9 MR. HERBER: I have.

10 THE HEARING EXAMINER: Great. In what
11 field?

12 MR. HERBER: Geology.

13 THE HEARING EXAMINER: Okay. I think
14 Mr. McClure wants to start with you, Mr. Herber.

15 So, go right ahead.

16 MR. MCCLURE: Thank you, Mr. Hearing
17 Examiner.

18 DIRECT EXAMINATION

19 BY MR. MCCLURE:

20 MR. MCCLURE: Mr. Herber, I'm looking
21 at your -- I mean, it's just as easy, I guess, just to
22 reference your cross-section that's on page 43 of 49,
23 Exhibit D-3.

24 THE HEARING EXAMINER: We're going to
25 share, Mr. McClure.

1 BY MR. MCCLURE:

2 MR. MCCLURE: And that was 43, Mr. --
3 or I guess if you're going off your bookmarked, it's
4 D-3. Mr. Herber, are you looking at the exhibit with
5 us?

6 MR. HERBER: Yes, I am.

7 MR. MCCLURE: Okay. Mr. Herber, I know
8 we kind of had some discussion about this at the last
9 hearing; but I kind of want to, you know, have it a
10 little cleaner, I guess.

11 Within this cross-section, within the
12 area that is identified between the Wolfcamp Top and
13 the Strawn Top -- you see where I'm referring to?

14 MR. HERBER: Yes, sir.

15 MR. MCCLURE: Do you believe that the
16 Cisco or the Canyon formations occur within this
17 vertical extent?

18 MR. HERBER: I don't know that it does.
19 I would assume there may be some expression of it.

20 MR. MCCLURE: So, would it be accurate
21 to say that you don't have a reason to believe that it
22 doesn't occur? Does that question make sense?

23 MR. HERBER: Yes. I think that's
24 correct.

25 MR. MCCLURE: Okay. If it does occur,

1 would it be accurate to say that it would likely occur
2 within your highlighted region towards the bottom of
3 this cross-section?

4 MR. HERBER: It may. It just depends
5 how -- how thick it is.

6 MR. MCCLURE: Well, I guess let me ask,
7 if it doesn't occur here, would your thought process
8 be that it'd be below this or above this, then?

9 MR. HERBER: Below.

10 MR. MCCLURE: Okay. So, for that to be
11 the case, would it be accurate to say that it would
12 have to be less than 20 foot thick, then,
13 approximately?

14 MR. HERBER: Yeah. Twenty to forty,
15 somewhere in there. Yes, sir.

16 MR. MCCLURE: I guess regardless of
17 where the formation top occurs, is it Matador's intent
18 to produce or complete this highlighted region as a
19 singular unit?

20 MR. HERBER: Well, I have a gun barrel
21 included that shows our landing points for these two
22 wells if that would be helpful if that's what you
23 mean, and that would be in the upper half of the
24 yellow box.

25 MR. MCCLURE: As far as hydrocarbons

1 that Matador is targeting, is that yellow highlighted
2 area representative of that area?

3 MR. HERBER: I don't know if I have
4 anything definitive to say, you know, the stimulated
5 rock volume of these wells, but the -- the landing
6 point is above the midway point in the yellow box.
7 That's where we intend to stay throughout the lateral.

8 MR. MCCLURE: Maybe I don't understand,
9 then, what the intent was of the yellow highlighted
10 area. I guess what is that supposed to be indicating
11 to the division, this yellow highlighted labeled area,
12 "Nina Cortell 243H and 244H Target"?

13 MR. HERBER: Right. I highlighted what
14 we considered to be the Wolfcamp D in our regional
15 correlations, making sure to stay above the Strawn Top
16 just as a general gross formation.

17 MR. MCCLURE: I guess do you believe
18 there's going to be any barrier to flow of the
19 hydrocarbons within this region?

20 MR. HERBER: There may be. There's a
21 claystone bed in the lower half of the box that we're
22 going to land above, and that may be enough of a
23 stress barrier to where you don't produce down closer
24 to the Strawn Top. But again, I -- I don't know that
25 for sure.

1 MR. MCCLURE: With consideration to
2 Matador's completion plans, do you believe that that
3 barrier is going to be a frack barrier, or would the
4 fracks extend below that barrier?

5 MR. HERBER: I think it could be a
6 barrier, but I -- you know, I don't really have any
7 hard evidence to support that.

8 MR. MCCLURE: Are you aware of any
9 other wells within this proposed unit that occurs
10 below the base of the Wolfcamp A?

11 MR. HERBER: We have our Nina Cortell
12 241H on the west side of this section.

13 MR. MCCLURE: Are there any wells that
14 occur within the Wolfcamp within this proposed unit?

15 MR. HERBER: If this unit is just on
16 the east half of this section, I think that's -- am I
17 saying that right? This is on the east half only?
18 Then, no.

19 MR. MCCLURE: Yeah. I know there's
20 approved APDs in the upper Wolfcamp. Are those wells
21 not drilled, Mr. Herber?

22 MR. HERBER: Okay. I'm sorry. Can you
23 clarify? Did you mean to include the Wolfcamp A in
24 this unit? Then, there -- there are Wolfcamp A wells.
25 Yes.

1 MR. MCCLURE: Actually, my question was
2 excluding the Wolfcamp A, but I guess the thought
3 process is I want to confirm, I guess, that those are
4 the only wells within the Wolfcamp within the proposed
5 unit.

6 MR. HERBER: Yes. With -- below the
7 Wolfcamp A in the proposed unit, I believe so. Yes.

8 MR. MCCLURE: Not that there are none,
9 but the only ones within the Wolfcamp are those ones
10 occurring above the base of the Wolfcamp A?

11 MR. HERBER: Those are above the base
12 of Wolfcamp A. Correct.

13 MR. MCCLURE: And are you aware of any
14 wells within the Pennsylvanian within this proposed
15 unit?

16 MR. HERBER: No.

17 MR. MCCLURE: Thank you, Mr. Gerber
18 [sic].

19 Mr. Hearing Examiner, I don't have any
20 more questions for Mr. Gerber [sic], but I do for
21 Mr. Wooten.

22 MR. RANKIN: I just have a couple
23 questions for Mr. Herber. I just want to make sure I
24 understood his testimony and maybe to further
25 elucidate a couple points.

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CROSS-EXAMINATION

BY MR. RANKIN:

MR. RANKIN: Mr. Herber, you heard Mr. McClure ask you about whether there was any barriers to flow within the targeted zone that you're targeting here in the Wolfcamp D.

MR. HERBER: Yes, sir.

MR. RANKIN: And you testified that there may be below your landing zone?

MR. HERBER: Correct. There's a -- there's a high clay bed there below or landing point that I think could be a stress barrier and a barrier to flow.

MR. RANKIN: And then, the target, then, if I'm looking at -- I'll look at your gun barrel. Okay? So, at some point below these two laterals, there's some clay barrier that may inhibit production from below. Correct?

MR. HERBER: Correct.

MR. RANKIN: But as to the portions of the Wolfcamp above your target zones, is that all a single common source of supply?

MR. HERBER: I think I would say so. Yes.

MR. RANKIN: Okay. No further

1 questions, Mr. Hearing Examiner.

2 THE HEARING EXAMINER: All right.

3 Mr. --

4 MR. MCCLURE: Mr. Hearing Examiner, I
5 didn't catch that if you were asking me anything.

6 THE HEARING EXAMINER: Sorry,
7 Mr. McClure. Did those questions from Mr. Rankin
8 raise any additional questions, or should we go onto
9 the landman?

10 MR. MCCLURE: Actually, yeah. I'll ask
11 some more questions of Mr. Gerber [sic], if I may.

12 THE HEARING EXAMINER: Okay. Yeah. Of
13 course. Yeah.

14 REDIRECT EXAMINATION

15 BY MR. MCCLURE:

16 MR. MCCLURE: Mr. Gerber [sic],
17 Mr. Rankin asked you if the area above this clay
18 barrier -- whether you would consider that a common
19 source of supply. By common source of supply, how
20 were you considering that?

21 MR. HERBER: I guess the source rock
22 reservoir connection between the two. I just don't
23 see many -- really any barriers above our landing
24 point. They're quite a ways in the Wolfcamp, so
25 that's what I was referring to.

1 MR. MCCLURE: Okay. So I guess let me
2 dig in that a little more. You say you don't see very
3 many barriers or any barriers for ways above your
4 landing point. Can you be more specific in regards to
5 that?

6 MR. HERBER: Right. So -- sorry. I'm
7 trying to go back to this cross-section. Oh. There
8 we go. That's why.

9 A lot of times in the Wolfcamp -- in
10 the lower Wolfcamp, we'll see, you know, thick
11 carbonate beds in the -- the Wolfcamp B and C that we
12 would interpret as a stress barrier to hydrocarbon and
13 fracturing.

14 And I don't see those kind of beds in
15 these logs. There's some very thin carbonates in
16 the -- the lower Wolfcamp B and C, but I think this
17 has more of a connection to the Wolfcamp than to the
18 Pennsylvanian below it would be my opinion.

19 MR. MCCLURE: So I guess towards that
20 end, do you think it would be accurate if, say, the
21 division were to create a pool that extends from the
22 base of the Wolfcamp A to the top of the Strawn,
23 setting aside the clay barrier for a bit? Do you
24 believe that the area above that would be accurate if
25 such a pool were to be created?

