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6 **OCD Regular Docket July 23, 2026-** 7 **20260723_141057UTC-Meeting Recording**

8 July 23, 2026, 2:10PM

9 2h 32m 55s

10
11 **PH Pecos Hall 19:01**

12 Good morning. It is 8.30 A.m. on the 23rd of July. This is the status conference docket
13 for the New Mexico Oil Conservation Division. I'm the hearing examiner. We do not
14 have technical examiners today.

15 And I'm going to call the cases in the order that was sent out yesterday, with one
16 exception. The first case on our docket is a Goodnight Midstream Permian case, and
17 I'm going to call that along with the Empire cases that are toward the end of our
18 docket. So I apologize, Mr. Rankin, if you were
19 Only here for that one case.

20 So let's go to #2 on our docket. This is 26131. It is joined to 26132 FED Operating
21 LLC. Case number is, I already said that. Good morning. Appearance please. Good
22 morning, Mr. Hearing Examiner Caitlin Lock appearing for FED. Thank you.

23
24 **EP Ernest Padilla 19:56**

25 Thank you.

26
27 **PH Pecos Hall 20:09**

28 Yeah.

29 Good morning, Mr. Examiner. Dana Hardy with Hardy McLean on behalf of Permian
30 Resources operating. We are just monitoring these two cases. Thank you.

31
32 **EP Ernest Padilla 20:20**

33 Good morning, Mister Sound, Ernest El Padilla, for Cimмерon Limited Partnership.

34
35 **PH Pecos Hall 20:20**

36 Play song.

37 Good morning, did you object?

38

39 **EP Ernest Padilla 20:30**

40 Yes, we did.

41

42 **PH Pecos Hall 20:32**

43 On what basis?

44

45 **EP Ernest Padilla 20:34**

46 The basis that we had in sufficient information from the applicant, we never really got
47 notice of the hearing or much of the paperwork.

48

49 **PH Pecos Hall 20:38**

50 Yeah.

51 Yeah.

52 Has that been resolved?

53

54 **EP Ernest Padilla 20:49**

55 No, it hasn't. We're hoping that we can resolve it before any kind of hearing occurs.

56

57 **PH Pecos Hall 20:50**

58 Yeah.

59 OK, OK, I understand the basis of your objection. Thank you, Mister Padilla. I think we
60 have Miss Kessler and...

61 One other party.

62 Maybe Miss Kessler is not here. Who is the other party, Miss Luck? Is it Miguel
63 Suazo? No, it's Permian. I believe Miss Hardy and Miss McLean are representing
64 them.

65 I have that entry, but I also have another entry. I wrote down the initials Ms. Oh, I'm
66 sorry, that's Mathias Sayer for Jr. Oil. There we go. Perfect. Do we have Mr. Sayer?
67 Do you know if Mister Sayer objected?

68 It was my understanding from his filing that it was simply an entry of appearance for
69 preserving rights, but I can't speak for him. I'm sorry. Okay. And what about Ms.
70 Kessler? Because she's not here either. Did she just preserve rights? That was my

71 understanding as well. I haven't received a formal objection. The only formal
72 objection was from Hunt Cimarron, but again, I can't speak for EOG. I'm sorry.
73 So, so far, we have one objection from Mister Padilla, as far as I understand. So, how
74 do you want to proceed, Miss Luck? We did confer with all the parties before coming
75 to hearing today at the status conference, and we would request the August 25th
76 contested hearing setting, if possible.
77 All right, Mr. Padilla, we're going to set a contested hearing for August 25th. That
78 gives you plenty of time to resolve your difference, I believe.

79

80 **EP** Ernest Padilla 22:25

81 And, uh, Mister, we also...

82

83 **PH** Pecos Hall 22:25

84 Bing.

85

86 **EP** Ernest Padilla 22:28

87 Ohh.

88 I think we have the same objection on the following case, 26-132. So let me just.

89

90 **PH** Pecos Hall 22:36

91 Yes.

92 Yes, Mister, I called both cases, and I noted your objection in both cases.

93

94 **EP** Ernest Padilla 22:44

95 Thank you.

96

97 **PH** Pecos Hall 22:45

98 Yes, thank you. All right, I will issue a pre-hearing order for August 25th. Sounds like
99 this can be resolved, though. Yes, thank you. All right, anything else, Ms. Luck? No,
100 thank you for your time. We're off the record in these two cases. Let's move on to
101 Matador Production Company. I think we have a few cases.
102 Here, let me call all of them: 26147, 148, 149, and 150.
103 Good morning, Mister Hearing, Examiner Adam Rankin with the Santa Fe Office of
104 Paul and Hart, appearing on behalf of the applicant in these four cases. Thank you,
105 Mister Rankin.