1 MR. HERBER: Sure. Yes.

2 MR. MCCLURE: Then, where on this
3 cross-section does this clay barrier exist?

4 MR. HERBER: Again, I'm not sure that
5 it's a barrier; but that -- the clay bed I'm referring
6 to, if you look at the -- the gun barrel view, just
7 more zoomed in on the well there, on the common log.

8 So, those are, I believe, 20 foot ticks
9 on here. So -- so, 13260, approximately.

10 MR. MCCLURE: Okay. So, Mr. Herber,
11 you believe that there is -- or Mr. Gerber --
12 right -- not Herber? It is Gerber?

13 MR. HERBER: It's Herber than an H.

14 MR. MCCLURE: Oh. Herber with an H.
15 Okay. I apologize. I might've been going back and
16 forth.

17 MR. HERBER: That's okay.

18 MR. MCCLURE: Anyway, Mr. Herber, so in
19 regards to this clay barrier, you don't know whether
20 your frack may extend through that?

21 MR. HERBER: Right. I don't -- I don't
22 have any micro-seismic data or anything that shows
23 that definitively; but just a bed with that much clay
24 content in it that extends laterally, I think that
25 could be a stress barrier.

1 MR. MCCLURE: And Mr. Herber, you said
2 you believe that occurs at 13260. Is that correct
3 again?

4 MR. HERBER: On that log, on the
5 Connally log, yes, sir. It's that bed with the lower
6 resistivity where the cursor is, approximately. Yeah.
7 And that's something we correlate for miles in all
8 directions.

9 MR. MCCLURE: Say that one more time,
10 Mr. Herber.

11 MR. HERBER: That's something that we
12 can laterally correlate for miles in all directions
13 from here.

14 MR. MCCLURE: The clay bed? Is that
15 what you're referring to, Mr. Herber?

16 MR. HERBER: Yes, sir.

17 MR. MCCLURE: Do you have any reason to
18 believe one way or the other as to where the top of
19 the Cisco or Canyon occur in regards to this clay
20 zone?

21 MR. HERBER: No. I haven't seen any
22 biostratigraphy or -- or anything to point to in this
23 setting in the base or where those age tops would be.
24 This is just what we have called the Wolfcamp D
25 historically.

1 MR. MCCLURE: So then, I guess, do you
2 feel that it'd be more accurate if the division were
3 to create a pool that perhaps the top of it would be
4 at the base of the Wolfcamp A, and the base of it
5 would be at the stratigraphic equivalent of 13260 as
6 found in the Connally Federal 1?

7 MR. HERBER: Are you saying you'd kind
8 of carve out a pool and call that, you know, Wolfcamp
9 something or other?

10 MR. MCCLURE: It isn't the ideal
11 solution.

12 MR. HERBER: Yeah.

13 MR. MCCLURE: But I guess back to my
14 question at hand, do you think it would be accurate to
15 say that such a pool would be considered a reservoir
16 or common source?

17 MR. HERBER: I think so. Yeah. I
18 think that's a bed there at the base that -- that in
19 this basinal setting does correlate for quite a ways,
20 and it's fairly easy to pick. So, it would be --
21 would be a nice marker to go off of.

22 MR. MCCLURE: But would it also be fair
23 to say the top of the Strawn occurs below that clay
24 marker, though?

25 MR. HERBER: Yes.

1 MR. MCCLURE: Okay. Thank you,
2 Mr. Herbert.

3 Mr. Hearing Examiner, I don't have any
4 further questions for Mr. Herber.

5 THE HEARING EXAMINER: Mr. Rankin?

6 MR. RANKIN: Nothing further from me.
7 Thank you very much.

8 THE HEARING EXAMINER: All right.
9 Thank you, Mr. Herber.

10 Mr. Wooten, I'll remind you you're
11 still under oath.

12 Go right ahead, Mr. McClure.

13 MR. MCCLURE: Thank you, Mr. Hearing
14 Examiner.

15 DIRECT EXAMINATION

16 BY MR. MCCLURE:

17 MR. MCCLURE: Mr. Wooten, would it be
18 accurate to say that there are no depth severances
19 that occur within the unit between the top of the
20 Wolfcamp and the top of the Strawn?

21 MR. WOOTEN: From the top of the
22 Wolfcamp to the top of the Strawn. So, the Wolfcamp
23 formation in general, it's -- there's no --

24 MR. MCCLURE: No.

25 MR. WOOTEN: -- depth severances.

1 MR. MCCLURE: Mr. Wooten, let me re-ask
2 my question. Between the top of the Wolfcamp and the
3 top of the Strawn, regardless as to whether we're
4 considering it a part of the Wolfcamp, are there any
5 depth severances that occur within that region?

6 MR. WOOTEN: There's a -- there's a few
7 fee leases that contain a Pugh clause. That would be
8 a hundred feet below the base of the Wolfcamp is how
9 it's defined. But if it's in that Wolfcamp pool, then
10 I don't believe there would be a depth severance.

11 MR. MCCLURE: Okay. So there are a
12 depth severance that occurs a hundred feet below the
13 Wolfcamp. Is that correct?

14 MR. WOOTEN: For -- for a very small
15 group of leases. Yes.

16 MR. MCCLURE: And I guess how old was
17 this where the divergence of interest occurred?

18 MR. WOOTEN: It would've been, like,
19 after the primary term of the lease expired, so
20 probably within the last three years or so.

21 MR. MCCLURE: And do we know if those
22 contracts considered this concept of whether the
23 Wolfcamp D is in fact a part of the Wolfcamp or a part
24 of the Pennsylvanian?

25 MR. WOOTEN: I'm not sure on that.

1 Have to get --

2 MR. MCCLURE: Was the -- Oh. Go ahead,
3 Mr. Wooten. I apologize. Go ahead.

4 MR. WOOTEN: I would just have to get
5 with the team to get smarter on the leases
6 specifically.

7 MR. MCCLURE: I mean, you may not know
8 the answer to this, I guess; but if you do, do you
9 know if the Wolfcamp D is ever actually mentioned
10 anywhere?

11 MR. WOOTEN: It's not. From my -- from
12 my knowledge of it, it's not mentioned specifically in
13 the leases.

14 MR. MCCLURE: Mr. Hearing Examiner, I
15 don't think I have any more questions for Mr. Wooten;
16 but in light of this response, if I could ask
17 Mr. Herber some additional questions.

18 THE HEARING EXAMINER: Of course. But
19 first, Mr. Rankin, anything based on the question to
20 the landman?

21 MR. RANKIN: I guess maybe just for
22 clarification, Mr. Wooten, I have a couple questions.
23 Thank you, Mr. Hearing Officer.

24 THE HEARING EXAMINER: Sure.

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CROSS-EXAMINATION

BY MR. RANKIN:

MR. RANKIN: You mentioned, Mr. Wooten, in response to questions from Examiner McClure that there potentially are some depth severances that would result from a Pugh clause and a very few number of fee leases. Correct?

MR. WOOTEN: Yes.

MR. RANKIN: And those would have taken effect -- I think I understood your testimony -- several years ago at the end of the primary term?

MR. WOOTEN: Yes.

MR. RANKIN: But because the leases are being held by production in the Wolfcamp, at least what has been considered to be the Wolfcamp, those Pugh clauses have not carved out any acreage or depths out of the fee leases currently. Correct?

MR. WOOTEN: Yes. From my understanding.

MR. RANKIN: But if the division were to determine that the target interval here is not in the Wolfcamp, then what would the result be?

MR. WOOTEN: Just have to get with the team to find exactly where the -- the base of the Wolfcamp, exact footage of where it is; and then, we'd

1 have to evaluate it from there.

2 MR. RANKIN: And if the division were
3 to determine that the target interval here where the
4 gun barrel shows these wells that they were not -- if
5 the division were to determine that they were not in
6 the Wolfcamp, then would that Pugh clause take effect,
7 and those would be carved out of those fee leases? Is
8 that your understanding?

9 MR. WOOTEN: Yeah. I believe a few of
10 them could. It doesn't -- the ones I've looked at
11 are, you know, 100 feet below the base of the
12 Wolfcamp, so ...

13 MR. RANKIN: Okay. So in other words,
14 the division's decision here could effectively create
15 a depth severance in the middle of what Matador has
16 identified as the Wolfcamp?

17 MR. WOOTEN: I believe so for a small
18 portion of acreage.

19 MR. RANKIN: No further questions.

20 THE HEARING EXAMINER: Thank you.
21 Okay.

22 Thank you, Mr. Wooten.

23 Can we have Mr. Herbert back? Thank
24 you. I remind you you're still under oath.

25 Go ahead, Mr. McClure.

1 MR. MCCLURE: Thank you, Mr. Hearing
2 Examiner.

3 FURTHER REDIRECT EXAMINATION

4 BY MR. MCCLURE:

5 MR. MCCLURE: Mr. Herber, I guess if I
6 were to ask you to do an evaluation of the area and
7 try to actually make a determination as to where the
8 top of the Cisco actually occurs, would you understand
9 what I'm asking for?

10 MR. HERBER: I would.

11 MR. MCCLURE: Do you have a thought
12 process as to how long conducting such research would
13 take?

14 MR. HERBER: Well, I've looked into it
15 before, and I -- you know, there's biostratigraphy up
16 on the shelf. So not -- not in this setting where
17 this type of lithology, and it's -- the rock looks
18 very different over there, and it's -- it's a bit
19 difficult to correlate where they call top of
20 Pennsylvanian down into the setting.

21 You know, the only place I can really
22 say where I can pin the top of the Pennsylvanian would
23 be that Strawn top that I'm showing. So that may also
24 be the top of the -- the Cisco down here. I -- you
25 know, I could look around a little harder and try to

1 figure some things out, but I'm not sure how long it
2 would take.