106 And good morning, Mr. Examiner. Dana Hardy with Hardy McLane on behalf of BTA
107 Oil Producers LLC. And are you preserving or did you object? We did object to these
108 cases. Why? Because BTA is trying to work with Matador on potential a potential
109 agreement and owns a significant interest, and if necessary, they'll propose
110 competing wells, but they're hoping
111 that this gets resolved. Understood.

112 We have two more entries of appearance, Mister Larson.
113 Freya, did Mr. Larson get notice of today's hearing?
114 I don't know if he's on the listserv, but the link and notice of hearings are posted on
115 our website.

116 Mr. Rankin, about Mr. Larson? Well, I used to litigate against him, and I know he
117 knows about the division of procedures, but so I don't know if he's in or not, but I do
118 know, I believe that the parties are talking, and I can maybe cut to the chase a little
119 bit, if that's okay.

120 One more moment. We also have another intro appearance too. Do you know who
121 JK is? Probably Jordan Kessler. That's probably right. Okay. Yeah. Is she objecting or
122 just monitoring? I believe in this situation she's just monitoring. Yeah. Otherwise we
123 would be. So yes, cut to the chase. Thanks. Yeah. So the chase is that
124 The parties are in discussions and we have agreed that we'd like to have a second
125 status conference at the end of August. I think we're hopeful that we can reach an
126 agreement with BTA and the other parties so that we can move forward without
127 having to go to a competitive hearing.

128 Okay, so this case was filed on May 4. Another status conference would be the final
129 status conference then.

130 Ohh.

131 So, Mr. Rankin, if you're not able to resolve your differences with the other two
132 parties, please be prepared to choose a date for a hearing.

133 We will be prepared, and we appreciate the heads up. I believe, I'm hopeful that the
134 parties will be able to reach an agreement. Oh, sure, of course. And Ms. Hardy, the
135 same to you. If you're looking, please advise your client that if they're going to file
136 competing applications, they need to do it with the idea that we'll hold a hearing
137 probably in September.

138 because these cases were filed in May and I don't want them to get too old.
139 Understood. Okay. All right. I don't understand why Mr. Larson did not attend today's
140 hearing. Freya, would you send Mr. Larson an e-mail letting him know that we heard

141 these cases today and he's really not
142 representing his client properly without attending these hearings? Yes, they will send
143 a message. Because I want to know why he's objecting, and it doesn't, I still have no
144 idea. But thank you very much.
145 Okay, we're off the record in these cases.
146 We're gonna move on.
147 to Permian Resource Operating. This is 1 case, 26151. Mr. Examiner Dana Hardy with
148 Hardy McLean on behalf of Permian Resources Operating. Thank you.
149 I know we have Miss Kessler and she's not here. What about Miss Shaheen? Do we
150 have you?
151 Ha.
152 Okay.
153 I know Sharon Shaheen is definitely on our on our list serve.
154 Any idea why Ms. Shaheen wouldn't be here today? No, it was my understanding she
155 was going to be here. Maybe she wasn't aware of the time change in the docket, but
156 I will send her a message. I can send her a text message. All right, I'll recall this case
157 because she's objecting, is she not? She is.
158 Ms. Kessler is probably not objecting. Correct. All right. Yeah, I'd like to hear from Ms.
159 Shaheen. I know this case was filed May 4th, so it's not that old, but it is over two
160 months old at this point. And
161 Yeah, I'm gonna recall this case, so I'm in recess on this case.
162 I'm going to move on to America Energy Resources 26202.
163 Good morning, Mr. Hearing Examiner. Caitlin Lock appearing for America. Morning.
164 I have Olivia Standish. That's correct, yes. She's the attorney for Pegas Valley, which is
165 the Water Conservancy District involved in this case. Ah, okay.

166

167 **OS** **Olivia Standish** 28:27

168 Good morning, Mr. Hearing Examiner. I'm attending online. Olivia Standish. OK.

169

170 **PH** **Pecos Hall** 28:28

171 The.

172 I see you.

173 I see you. Welcome, Ms. Dandish. You objected to this case going forward?

174

175 **OS** **Olivia Standish** 28:35

176 Thank you.

177 Yes, sir.

178

179 **PH Pecos Hall 28:39**

180 Okay, on what basis?

181

182 **OS Olivia Standish 28:41**

183 I represent the Pecos Valley Artesian Conservancy District. They are objecting on the
184 basis of protection of fresh water in that particular location.

185

186 **PH Pecos Hall 28:52**

187 OK, and.

188

189 **OS Olivia Standish 28:59**

190 We have had a conversation with the applicant. And so we are in the process of
191 potentially working through those issues.

192

193 **PH Pecos Hall 29:08**

194 OK, Miss Luck.

195 Are you satisfied with the basis of standing for this objection? Yes, Mr. Hearing
196 Examiner, we did have a pre-application filing meeting with Mr. Getz and his injection
197 team. At that point in time, we met with Pecos Valley involved because they are the
198 state engineers.

199 designee basically in this case to preserve and protect the groundwater in the area.

200 And just given the fact that this is a special artesian water district, they do have, and

201 they are afforded special rights with respect to standing. So at this point in time, we

202 have met with, and by we, I mean, my client, America, has met with the

203 Pecos Valley team on Tuesday to try to work through some of their concerns. We've

204 listened and we're discussing a potential permit condition stipulation, which I do owe

205 Miss Danish at this point in time, but the parties are continuing to work through

206 potential permit conditions and provide information, and we would like to request a

207 contested hearing in August. Okay.

208 Miss Standish, did you attend this Tuesday meeting?

209 The.

210

211 **OS** **Olivia Standish** 30:14

212 Yes, I did.

213

214 **PH** **Pecos Hall** 30:15

215 Okay, good. And what happened at the Tuesday meeting?

216

217 **OS** **Olivia Standish** 30:19

218 What Miss Luck has represented is an accurate discussion or an accurate reflection of
219 what we've discussed. We are in the process of exchanging information between our
220 teams to see if this is something that we can stipulate. However, we do understand
221 that everyone would like to move this forward as quickly as possible. And so we had
222 discussed

223

224 **PH** **Pecos Hall** 30:32

225 Yeah.

226

227 **OS** **Olivia Standish** 30:38

228 potentially in August 25th hearing date.

229

230 **PH** **Pecos Hall** 30:40

231 Yeah.

232 Okay, does that work for you?

233 Yes, Mr. Hearing Examiner, I understand that the opponent is not available on the
234 other date that's available August 18th, so August 25th works for us. Thank you.

235 Okay. All right, we'll set this for a contested hearing on August 25th, but it sounds
236 like with the permit condition, that may not be necessary.

237 Yes, that's correct. Thank you. All right, you're welcome. Thank you, Miss Dandish.

238

239 **OS** **Olivia Standish** 31:10

240 Thank you.

241

242 **PH** **Pecos Hall** 31:11

243 All right, we're off the record in that case. Let's go on to, and Freya, will you let me
244 know when Ms. Shaheen?

245 Joins this.

246 Yes. Did you hear back from Machine? I did not hear back from her. So I'm not, she

247 was planning to be here. Especially for Empire, right? Yes, I'm not sure what's going

248 on. Right. Hopefully she's okay. Yeah, of course. Hopefully, yeah.

249 Okay. Well, if you hear back, let me know. I will. Thank you. But you're not relying on

250 her for the Empire case. Correct. Okay. All right. Let's move on to number 10 on our

251 docket. This is 26233. It is Permian Resource and it is joined with case 26234. Entries,

252 please.

253 Dana Hardy on behalf of Permian Resources. Perfect. Good morning, Mr. Exam. Adam

254 Rankin, Santa Fe, Holland Hart, appearing on behalf of Matador and its associate

255 companies in these cases. Is Ms. Vance also entered? She is on behalf of the law firm

256 we've entered it as a

257 as a law firm on their behalf. Oh, but we don't need her here today. No, we do not.

258 And did you object? We did. You did. Why? Because we have competing counter

259 proposals and a competing set of cases, which I can give you the numbers for. Yes,

260 please. The competing cases are Matador's Bill Wilshusen, Fed Commwell's.

261 and their case number 26332, 26333, and 26335. Thank you. And they directly

262 compete with...

263 with these two cases. Yeah, and forgive me for not having them acreage in my mind.