3 MR. MCCLURE: I guess would it be
4 accurate to say that your intent would be to find some
5 wells where you can clearly identify the top of the
6 Cisco and then draw a cross-section and corrugate it
7 to these wells? Is that correct?

8 MR. HERBER: I think that's what would
9 have to be done. Yes. But again, that, you know --
10 the places I've seen where you can definitively call
11 the top of the Cisco based on biostratigraphy are --
12 are way up on the shelf in a very different setting.

13 I haven't found anything in the basin
14 that's -- that's straight forward to correlate.

15 MR. MCCLURE: So I guess in that
16 regard, how would you proceed in putting together the
17 cross-section and continuing to pick the top of the
18 Cisco as you get closer to this well?

19 MR. HERBER: It would be fairly
20 interpretive, but, you know, I could try to put
21 something together. I think a simpler method is to
22 have someone call the top in the basin somewhere and
23 then correlate that to here. I just haven't seen
24 where that's occurred.

25 MR. MCCLURE: Thank you, Mr. Herber.

1 Mr. Hearing Examiner, I don't think I
2 have any more questions for the expert witnesses.

3 THE HEARING EXAMINER: Okay. Hold on
4 one second, Mr. McClure.

5 Mr. Rankin, any follow up?

6 MR. RANKIN: No. I don't believe so,
7 Mr. Hearing Examiner. I think we covered the topic
8 enough for the division to make a decision. Thank
9 you.

10 THE HEARING EXAMINER: All right. I
11 have a feeling Mr. McClure's going to want some
12 additional documents.

13 Mr. McClure, go ahead.

14 MR. MCCLURE: Thank you, Mr. Hearing
15 Examiner.

16 Yeah. Mr. Rankin, I mean, until we
17 know for sure, I guess, where the deviation here is
18 for the Pennsylvanian, I guess it's difficult for
19 absolute guidance; but I wonder if it is going to
20 occur the way we have the Pennsylvanian occurred here
21 even if that is only 100 foot of it.

22 So it maybe doesn't even affect the
23 depth severance because of that. I think we may want
24 to cure notice to include the pin, but that would be
25 at Matador's discretion until we actually know for

1 sure if it's a matter in this case. I guess what's
2 your thoughts on that, Mr. Rankin?

3 MR. RANKIN: Well, you know, I think
4 because there is no depth severance, all the owners in
5 the mineral estate are the same from top to the bottom
6 and into the Strawn. There's no existing depth
7 severance of any kind.

8 The mineral state is the same. I don't
9 see the need to publish notice for the pin because the
10 owners would be the same anyway. So, I don't see any
11 basis or, you know, any need under the regulations or
12 law to do that.

13 Of course, we could do so if we were
14 directed by the division to give supplemental notice;
15 but at this point, I don't see any basis or
16 requirement for doing so.

17 MR. MCCLURE: Okay. Well, the Cisco
18 Canyon is a part of the pin. Does that change any of
19 your thought process there, Mr. Rankin?

20 MR. RANKIN: No.

21 MR. MCCLURE: Okay. I guess towards
22 that end, we're going to need some additional exhibits
23 from the geologist to try to identify the top of the
24 Cisco or try to confirm that the Cisco Canyon doesn't
25 occur here. What's your thought process as far as

1 timing for that?

2 MR. RANKIN: Mr. Technical Examiner,
3 let me ask if by giving notice, that would eliminate
4 the need for additional research or exhibits from the
5 applicant here, if that's what you're saying -- and
6 either/or -- like, if we give additional notice that
7 it may include the Pennsylvanian, then would that
8 satisfy the division and allow this case to be taken
9 under advisement?

10 MR. MCCLURE: Well, I guess my concern
11 would be that it sounds like there's a depth severance
12 that occurs 100 feet below the top of the pin. That
13 was your understanding, too, Mr. Rankin. Is that
14 correct?

15 MR. RANKIN: That would only be the
16 case if the division were to create a base of the
17 Wolfcamp that would carve out the targeted interval.

18 MR. MCCLURE: Yeah. But what I'm
19 getting at is if we have confirmation as to where the
20 top of the Cisco is and it's not like the --
21 regardless, it's not the division triggering this
22 depth severance. I mean, either the Cisco occurs
23 there or Canyon occurs there or it doesn't.

24 And then, there's the matter of where
25 it occurs, and either it does or it doesn't occur

1 there. And if it does occur there, then it sounds to
2 me like that depth severance would come into play; and
3 it would be set at 100 foot below wherever that top
4 is. Is that not your understanding, Mr. Rankin?

5 MR. RANKIN: Well, I guess the mineral
6 estate would be the same because it's still the same
7 owners, Mr. McClure. It would just eliminate the
8 lease from the working interest. So it would be still
9 the same mineral owners.

10 But again, I think maybe this is
11 getting a little bit overcomplicated; but I think from
12 the applicant's perspective, they would like direction
13 from the division on how to proceed to drill these
14 wells so they can satisfy the interest owners and
15 their own efforts to produce this acreage.

16 So at this point, I think we would like
17 direction from the division on how best to proceed.

18 MR. MCCLURE: Well, I think what the
19 determining factor here is whether there's going to be
20 a depth severance. I guess that there is where it
21 complicates matters.

22 And so, I mean, the division would of
23 course want no waste to be occurred here. So, one way
24 or the other, it would be nice for these wells to be
25 drilled; but it's a matter of what the ownership is

1 going to be.

2 And if there's going to be a depth
3 severance there, then that's something we need to know
4 before we force pull anybody. So I guess what I'm
5 getting at is till we get additional facts, I'm not
6 sure what guidances the division could provide here.

7 MR. RANKIN: So, what I'm hearing,
8 Mr. McClure, is that no matter what, you want the
9 applicants to provide updated information on whether
10 or not they can correlate the Cisco and Canyon
11 formations within this portion of the Wolfcamp?

12 MR. MCCLURE: I mean, I'm not sure how
13 else we can do it unless that lease agreement
14 specifically takes into account the thought processes
15 around Wolfcamp B.

16 MR. RANKIN: Mr. Hearing Examiner, I
17 don't know if I -- it may be prudent for me to take a
18 few moments to discuss with the client whether or not
19 they can even do this. I think my understanding of
20 geologic time is that often, you need to have some
21 coring or biostratigraphy to make definitive
22 determinations about what time sequence we're in.

23 And just merely looking at logs may not
24 be, within any scientific certainty, you know, ability
25 to do that. So, I'm not sure that we can achieve what

1 the division's asking here with any degree of
2 scientific certainty.

3 THE HEARING EXAMINER: All right,
4 Mr. Rankin. Why don't we move onto the next case; and
5 when you have an answer on how you want to proceed --
6 because this is a legal determination that you have to
7 make with your client. I think you understand the
8 reticence that Mr. McClure has at this point.

9 Mr. McClure, you said that under all
10 circumstances, there are documents you still want no
11 matter what Mr. Rankin comes back with or no?

12 MR. MCCLURE: I mean, I suppose yes
13 because of this depth severance issue. We're going to
14 have to figure out something on that. Maybe it could
15 be some sort of additional information about those
16 clauses that's in those lease agreements or whatever's
17 going on there, perhaps.

18 That may make the geological side
19 unnecessary. I guess I'm not sure. At this point, we
20 don't have enough information to go off of really.

21 THE HEARING EXAMINER: Okay. Well, you
22 need more information, it sounds like; and it sounds
23 like you're not sure what information you need. It
24 could be A, or it could be B. Why don't we find out
25 from Mr. Rankin after he speaks to his client what he

1 has to say, and then we can decide what information
2 you want? Is that okay?

3 MR. MCCLURE: Yeah. That sounds like a
4 good plan, Mr. Hearing Examiner.

5 THE HEARING EXAMINER: All right.
6 Mr. Rankin is busy. Mr. Rankin, why don't we go on a
7 recess on your case? When you are ready, come back;
8 and when I see you sitting there, we'll take a break
9 from the other case because I figure what you have to
10 say will be short. And then, we can wrap up your
11 case.

12 MR. RANKIN: Appreciate it.

13 THE HEARING EXAMINER: Yes. Of course.
14 All right. So we're in recess on that
15 first case.

16 Let's now call case number 26060. This
17 is the application of American Energy Resources to
18 reopen division orders R-23748 and R-22893-A,
19 originally issued under case numbers 25137 and 24837.

20 This hearing is being conducted in
21 hybrid format, in person at Pecos Hall and via
22 Microsoft Teams consistent with the pre-hearing order
23 issued on June 18, 2026.

24 Entries of appearance, please.

25 MR. SAMANIEGO: Jonathan Samaniego,

1 representative of American Energy Resources.

2 MR. FELDEWERT: Good morning,
3 Mr. Examiner. Michael Feldewert with the Santa Fe
4 office of Holland & Hart on behalf of Permian
5 Resources Operating, LLC.

6 THE HEARING EXAMINER: All right.
7 Thank you, both. Let me continue.

8 This proceeding is being recorded and
9 transcribed, so I remind all participants; do not
10 speak over one another or over the hearing examiner.
11 A clean record is essential for a decision.

12 I'm going to start out with the
13 statement of the issues so that we all know why we're
14 here and why we're not here. This is a limited scope
15 hearing as set forth in the pre-hearing order.