264 There may be some partial overlap. I'm not sure if they completely overlap. I think it's

265 more of a partial overlap. Oh, I see. Yeah. Okay. All right. And Miss Hardy, you were

266 aware of those? Yes. And I think we had other appearances. We do. I was asking if

267 you were aware of those. We did object to those yesterday.

268 Oh, I didn't know those applications, yes. OK, very good. So, we have two other...

269 Go right ahead, Mister Goodwin.

270

271 **JG** **Jeff Goodwin** 33:19

272 Hi there. Good morning, Mr. Hearing Examiner. Jeff Goodwin with Module Sperling

273 on behalf of Avant Operating Two. And we're just monitoring these cases.

274

275 **PH** **Pecos Hall** 33:22

276 Morning.

277 Yeah.

278 Very good. Thank you. Miss Luck. Good morning, Mr. Hearing Examiner. Caitlin Luck

279 appearing for WR Nonop in these cases, no objection, just preserving rights. Thank

280 you. Okay, thank you. Monitoring, monitoring. All right, so we have competing cases
281 for compulsory pooling. Miss Hardy. Mr. Examiner, so the competing cases
282 were filed for the August docket since we objected yesterday. Now they're set for a
283 status conference on August 20th. And we had consulted with Council for Matador
284 and have agreed that these two cases as well should be set for the status conference
285 on August 20th.

286 Okay.

287 And that's fine.

288 When we have the status conference in August, are you going to know whether you
289 want a contested hearing or not? I would expect so. I hope so. All right. Then I'll
290 mark, I know these cases are new for you, Mr. Rankin, but I'll mark it as a final status
291 conference because ultimately,
292 that's why you filed them, to either go to a contested hearing or resolve the issues,
293 right? Correct. I mean, I do believe that there's a likely potential for these to be
294 resolved. There are so many things going on in the world in everybody's business. So
295 I would maybe ask this for potential some flexibility if they aren't quite at
296 that point yet, but I appreciate the consideration. I understand. I will say that they're
297 working to try to get this resolved, but just in the event that it isn't some flexibility to
298 potentially have an additional month or so to get it finalized. That makes sense. I
299 mean, Ms. Hardy's cases were filed just last month, so that makes sense to me as
300 well.

301 I'm still going to mark it final, but you can talk me out of it. Sounds like you're
302 already starting to.

303 Okay, so I had called both cases, right, Miss Hardy? I called both cases. All right,
304 sounds good. All right, we're off the record in those two, you know, well, yeah, in
305 those two cases. I'm going to recall Permian Resource operating case now that Miss
306 Shaheen is here. Miss Shaheen, we called case 26.
307 in which you entered an appearance. That's, yes, Sharon Shaheen on behalf of Flat
308 Creek Energy.

309 OK, and your status in the case?

310 The.

311 Yes, I understand. I spoke with Ms. Hardy yesterday or the day before, and I
312 understand that Permian wants to go to a contested hearing on August 15th. Is that
313 correct? I don't know. We stopped because you hadn't answered your appearance,
314 so. Okay. Yes. But I'm still asking Ms. Shaheen.

315 So when I call the case, Ms. Shaheen, I'm asking for not just an entry of appearance,
316 but I'm asking for did you object or did you not? And if you did object, why? Yes, we
317 did object. And there are a number of reasons why. First of all, Flat Creek believes
318 that these should be developed as two-mile wells.
319 with two mile wells will be enhanced economics. They have begun discussions with
320 Permian in this regard and we believe that more time is necessary to get this
321 resolved. I do have some other notes here if I could. Sure, take your time. If you
322 could just give me a minute.
323 And my apologies for being late. I didn't realize we were starting at 830. From now
324 on we start at 830. Good to know.
325 Maybe I can do this from memory. If this can't be resolved, Flat Creek plans to
326 proposed competing development with two mile wells. We believe it should be, we
327 could get well proposals out by August 8th, which would put it on the October
328 docket. And also I do have a conflict and
329 I don't know whether I'll be able to get a waiver. We may need to get additional
330 council to step in.
331 For black, yes.
332 These, well, this case was filed by Miss Hardy on May 4th, so October will be.
333 will be six months at that point, half a year. So I'd want to have a, I'd want to have a
334 contested hearing in October. So I'm letting you know so that you can plan
335 appropriately to file your competing application in time for an October.
336 contested hearing. Miss Hardy, ultimately, this is your case. How do you want to
337 proceed? So Mr. Examiner, in this case, Flat Creek is not being pooled and they
338 haven't filed competing applications. PR, Premium Resources, is developing adjacent
339 acreage and wants to develop all of it at the same time to avoid
340 parent-child effects and those types of impacts. And the adjacent acreage is subject
341 to a lease expiration. And so Permian Resources would like to proceed to a contested
342 hearing in August. It would prefer the August 18th date. I think Flat Creek has had
343 time to propose competing wells if they were going to do that and they haven't
344 done it. Miss Shaheen,
345 You're not being pulled?
346 I was not aware of that. I believe we do have an interest in a 40 acre tract in the
347 planned 1 1/2 mile wells. They did not receive certified mail notice. I don't know
348 about whether
349 Permian seeks to pool Flat Creek, but we assumed, since we haven't voluntarily

350 agreed to participate and we do own a 40 acre, an interest in a 40 acre tract, that we
351 would be pooled. With respect to the offset development, those wells, I understand,
352 have already been drilled and can be turned on and produced at any time.
353 It's Permian's, I guess it's Permian's choice as to when they turn those wells on, but I
354 don't believe that the lease expiration is
355 requires us to go to hearing sooner when proposed 2 mile wells would be better
356 than the proposed 1 1/2 mile wells.
357 Miss Hardy, are you sure about? I mean, if she didn't get noticed, then maybe that's
358 why, because there was no interest, but what can you say? There may be some...
359 I think there are other entities owned by Flat Creek, and it's possible that one of
360 those is included, but Flat Creek itself, which has entered the appearance and
361 objected, is not the owner of the interest. I see. It's my understanding.
362 Well, what we can do is, so Ms. Shaheen, what we can do is we can set a contested
363 hearing, and then if something changes along the way, we can...
364 We can continue it to another date with good reason to do so.
365 If I may, I believe perhaps Ms. Hardy is referring to FE Permian, which is a Flat Creek
366 affiliate. And perhaps I should have entered an appearance on behalf of FE Permian,
367 and I will do that now. Okay. So that it's clear, it's possible that it's not Flat Creek
368 itself that owns the interest, but it's affiliate FE Permian.
369 All right, so you're entering an appearance for Fe Permian. Okay.
370 All right. I don't know how that changes what Ms. Hardy is requesting though. Well, if
371 I understand correctly, Ms. Hardy is requesting that it go to a contested hearing on
372 August 15th because of this purported lease expiration. And as I pointed out, the
373 lease expiration is really not affected by this proposed development.
374 I think Ms. Hardy is asking for an August 15th contested hearing because she asserts
375 that Flat Creek or FE Permian has had time to consider their proposal and could
376 propose their own development.
377 It hasn't done so.
378 If I understand correctly from Flat Creek FE Permian, they never received certified
379 mail.
380 even FE Permian never received a certified mail of notice of the May 4th application.
381 And so they only learned of it through some other secondary source. And so they
382 technically, if they didn't receive notice,
383 they haven't had much time, right? Sure. So let's do this. Well, I'm going to recess
384 this case again. I'm going to allow you both to e-mail your clients and find out what

385 is the truth here, because I have no idea what the facts are. It sounds like there's
386 some guessing going on and I'm not willing to
387 continue on that basis. So Miss Hardy, please contact your client. Miss Shaheen,
388 please do the same. Find out who is the client, first of all, is it Effie Permian or is it
389 Flat Creek? And if so,
390 Did they receive notice? Did they not receive notice? I'd like to know. I'll recall this
391 case at the end. Sure. Thank you. Thank you. Thank you.
392 Fred, don't let me forget to recall this case, because after the Empire Goodnight, who
393 knows if my brain will be fried or not.
394 Everyone else's is, mine too. All right, so let's see, Permian resources, we've done
395 that. Okay, it looks like we're going on to NSP resources. This is case 26243, number
396 12 on our docket. And should you have appearance, please?
397 Machine, I think it's your case. Yes, Sharon on behalf. Will you turn on your
398 microphone? Sharon Shaheen on behalf of NSP Permian. Thank you, Machine.
399 Mister De Bruyne? Oh, no, Mister Goodwin. Very good.

400

401 **JG Jeff Goodwin 44:14**

402 Hi. Good morning, Mr. Hearing Examiner. Jeff Goodwin with Module Sperling on
403 behalf of Coterra Energy Operating, and we've objected to this case.