16 And, Mr. Samaniego, I believe you
17 received the pre-hearing order?

18 MR. SAMANIEGO: I did. And I want to
19 make note that it's singling out.

20 THE HEARING EXAMINER: Were you cut
21 off, Mr. Samaniego, because I just was asking you if
22 you received the pre-hearing order, and I think you
23 said yes to that?

24 MR. SAMANIEGO: The pre-hearing order
25 was singling out, and I did receive it.

1 THE HEARING EXAMINER: Oh. That's what
2 you meant. Okay. I didn't understand what you meant.

3 Okay. So pursuant to Rule 1915412
4 Subsection D of the New Mexico Administrative Code,
5 the only issues to be heard today are one, whether
6 notice to AER complied with 1915412 NMAC in case
7 number 25137 and case number 24837; two, whether
8 constructive notice was adequate or applicable; and
9 three, any associated due process or procedural
10 fairness issues.

11 No other issues are before the division
12 today based on the rule that I quoted. This includes
13 but not limited to ownership disputes in other cases,
14 challenges to other pooling orders, well proposal
15 requirements, and claims for monetary relief.

16 Those matters are outside the scope of
17 this hearing and will not be taken up. Therefore, no
18 evidence will be taken on those matters.

19 Okay. Before calling any witnesses, I
20 will address procedural compliance. The pre-hearing
21 statement and exhibits: pre-hearing statements were
22 required to be filed no later than 8:30 a.m. four
23 business days prior to the hearing and to include all
24 exhibits, affidavits, and written testimony intended
25 for use today. Both parties have complied with that

1 pre-hearing order and the rule.

2 All proposed exhibits must be properly
3 filed under 19154 NMAC, exchange between the parties
4 sequentially marked and numbered on every page.
5 Failure to comply may result in exclusion of late
6 filed evidence.

7 Evidentiary objections: objections to
8 exhibits were required to be filed 48 hours before the
9 hearing and will be addressed as a preliminary matter.
10 I didn't receive any objections, so that, we don't
11 have to deal with right now.

12 Witness attendance requirements: any
13 witnesses providing written direct testimony must
14 attend the hearing either in person or via video and
15 is subject to cross-examination by the opposing party
16 and the division.

17 Witnesses appearing virtually must have
18 a working camera and microphone, or they may be
19 excluded.

20 Order of presentation of cases: the
21 party seeking relief -- in this case, American Energy
22 Resources -- will proceed first. We will follow this
23 order. Opening statement by Mr. Samaniego.

24 Mr. Samaniego, it's optional. If you
25 don't want to make an opening statement, you don't

1 have to. If you do make an opening statement, it will
2 be five minutes or less; and it will be timed. Then,
3 your presentation of evidence and witnesses,
4 Mr. Samaniego.

5 Then, we'll have cross-examination by
6 Permian. We will have questions from the division.
7 Then, we will have Permian's presentation of evidence
8 or witness, if any.

9 And I remind you, Mr. Samaniego,
10 Permian doesn't have to put on any evidence if they
11 don't want to. The burden of persuasion is yours. It
12 is not Permian's.

13 Questions by the division,
14 cross-examination by you of any witnesses that Permian
15 presents. Closing statements are optional and will be
16 brief. And of course, if Permian has an opening
17 statement, it's optional; and it will also comply with
18 the five-minute time limit. Again, testimony must be
19 confined strictly to the three issues identified
20 earlier.

21 Mr. Samaniego, do you understand those
22 rules?

23 MR. SAMANIEGO: I do.

24 THE HEARING EXAMINER: Okay. And do
25 you agree to comply with those rules?

1 MR. SAMANIEGO: I don't agree with
2 them, but I'll comply.

3 THE HEARING EXAMINER: Mr. Feldewert,
4 do you understand the rules?

5 MR. FELDEWERT: Yes, sir.

6 THE HEARING EXAMINER: And do you agree
7 to comply with them?

8 MR. FELDEWERT: As always.

9 THE HEARING EXAMINER: All right.
10 Okay. Mr. Samaniego, do you have any witnesses that
11 you want me to swear in?

12 MR. SAMANIEGO: I do not, not at this
13 time.

14 THE HEARING EXAMINER: That's fine.
15 That's fine.

16 Mr. Feldewert, do you have any
17 witnesses you want me to swear in at this time?

18 MR. FELDEWERT: No, sir.

19 THE HEARING EXAMINER: Very good.
20 Mr. Samaniego, this is your opportunity if you want to
21 make an opening statement. The opening statement must
22 be related to the three issues we are here today to
23 hear.

24 MR. SAMANIEGO: Not at this time.

25 THE HEARING EXAMINER: Okay. All

1 right. Mr. Samaniego, at this time, we will begin
2 with your case in chief. You may proceed.

3 MR. SAMANIEGO: Okay. I have just one
4 question, and the question is pretty simple. And my
5 question is to Mr. Feldewert, and it is, did Permian
6 send notice to American Energy Resources?

7 THE HEARING EXAMINER: Mr. Samaniego,
8 Mr. Feldewert is counsel for Permian; and he's not a
9 witness. He's not been sworn in. He doesn't answer
10 questions like that from you.

11 I understand that you're not a lawyer,
12 so I'm trying to be extremely lenient with your
13 presentation; but the burden of persuasion is on you
14 to show us what I already outlined in those legal
15 issues.

16 So it's your burden to produce
17 evidence. That evidence may be already in the record.
18 You did file a pre-hearing statement. It has a lot of
19 documents with it. Most of the documents are outside
20 the scope of this hearing.

21 However, this is your burden of
22 persuasion, so that question is not appropriate. So,
23 would you please move on?

24 MR. SAMANIEGO: Okay. Yes. Upon the
25 own evidence that they submitted, Ms. Paula Vance

1 admitted in number -- let me find the number she
2 admitted in. But she admitted that notice was sent to
3 Samaniego, and it was not sent to American on her
4 preliminary statement.

5 And under structured limited or LLC
6 laws, an individual and an entity are two separate
7 persons. So any notice that was sent to Samaniego is
8 not a proper notice to American, who is the owner.

9 And I'm looking where I stated where
10 she made the statement on which number. Give me one
11 second.

12 THE HEARING EXAMINER: Mr. Samaniego,
13 do you want a few minutes to collect your evidence to
14 support your statement? And I can return to the first
15 case for a few minutes and then come back to this
16 case.

17 MR. SAMANIEGO: Yes, sir. Thank you.

18 THE HEARING EXAMINER: Very good.
19 We'll be in recess in case 26060 for about five
20 minutes while we recall the first case of the day. I
21 don't have that number.

22 Mr. Rankin, what case number is that?

23 MR. RANKIN: It is -- one moment.
24 Sorry. I do have it right here. 26166.

25 THE HEARING EXAMINER: Thank you. So

1 I'm going to recall that case. Mr. Rankin, did you
2 consult with your client?

3 MR. RANKIN: I did, Mr. Hearing
4 Officer, and I can give you and Mr. McClure the best
5 that we can offer.

6 THE HEARING EXAMINER: Go ahead.

7 MR. RANKIN: Mr. McClure, Mr. Hearing
8 Officer, based on Mr. McClure's request and
9 Mr. Herber's testimony, the best that we can offer is
10 that we can go back and make an effort to correlate
11 these geologic markers across the formation in the
12 proposed base unit with no guarantee that we'll be
13 able to do so with any scientific degree of certainty.

14 In the interim and as, perhaps, a belts
15 and suspenders approach, we are willing and suggest
16 that Matador provide additional notice to all parties
17 subject to pooling in this case that the targeted
18 formation may include the Pennsylvanian.

19 That way, we've covered all potential
20 outcomes by giving notice and also seeking to identify
21 the actual formation tops and then come back to
22 hearing to present the information that we've been
23 able to identify and confirm whether or not we have
24 any certainty or confidence in the evaluation.

25 THE HEARING EXAMINER: Mr. McClure?

1 MR. MCCLURE: Thank you, Mr. Examiner.

2 I guess, Mr. Rankin, in your discussion
3 with your client, was there -- because we really don't
4 need anything on the lease side unless Matador thinks
5 there might've been reference to Wolfcamp D.

6 At this point, is the assumption that
7 there isn't going to be?

8 MR. RANKIN: Without conferring directly
9 with Mr. Wooten, I believe it's unlikely that these
10 legal documents, you know, contemplated how geologists
11 might refer to different intervals within the
12 formation. So, I don't think it probably does
13 reference Wolfcamp D.

14 MR. MCCLURE: I'm kind of guessing
15 you're right. That was just kind of a wildcard, I
16 guess, thrown out there.

17 Mr. Rankin, the more I'm thinking about
18 this case, I'm almost wondering about bringing
19 Mr. Wooten back and maybe touching base on whether
20 those interest donors that would be -- how do I want
21 to say this -- whether there's going to be different
22 interest owners involved in the area beneath the depth
23 severance and whether they were noticed of this case.

24 MR. RANKIN: So, Mr. Technical
25 Examiner, in that instance, you know, if there were a

1 depth severance that occurred through the Pugh
2 clauses, then a portion of the lease would have
3 essentially been carved out; and then, that interest
4 would've reverted to the underlying mineral interest
5 owner and not the lessee.

6 So, in that instance, potentially,
7 those mineral interest owners would not have been
8 noticed of this pooling. So, if it's the division's
9 pleasure, we could potentially go back and determine
10 who those mineral interest owners are and potentially
11 try to give them notice.

12 But at this point, our preference, I
13 think, would be just to give notice to the pool
14 parties.

15 MR. MCCLURE: Yeah. I suppose at this
16 point, I'm just thinking about maximum routes that we
17 have towards a conclusion here, I guess; and I'm
18 almost wondering if that could be of assistance but
19 not necessary and just thinking about timing this
20 because I don't know when Matador wants to put this on
21 their schedule, I guess.

22 MR. RANKIN: Very soon, Mr. Technical
23 Examiner.

24 MR. MCCLURE: Yeah.

25 MR. RANKIN: I believe if I'm not

1 mistaken, the rig might actually be there because in
2 this case, they're pooling a very small interest.
3 It's 1 percent approximately interest that's being
4 pooled.

5 MR. MCCLURE: At your discretion, I
6 guess maybe there's consideration to providing those
7 individual notice; but at this time, the division
8 wouldn't be requiring it.

9 MR. RANKIN: When you say "those
10 individuals," who do you mean? You mean the actual --

11 MR. MCCLURE: The mineral interest
12 owners that the interest would be reverting to.

13 MR. RANKIN: Okay.

14 MR. MCCLURE: I mean, essentially,
15 Mr. Rankin, to give you some context, I'm just
16 thinking along the eventuality that we're not going to
17 have a scientific determination of where this top
18 occurs.

19 So, hypothetically, in that instance,
20 maybe there's some sort of thought process to at least
21 they're provided notice here; but I don't know what
22 the division's position's going to be.

23 I'm just trying to think of having all
24 available thoughts in as fast of a time as possible, I
25 guess, taken care of.

1 MR. RANKIN: Well, Mr. McClure, I guess
2 as I stated, we suggest and recommend that in the
3 interim, while we're evaluating the ability to
4 correlate the geology across this zone, that we go
5 ahead and give notice to all parties subject to the
6 pooling that the targeting interval pooling might
7 include a portion of the Pennsylvanian formation.

8 MR. MCCLURE: So then, based upon what
9 you're saying there, then you would go ahead and
10 notice the mineral interest donors even though it may
11 not be required at this point.

12 MR. RANKIN: Well, I'm saying --

13 MR. MCCLURE: Within the -- I mean.

14 MR. RANKIN: Yeah. In other words,
15 assuming that the Pugh clause did not take effect.
16 Okay? That --

17 MR. MCCLURE: Okay.

18 MR. RANKIN: Yeah.

19 MR. MCCLURE: Okay. Then, the only
20 thought process -- and this is purely a matter of
21 discretion -- would be if you just wanted to notice
22 the people in case the pool clause does take effect, I
23 guess.

24 MR. RANKIN: Okay. I'll confer with
25 the client about whether they want to do that and then

1 proceed from there. But in the interim, we'll go
2 ahead and give notice, at least as to the current
3 owners.

4 MR. MCCLURE: Sounds good.

5 THE HEARING EXAMINER: Mr. Rankin, is
6 that all?

7 MR. RANKIN: Mr. Hearing Examiner,
8 Mr. Technical Examiner, are there any other requests?
9 The only other issue is timing; and if it's okay with
10 you, I'll follow up with the division today since we
11 have no other parties and let you know what our
12 expected timeframe would be and then ask for that
13 docket based on the ability to put this together.

14 THE HEARING EXAMINER: And we'll give
15 it priority, Mr. Rankin.

16 MR. RANKIN: I appreciate that.

17 THE HEARING EXAMINER: I understand
18 that you have a rig out there, and we don't want to
19 hold you up if we don't have to.

20 MR. RANKIN: Appreciate it.

21 THE HEARING EXAMINER: So, Freya, when
22 Mr. Rankin communicates with you and Mr. McClure,
23 would you make sure I'm part of all that so we can
24 determine the most expedient docket to put this case
25 on?

1 MS. TSCHANTZ: Yes.

2 THE HEARING EXAMINER: Thank you.

3 Mr. McClure, anything further?

4 MR. MCCLURE: Nothing from me,
5 Mr. Hearing Examiner.

6 THE HEARING EXAMINER: Mr. Rankin,
7 anything further?

8 MR. RANKIN: Nothing further. Thank
9 you.

10 THE HEARING EXAMINER: Okay. We're off
11 the record in your case. Thank you.

12 Let's return to case 26060.

13 Mr. Samaniego, are you ready to
14 proceed?

15 MR. SAMANIEGO: Yes, Mr. Examiner.

16 THE HEARING EXAMINER: Go right ahead.

17 MR. SAMANIEGO: Okay. Yes. On
18 Permian's pre-hearing statement, right after the
19 statement of the case, it talks about cases 25137 and
20 cases 24837.

21 And it says, "Pooling Order R23748 was
22 issued under case 25137 on April 1, '25, at the
23 request of Permian. The division record for this case
24 establishes notice of the pooling proceeding was
25 directed by certified mail to Jonathan Samaniego at

1 511 Leavel and P.O. Box 114 in Hagerman addressed to
2 Jonathan Samaniego.

3 "Filing exhibits 25137 noticed to
4 Jonathan Samaniego was also provided by publication in
5 the Carlsbad Current-Argus weekly newspaper of general
6 circulation in Eddy County."

7 And then, it goes on. "The filed
8 evidence establishes that case 25137 Permian comply
9 with notice obligations and provided constructive
10 notice of the proceedings to Jonathan Samaniego, the
11 principal owner and agent of American."

12 And then, it goes onto case 24837.
13 "Order 22893A was issued under case 24837." And on
14 this one, this one was SPC; but Permian purchased SPC
15 and amended the case. But originally, it was SPC that
16 was purchased by Permian.

17 The division record from the original
18 pooling establishes that notice of pooling proceedings
19 was sent to SPC by certified mail to Jennifer Roper;
20 and she was the one I bought the house from, a
21 predecessor to the title, Samaniego.

22 And I didn't have time to get the deed
23 for that property, but that property was purchased
24 through my real estate company, Black Gold. The
25 property I bought from Jennifer Roper never went into

1 Jonathan's name. That was always in my real estate
2 company's name.

3 THE HEARING EXAMINER: Hold on.

4 Mr. Samaniego, hold on one second. I understand where
5 you're going with this, and it's fine. The problem is
6 you've not been sworn in, so you're not a witness in
7 this case; and if you want to introduce evidence --
8 and you're more than welcome to -- you need to be
9 sworn in. Otherwise, these things that you're
10 saying --

11 MR. SAMANIEGO: Not -- not --

12 THE HEARING EXAMINER: I'm sorry.

13 MR. SAMANIEGO: I understand. I don't
14 have the paper. It's irrelevant. I get it.

15 THE HEARING EXAMINER: No.

16 Mr. Samaniego, I didn't --

17 MR. SAMANIEGO: Okay. So --

18 THE HEARING EXAMINER: Can I finish my
19 sentence?

20 MR. SAMANIEGO: Yes, sir.

21 THE HEARING EXAMINER: I didn't say it
22 was irrelevant. I never said that. What I said is
23 you're trying to introduce evidence about the
24 ownership and the address, and that's fine. You're
25 more than welcome to do that.

1 But it has to be done properly, and the
2 only way to do that is to get you sworn in; and you'd
3 have to turn on your camera to do that. Are you
4 willing to do that?

5 MR. SAMANIEGO: I don't have a computer
6 that has those things.

7 THE HEARING EXAMINER: All right.
8 Well, in the pre-hearing order, it was very specific.
9 So, I'm just being very clear with you if you wanted
10 to introduce evidence, it had to be through either
11 sworn testimony or documents submitted with the pre-
12 hearing statement.

13 You did provide a pre-hearing
14 statement -- I have it in front of me -- on June 15th.
15 It's 145 pages. So, I do have that, and that's fair.
16 That's fair game in this case as long as it's
17 relevant.

18 But if you're trying to introduce new
19 evidence about the ownership of the house and the
20 address and the name and all of that, you'd have to be
21 sworn in; and that, I think, was very clear in the
22 pre-hearing order.

23 And if you don't have the ability to
24 turn on a camera and be sworn in, what you're saying
25 now is great; but it's not evidence.

1 MR. SAMANIEGO: Yes, sir. Then, I'll
2 just make it quick and simple. The notice --

3 THE HEARING EXAMINER: I'm not telling
4 you how to present -- hold on, Mr. Samaniego. I'm not
5 telling you how to present your case. You don't have
6 to make it quick and simple if you don't want to.

7 I'm just explaining to you that if you
8 want to introduce evidence, there's a way to do it;
9 and so far, you haven't done that. But anyway, please
10 proceed with your case. I'm not telling you how to
11 proceed.

12 MR. SAMANIEGO: Yes, sir. I'm just
13 trying to proceed with caution because I'm in fear of
14 making you mad. I'm trying to walk on eggshells. I'm
15 trying to be very careful.

16 THE HEARING EXAMINER: Please proceed,
17 Mr. Samaniego.

18 MR. SAMANIEGO: Okay. On the
19 pre-hearing statement of Permian, they're saying that
20 Permian sent notice to Samaniego to Leavel and the
21 P.O. box addressed to Samaniego. And then, they did
22 publication listing Samaniego; but yet, in their
23 preliminary statement, they're admitting that
24 Samaniego is an owner of American.

25 But yet, they didn't send notice to

1 American. Yet, the constructive notice wasn't to
2 American; but yet, they're admitting that Samaniego
3 was principal owner of American.

4 And then sending notice to Samaniego is
5 not proper notice regardless of who the principal
6 owner is because under structured LLC laws, American
7 is its own entity; and a proper notice is required
8 being sent to American, the entity, not any member or
9 affiliate or agent. It should be sent in proper
10 notice to American.

11 And because proper notice was not sent
12 in either of the cases by their own admittance, their
13 objections should be moot.

14 THE HEARING EXAMINER: Okay. Okay. Do
15 you have anything else to say at this time?

16 MR. SAMANIEGO: No, sir.

17 THE HEARING EXAMINER: Okay. So,
18 here's what I understand so far. You are relying on
19 the statements of the party opponent, which is Permian
20 in this case, to substantiate that notice was not
21 correct.

22 So the Rule 1915412D says, "Evidence of
23 failure to provide notice as this rule requires and
24 other parts of this rule requires may, upon proper
25 showing, be considered cause for reopening the case."

1 Okay. So in doing that, you have
2 basically relied on statements of a party opponent.
3 You've relied on their pre-hearing statement. You've
4 relied on documents that are in the administrative
5 record already. And that's fair game.

6 So I'm not saying that you've proved
7 your case. I'm saying what you've done so far. I
8 also laid out in my order granting and denying Permian
9 resource operating motion to dismiss -- that order was
10 issued -- let me get you the date on that.

11 I issued that order on May 26th and
12 sent you a copy. Do you have a copy of that?

13 MR. SAMANIEGO: I'd have to look. I'm
14 not sure.

15 THE HEARING EXAMINER: Okay. In that
16 order, I basically laid out what the possible genuine
17 issues of material fact are or the way I saw them
18 based on the motion, the response. I laid out what I
19 thought the issues in contention and material facts in
20 contention and why we needed to have today's hearing.

21 And that's why I did not dismiss two of
22 your six cases. You could have used that as a
23 structure to present your case today, but you
24 presented your case. Do you have anything further
25 before I turn this over to Mr. Feldewert to present

1 his case if he so chooses?

2 MR. SAMANIEGO: Yes. Everything you
3 said, I admit into my case in my evidence.

4 THE HEARING EXAMINER: Okay. All
5 right. Mr. Samaniego, do you rest your case in chief?

6 MR. SAMANIEGO: Could you please
7 repeat?

8 THE HEARING EXAMINER: Sure. Do you
9 rest your case in chief?

10 MR. SAMANIEGO: I'm unfamiliar with
11 what that means.

12 THE HEARING EXAMINER: Oh. Okay. Have
13 you presented all the evidence that you are prepared
14 to present in your case?

15 MR. SAMANIEGO: I think under the
16 order, I was limited on what I can file. So I think I
17 am, but I'd like to hold the right to be able to bring
18 forth any other claim.

19 THE HEARING EXAMINER: Let me discuss
20 that with you for a moment. I will allow you to
21 present a rebuttal case if Mr. Feldewert produces
22 evidence that in some way, you could not have prepared
23 for. So I will allow you to do that. We allow that
24 to every party, Mr. Samaniego.

25 But I'm not going to allow you to bring

1 other claims. The claims that you are allowed to
2 discuss today and supply evidence are the issues that
3 I outlined in the pre-hearing order.

4 They are, again, whether notice to AER
5 Samaniego complied with the rules in those two cases,
6 whether constructive notice was adequate or
7 applicable, and whether any associated due process or
8 procedural fairness issues exist.

9 And I read that out before you
10 presented your case. So I just want to be clear,
11 those are the issues that are in contention today. So
12 if there's no further evidence from you, I'm going to
13 turn now to Mr. Feldewert to see if he wants to make
14 an opening statement.

15 MR. SAMANIEGO: On the motion for the
16 reopen of the dismissed cases, you're saying that they
17 hadn't been dismissed. Could I move forward with a
18 motion to reopen the dismissed cases since they
19 weren't dismissed but with the evidence in the file?

20 THE HEARING EXAMINER: No. I was very
21 clear in my order granting and denying Permian's
22 motion to dismiss your cases that we needed to have an
23 evidentiary hearing in these two cases, 25137, 24837,
24 because there were potential issues of material fact.

25 In the other four cases, there were no

1 issues of material fact. Now, if you have an
2 ownership dispute with Permian, this is not the forum
3 to bring it. That would be the district court,
4 wherever that district court may lie; and I'm not here
5 to give advice on how to do that.

6 But this forum does not resolve issues
7 of ownership. It does not do that. We take people at
8 their word. I did research before I issued this order
9 granting and denying, in part, and that's over. So,
10 no. There's no motions to reopen the four dismissed
11 cases. Was there anything else before we turn to
12 Mr. Feldewert?

13 MR. SAMANIEGO: I just want on the
14 record that American filed five motions since last
15 hearing, and they were not addressed at last hearing.
16 And then, they were singled out by the order for this
17 hearing, and then now you're saying to go to district
18 court about it.

19 THE HEARING EXAMINER: Mr. Samaniego --

20 MR. SAMANIEGO: That's singling out.

21 THE HEARING EXAMINER: Okay.

22 Mr. Samaniego, let me remind you of something. If
23 you're not happy with the decision of the division at
24 the end when we issue a final order on your case, you
25 can appeal it to the commission. Okay. I'm not

1 hearing anything further.

2 MR. SAMANIEGO: Okay.

3 THE HEARING EXAMINER: Mr. Feldewert,
4 do you want to make an opening statement?

5 MR. FELDEWERT: More in terms of an
6 observations. Okay. So first off, on July 3rd --

7 THE HEARING EXAMINER: Of what year?

8 MR. FELDEWERT: Friday at 6 p.m.

9 THE HEARING EXAMINER: Okay. This
10 year.

11 MR. FELDEWERT: Is when Mr. Samaniego
12 filed his pre-hearing statement under your pre-hearing
13 order on July 3rd at around 6 o'clock. I think that's
14 what he's referencing periodically throughout his
15 statement.

16 Now, I think you would agree and you
17 perhaps may have already observed that that is clearly
18 untimely under your pre-hearing order; and you
19 referred back to a June 15th preliminary statement,
20 which I did not view as being responsive to your
21 issues that you laid out in your pre-hearing order.

22 So, I took a look at the July 3rd
23 filing, which of course was a holiday and only one
24 business day before this hearing and certainly less
25 than 48 hours prior to the ability to file any

1 objection.

2 But I think when you look at that,
3 there's very little in there, if anything, that I saw
4 that was potentially relevant to the issues. Okay?

5 What has become clear is that he seems
6 to take the position that he's not disputing that
7 notice or constructive notice was sent to Jonathan
8 Samaniego, or in a case of his property dispute to his
9 heirs. Okay?

10 He is suggesting that Permian should've
11 sent notice of these applications to American Energy.
12 Important to that, then, is the date that those
13 applications were filed. Okay?

14 The pooling application that's the
15 subject of case 21537, which I'm going to call just
16 for simplicity the Bone Springs base unit -- okay --
17 that was filed in January of 2025 and the pooling
18 order issued in April of 2025. So that's over a year
19 ago. Okay?

20 The second case at issue here, which
21 I'll reference as the Wolfcamp's base unit, sought an
22 extension of the drilling deadline. That was filed by
23 Permian in September of 2024 and the order issued in
24 November of 2024, almost two years ago.

25 So if we keep those dates in mind, I

1 looked at what he filed; and I didn't see anything to
2 indicate that American Energy was a record title or
3 was an owner of any of the properties subject to those
4 two cases at the time that the application was filed.
5 Okay? So that's number one.

6 Number two, we also know that
7 Mr. Samaniego is the agent and principal owner of
8 American Energy. In fact, if you look at their
9 filings, they use the same P.O. box.

10 So when Permian sent the information to
11 Mr. Samaniego, who is now the agent of American Energy
12 but who was either the owner or the purported owner or
13 someone in a dispute over the title to the property at
14 issue, it was properly done by Permian because he was
15 the owner.

16 And it was constructed notice not only
17 to himself but to any company that he had at that time
18 and any company that he subsequently created. Okay?
19 So, in light of that, I'm not sure there's anything
20 else to address.

21 THE HEARING EXAMINER: Okay. So,
22 Mr. Samaniego, Mr. Feldewert has not felt it necessary
23 to put on a case. He's not calling witnesses for you
24 to cross-examine. So we really are relying on the
25 documents that the division has in its possession,

1 either from the original cases when they were filed
2 back in January of 2025 or for the extension case,
3 September of 2024.

4 All those documents are in our records,
5 and I take administrative notice of all of that
6 evidence. So there's a substantial amount of evidence
7 that was supplied by Permian at the time it applied to
8 the division for the Bone Spring case and for the
9 Wolfcamp extension case.

10 That evidence may or may not support
11 your argument, Mr. Samaniego, but it is in evidence.
12 So, I'm letting you know we do have evidence in the
13 case, even if you did not supply it by the due date
14 that I set out in my pre-hearing order.

15 Mr. Samaniego, I do have a question for
16 you, and I really bent over backward to help you, in
17 this case, present your case. I'm not helping you win
18 your case, but I am helping you present your case. I
19 hope you understand that.

20 I am taking your preliminary statement
21 that you submitted on June 15 and all 145 pages as
22 your pre-hearing statement. Do you understand that?

23 MR. SAMANIEGO: Well, also, on the
24 pre-hearing statement, I also made record about the
25 letter that was in transit. It was never delivered.

1 The letter was in perpetual transit and never
2 delivered.

3 They brought no evidence up in the
4 letter being delivered; and to my knowledge, this
5 letter being delivered at Samaniego is still in
6 delivery at this very moment.

7 THE HEARING EXAMINER: Yes. I
8 understand that, and that was one of the reasons --

9 MR. SAMANIEGO: Well, it --

10 THE HEARING EXAMINER: Mr. Samaniego,
11 hold on a second. You didn't answer my question,
12 though. I want you to acknowledge the fact that I'm
13 bending over backward to help you present your case
14 today.

15 In doing that, I have accepted your
16 preliminary statement, 145 pages long, to act as your
17 pre-hearing statement even though Mr. Feldewert
18 doesn't consider it a pre-hearing statement because
19 you did not comply with the pre-hearing order. So, do
20 you understand that I've done that?

21 MR. SAMANIEGO: No, sir.

22 THE HEARING EXAMINER: Okay. You don't
23 understand it. That's fine. So, Mr. Samaniego, when
24 I issued the --

25 MR. SAMANIEGO: No. I think that you

1 didn't help me to the fullest of your ability. You're
2 allowing him to attempt to dismiss another case
3 without proper evidence just like the past four cases
4 that were dismissed without proper evidence, and now
5 I've got to take it to district court.

6 THE HEARING EXAMINER: I don't know
7 where you're getting any of that. I didn't say any of
8 that.

9 MR. SAMANIEGO: The record from the
10 pre-hearing statement was that Permian did not provide
11 notice. Their letter, Permian's Exhibits
12 9589071052700581156851 address to Samaniego -- okay --
13 was never sent. It was never sent to Samaniego. It
14 was never delivered.

15 And by their own evidence Permian
16 presented, it's still in transit. In transit, not
17 delivered. It says in transit by their own evidence
18 presented.

19 THE HEARING EXAMINER: Yes. And you
20 said that, and I've heard you. So, I'm going back to
21 the pre-hearing order --

22 MR. SAMANIEGO: Right. So --

23 THE HEARING EXAMINER: I'm going
24 back --

25 MR. SAMANIEGO: Hold on. Hold on.

1 THE HEARING EXAMINER: Mr. Samaniego,
2 please --

3 MR. SAMANIEGO: American -- American --

4 THE HEARING EXAMINER: Would you mute
5 him, please?

6 Mr. Samaniego, I had to mute you
7 because you're doing what you said you weren't going
8 to do, which is to talk over either the hearing
9 examiner or the other counsel because we are trying to
10 have a clear record in this case.

11 I issued a pre-hearing order weeks ago.
12 It outlined when you needed to issue your pre-hearing
13 statement. You decided not to comply with that. As
14 was brought to my attention by Mr. Feldewert, you
15 didn't get your pre-hearing statement in until
16 July 3rd.

17 That's not timely, so that doesn't
18 count as a pre-hearing statement. But I've bent over
19 backward for you, Mr. Samaniego, in admitting the
20 preliminary statement because you're not a lawyer to
21 act as your pre-hearing statement.

22 MR. SAMANIEGO: I asked for a --

23 THE HEARING EXAMINER: I can't
24 understand you --

25 MR. SAMANIEGO: -- and I filed the

1 pre-hearing statement in the proper time.

2 THE HEARING EXAMINER: I can't
3 understand you. Would you say that again?

4 MR. SAMANIEGO: I filed the pre-hearing
5 statement ...

6 THE HEARING EXAMINER: Mr. Samaniego, I
7 can't understand you.

8 MR. SAMANIEGO: I filed the pre-hearing
9 statement ...

10 THE HEARING EXAMINER: Go ahead.
11 Mr. Samaniego, what did you say?

12 MR. SAMANIEGO: Can you hear me?

13 THE HEARING EXAMINER: Yes. Go ahead.

14 MR. SAMANIEGO: Hello? Yes, sir. The
15 pre-hearing statement was filed in the appropriate
16 time. Regardless of the time I filed it, it was still
17 filed four days prior to the hearing.

18 It's still within adequate time.
19 Regardless of it being at six o'clock rather than five
20 o'clock, it's still four days prior to hearing. To
21 move forward with those statements is improper. It's
22 contorting the whole process.

23 THE HEARING EXAMINER: Okay. Thank you
24 for that. Unfortunately, proper timing of the
25 pre-hearing statement would have been, I think,

1 Wednesday of last week because, Mr. Samaniego, there
2 was a holiday; and four business days before today, is
3 about Wednesday of last week.

4 But nevertheless, I have accepted your
5 preliminary statement which you seem to refuse to ack.
6 I don't have to do that, but I'm doing it for you.
7 So, you do have a pre-hearing statement in this case.

8 Okay. So, now, with the evidence that
9 we have, I have to make --

10 MR. SAMANIEGO: Can we keep the record
11 open so that I can submit evidence?

12 THE HEARING EXAMINER: I'm sorry. This
13 was --

14 MR. SAMANIEGO: If you can just keep
15 the record open.

16 THE HEARING EXAMINER: This was your
17 opportunity to submit evidence. I don't understand
18 what you're asking.

19 MR. SAMANIEGO: To keep the evidence
20 open so I can show that Jennifer Roper deed -- to show
21 that that deed was never in my name. That was in my
22 real estate company's name. That property was never
23 in my name for them to be saying they sent it to
24 Samaniego.

25 THE HEARING EXAMINER: I understand.

1 MR. SAMANIEGO: That's a flat out lie.

2 THE HEARING EXAMINER: Okay.

3 Mr. Samaniego, I understand that you disagree with
4 that statement, and that's not even evidence in this
5 case.

6 MR. SAMANIEGO: I filed a
7 continuance --

8 THE HEARING EXAMINER: Can I finish?

9 MR. SAMANIEGO: -- so I could have time
10 to put this together.

11 THE HEARING EXAMINER: Mr. Samaniego,
12 can I finish?

13 MR. SAMANIEGO: Please hold on. I've
14 got court here at one.

15 THE HEARING EXAMINER: Can you mute
16 him, please? Would you mute him, please?

17 This is sort of devolving into a
18 shouting match, and that's not going to happen in this
19 forum. So there is no evidence in the record
20 regarding the previous owner of the home because you
21 did not properly submit the evidence, and I'm not
22 going to leave the record open because --

23 MR. SAMANIEGO: You didn't give me the
24 time. I filed --

25 THE HEARING EXAMINER: What did you

1 say? Mr. Samaniego, if you appear by phone like this,
2 it makes it hard to hear you, especially if you talk
3 over me. What did you say?

4 MR. SAMANIEGO: I'm saying that I filed
5 two continuances so that I would have adequate time to
6 do my filings in this case.

7 I'm backed up with another case out of
8 Texas, and what I'm trying to do here -- by denying my
9 continuances, it bottlenecked my attempt to give
10 proper attendance to this case by bottlenecking it up
11 at the holidays so that erroneous acts could take
12 place.

13 THE HEARING EXAMINER: So,
14 Mr. Samaniego, what motion --

15 MR. SAMANIEGO: And that's why I filed
16 the continuances. I filed two of them.

17 THE HEARING EXAMINER: Mr. Samaniego,
18 let me speak. What motion are you talking about to
19 continue the case? I didn't receive a motion.

20 MR. SAMANIEGO: Yes, sir. I filed two
21 motions to continuances; and the last one I filed,
22 Freya said that she piggybacked it on the hearing from
23 the last hearing scheduling this hearing.

24 And she piggybacked my motion for
25 continuance for this hearing, but I filed two motions

1 for continuance. It should've been continued to next
2 month so that I had adequate time.

3 THE HEARING EXAMINER: Mr. Samaniego,
4 first of all --

5 MR. SAMANIEGO: You guys bottlenecked
6 me with cases --

7 THE HEARING EXAMINER: First of all --
8 will you mute him, please, again?

9 Mr. Samaniego, you have to stop talking
10 when I start talking. If you don't do that, I'm going
11 to have to continually mute you; and you're not going
12 to be able to speak, and that's not in your best
13 interest.

14 So, why don't you wait and let me look
15 at the case file to try to understand what you are
16 talking about? So, I'm opening up case 26060, and I'm
17 looking for a motion to continue. Now, Mr. Samaniego,
18 what date did you file the motion to continue?

19 MR. SAMANIEGO: Hello? Hello?

20 THE HEARING EXAMINER: What date did
21 you file the motion to continue?

22 MR. SAMANIEGO: Yes, sir. I'm getting
23 it right now. I'm looking through the case filings
24 right now to get it.

25 Yes, sir. The first one, I believe,

1 was filed June 26th, and then the other one --

2 THE HEARING EXAMINER: Okay. So,
3 Mr. Samaniego, let's deal with these one at a time.
4 Okay? I'm looking at the document you're talking
5 about. It's a three-page document. Is that correct?

6 MR. SAMANIEGO: Let me go back to that
7 one. Let me see. Yes, sir.

8 THE HEARING EXAMINER: Okay. So,
9 Mr. Samaniego, here's what your document says. It
10 says, "Unopposed motion for continuance. Jonathan
11 Samaniego hereby files an unopposed motion for
12 continuance in case 26060 on behalf of AER in the
13 above referenced case."

14 Okay. Now, first of all, your motion
15 was opposed. Okay? Ms. Vance did oppose your motion
16 for a continuance, so this document is not correct in
17 its title.

18 But second of all, you don't tell me
19 why you want a continuance here. You don't supply any
20 evidence of why you need a continuance. So that is
21 standard practice.

22 When you file a motion, you have to
23 file some evidence with it to explain why you want the
24 case to be continued, why there's some sort of
25 hardship to you; and you have to title it properly.

1 This should've said "Opposed Motion for
2 Continuance." In a motion that you file with any
3 form, including a court, if you don't properly state
4 the opposing party's position, it's bad form to say
5 the least. So do you understand why this wasn't
6 granted?

7 MR. SAMANIEGO: No, sir, because in the
8 statement for the motion for continuance, Paula Vance
9 made false statements that she was only given two
10 minutes on the response when I think she was given
11 just shy of 20 minutes.

12 THE HEARING EXAMINER: Okay. I
13 understand.

14 MR. SAMANIEGO: So, she had ample time
15 to respond. I can't just hold up --

16 THE HEARING EXAMINER: But
17 Mr. Samaniego --

18 MR. SAMANIEGO: -- and wait for her to
19 respond.

20 THE HEARING EXAMINER: Let me finish,
21 Mr. Samaniego.

22 MR. SAMANIEGO: Well, hold on.

23 THE HEARING EXAMINER: But she still
24 opposed it. It's still opposed. It's not unopposed.
25 Just because you didn't agree with the timeframe, she

1 made it clear that she opposed this motion; and we
2 knew that she opposed the motion.

3 MR. SAMANIEGO: Right. And at the
4 last -- right after the fact. I know, after the fact.
5 But at the last hearing, I made clear statements that
6 Jesse Tremaine is aware why I have hearings; and I
7 made clear that I have scheduled not the seventh with
8 those other hearings.

9 And you still moved forward in
10 scheduling this hearing for today's hearing, knowing I
11 had pre-hearings and other schedules I had to abide
12 by. And I don't know if you asked Jesse Tremaine, but
13 Jesse Tremaine why I've got court; and I made that
14 clear last hearing. That's why I filed the motion for
15 continuance.

16 THE HEARING EXAMINER: Mr. Samaniego --

17 MR. SAMANIEGO: And that's on the
18 record last hearing when I said --

19 THE HEARING EXAMINER: -- I'm looking
20 over the -- Mr. Samaniego, stop speaking. I'm
21 reviewing the verbatim transcript from June 22nd. We
22 have that, by the way. And I'm seeing where I called
23 the case, and I'm looking for where you tell me that
24 you're not going to be ready on today. So give me a
25 minute. I'm going to keep looking.

1 This was the case in which we started
2 at 8:30. This was a status conference, and you said
3 that you were not ready at 8:30. You thought that we
4 started at nine o'clock. So let me review the
5 transcript.

6 Okay. So, Mr. Samaniego, you confirmed
7 on June 22nd that you would be ready today. It's in
8 the verbatim transcript. You're more than welcome to
9 look at page 17 and page 18 of that transcript.

10 This unopposed motion for a
11 continuance, number one, was incorrectly titled. It
12 did not explain why you needed a continuance. It did
13 not ask for an alternative date, and it provided no
14 evidence to support why you wanted a continuance.
15 Therefore, it was not ruled on.

16 Okay? So I'm not leaving the record
17 open for any further evidence from you. You had today
18 to provide it, and you didn't provide it. Now, I'm
19 going to go over what I needed to hear from you and
20 why I didn't hear that.

21 So we're dealing with proper notice.
22 Okay? And your burden of production in this case was
23 to show the evidence that you did not receive proper
24 notice, and I left that open to you to do that.

25 The first thing you were supposed to

1 show was that Permian knew or should have known the
2 correct address. That's number one. Number two, that
3 AER was the record or known owner at the time.

4 Then, you were supposed to show me that
5 certified mail was not delivered; and I did understand
6 that you said that one of the certified mails was still
7 in transit, and I do understand that.

8 Number four, you were --

9 MR. SAMANIEGO: All of them. Not one,
10 all of them.

11 THE HEARING EXAMINER: I don't know
12 that I know that, Mr. Samaniego. All of them?

13 MR. SAMANIEGO: It's all with the
14 evidence that Permian presented and I've presented to
15 you. What do you mean you don't know?

16 THE HEARING EXAMINER: I understand
17 that in one case --

18 MR. SAMANIEGO: I presented this to
19 you.

20 THE HEARING EXAMINER: I understand
21 that in one case, notice said that it was still in
22 transit. What do you mean all of them?

23 MR. SAMANIEGO: Because that's the only
24 case they admitted to sending notice in. All the
25 other dismissed cases, they admitted to not sending

1 notice. This is the only one that they're admitting
2 to sending notice to, and it's compromised. It's
3 still in transit today.

4 THE HEARING EXAMINER: Okay. And I've
5 already acknowledged that I understand that. Then,
6 you were supposed to show me that AER was locatable so
7 that constructive notice was improper. And finally,
8 you needed to show me some material prejudice to your
9 due process rights.

10 I don't find that you've met that
11 burden, Mr. Samaniego, so I am going to dismiss your
12 other two cases based on the evidence you provided
13 today. And again, you can appeal that decision to the
14 commission. You can have a de novo hearing, and you
15 can do the whole thing over again. Do you understand
16 your rights?

17 MR. SAMANIEGO: I want to ask if the
18 examiner can keep the record open to submit the deed
19 to show that Permian is lying, even though it doesn't
20 change the fact that they didn't give proper notice
21 because it's still in transit; but at least, it would
22 kind of give a pattern of their continuous lies.

23 THE HEARING EXAMINER: Okay.
24 Mr. Feldewert, your position --

25 MR. SAMANIEGO: Also, American filed

1 the motion --

2 THE HEARING EXAMINER: Okay. Hold on.
3 Hold on, Mr. Samaniego. We have to handle one thing
4 at a time. I'm asking for Mr. Feldewert's position on
5 that motion to keep the record open.

6 MR. FELDEWERT: Mr. Examiner, I think
7 when you look at the history since this matter was
8 filed back in March that you've bent over backwards to
9 give Mr. Samaniego and American Energy the opportunity
10 to present their case.

11 They've placed multiple filings,
12 multiple documents into this record. So I see no
13 reason to allow the evidence, allow the case to remain
14 open.

15 THE HEARING EXAMINER: Mr. Samaniego,
16 the motion to reopen the record is denied. The record
17 is closed. Did you have something else to say?

18 MR. SAMANIEGO: Yes. That I filed a
19 motion to disqualify the hearing examiner for lack of
20 impartiality, and this is my second motion filing for
21 this because there was no just right to dismiss the
22 four cases as today.

23 There's no just right under their
24 mailing still being in transit perpetually to dismiss
25 and deny American's reopening of these two cases

1 today.

2 THE HEARING EXAMINER: I understand how
3 you feel.

4 MR. SAMANIEGO: And again, this is
5 another third -- I'm not done. This is now the third
6 attempt in this exact same hearing where the hearing
7 examiner has shown lack of impartiality and bias
8 toward American by continually finding abilities for
9 Permian to weasel out.

10 THE HEARING EXAMINER: I find,
11 Mr. Samaniego --

12 MR. SAMANIEGO: And --

13 THE HEARING EXAMINER: Can you mute
14 him, please?

15 MR. SAMANIEGO: This is --

16 THE HEARING EXAMINER: I'm speaking,
17 Mr. Samaniego. I find it amazing that after all of
18 what I've done to get your case here to a hearing and
19 give you a fair and complete opportunity to present
20 your evidence to the tribunal, that you can still say
21 that on the record.

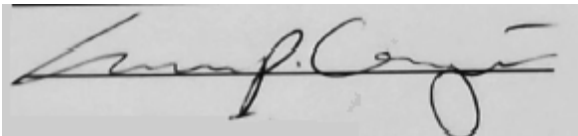
22 So I'm going to conclude today's matter
23 at this point and not give you any further
24 opportunity. You can file an appeal with the
25 commission once the final order is issued.

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This matter is closed. Thank you.
(Whereupon, at 10:05 a.m., the
proceeding was concluded.)

CERTIFICATE

I, GERALD ARAGON, the officer before whom the foregoing proceedings were taken, do hereby certify that any witness(es) in the foregoing proceedings, prior to testifying, were duly sworn; that the proceedings were recorded by me and thereafter reduced to typewriting by a qualified transcriptionist; that said digital audio recording of said proceedings are a true and accurate record to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

A handwritten signature in black ink, appearing to read "Gerald Aragon", written over a horizontal line.

GERALD ARAGON
Notary Public in and for the
State of New Mexico

CERTIFICATE OF TRANSCRIBER

I, LEAH EGAN, do hereby certify that this transcript was prepared from the digital audio recording of the foregoing proceeding, that said transcript is a true and accurate record of the proceedings to the best of my knowledge, skills, and ability; that I am neither counsel for, related to, nor employed by any of the parties to the action in which this was taken; and, further, that I am not a relative or employee of any counsel or attorney employed by the parties hereto, nor financially or otherwise interested in the outcome of this action.

A handwritten signature in cursive script that reads "Leah Egan". The signature is written in dark ink and is positioned above the printed name.

LEAH EGAN

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New Mexico Rules of Civil Procedure for the
District Courts

Article 5, Rule 1-030

(e) Review by Witness; Changes; Signing.

If requested by the deponent or a party before completion of the deposition, the deponent shall have thirty (30) days after being notified by the officer that the transcript or recording is available in which to review the transcript or recording and, if there are changes in form or substance, to sign a statement reciting such changes and the reasons given by the deponent for making them. The officer shall indicate in the certificate prescribed by Subparagraph (1) of Paragraph F of this rule whether any review was requested and, if so, shall append any changes made by the deponent during the period allowed.

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ARE PROVIDED FOR INFORMATIONAL PURPOSES ONLY.
THE ABOVE RULES ARE CURRENT AS OF APRIL 1,
2019. PLEASE REFER TO THE APPLICABLE STATE RULES
OF CIVIL PROCEDURE FOR UP-TO-DATE INFORMATION.

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COMPANY CERTIFICATE AND DISCLOSURE STATEMENT

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