404

405 **PH Pecos Hall 44:16**

406 See.

407 Okay.

408 You have, and do you know why you've objected?

409

410 **JG Jeff Goodwin 44:25**

411 sent out counter proposals, which have just become right to file our applications, and
412 we will do so in time for the, I think it's September 6th docket.

413

414 **PH Pecos Hall 44:28**

415 And.

416 Okay.

417 I understand.

418

419 **JG Jeff Goodwin 44:39**

420 Um...

421 The Coteria Intrepid 2-3 competing application overlaps exactly with the Sunhawk
422 development.

423

424 **PH Pecos Hall** 44:42

425 Oh.

426 Ohh.

427

428 **JG Jeff Goodwin** 44:50

429 I do understand that Kattera and North Star or NSP resources are in discussions and
430 they're still progressing. So while we're hopeful that those negotiations will be
431 fruitful, we also want to set a contested hearing date.

432

433 **PH Pecos Hall** 44:55

434 Okay.

435 Okay.

436 Yeah.

437 Okay, that's helpful. Thank you, Mr. Goodwin. Miss Jean. Yes, Ennis Permian would
438 prefer to set this for another status conference.

439 If their applications are ripe on September 3rd, it seems like September 17th would
440 be the appropriate status conference. We would hold a hearing in September or
441 October at the latest. So if you want another status conference, you can continue
442 your cases to the August status conference docket.

443 and then we'll set it. But do we have, Freya, let's give out some dates for September
444 and October now, so Ms. Shaheen and Mr. Goodwin can consider those dates. Right
445 now we only have one special docket in September, that's September 15th. I'm sorry,
446 you said what? September 15th. September 15th, yes.

447 And then October 20th and 27th. All right. So we have these dates to offer you, Ms.
448 Shaheen and Mr. Goodwin, September 16, I'm sorry, September 15, October 20, and
449 October 27th. So please consider those when we return in August.

450 Thank you. All right, thank you. Mr. Goodwin, anything further?

451

452 **JG Jeff Goodwin** 46:24

453 Thank you. No, that should be good. Thank you.

454

455 **PH Pecos Hall** 46:28

456 All right, Miss Shaheen, anything further? Not from North Star. Wonderful. Oh, is that
457 what that NSP is, North Star?

458 It's another one of those where they're affiliates and they're sometimes
459 interchangeable. Very good. I understand. Thank you. Appreciate it. Now it looks like
460 we have another NSP case or North Star case number 13 on the docket, 26244.

461 Sharon Shaheen on behalf of Northstar. Thank you.

462

463 **JG Jeff Goodwin** 47:00

464 Jeff Goodwin with Module Sperling on behalf of Coterra Energy Operating. Again,
465 we've objected to this case and our position is the same. We've sent out counter
466 proposals and we plan to file our applications in time for, was it September 6th,
467 docket?

468

469 **PH Pecos Hall** 47:00

470 No.

471 I see.

472 Yes.

473 Okay.

474

475 **JG Jeff Goodwin** 47:19

476 Or was that correct? Okay. And yes, our Coterra Intrepid 234 computing application
477 overlaps with the Osprey 23 and then covers some additional acreage as well. So
478 again, we know that there are discussions happening, but we would like to set a
479 contested hearing date.

480

481 **PH Pecos Hall** 47:19

482 Yes, yeah, yes.

483 Perfect. So the same instructions in this case, Miss Shaheen. Please continue this
484 case. Should we join these cases or not?

485 Yeah.

486 Your 2 cases. Right, that's a good question, and I don't know. Okay, then please, the
487 machine, please continue these two cases, 26243 and 44 for a final status conference
488 in August. What's the date of the status conference docket?

489 In August.
490 This is the 20th. August 20th? Thank you. Yes.
491 So, August 20th, Mister Goodwin, I know your cases won't.
492 Well, maybe they will be. Maybe we can talk about your cases with a number by then
493 and possibly join them to these cases and issue a pre-hearing order for either
494 September 15, October 20, or October 27.
495 And if I may just request that Mr. Goodwin provide me with copies of the
496 applications when they're filed. Mr. Goodwin.

497

498 **JG Jeff Goodwin 48:49**

499 Of course, we will do that.

500

501 **PH Pecos Hall 48:50**

502 Thank you. Wonderful. And Machine, please speak to your client about those dates
503 so that they can choose one of those dates, their witnesses be available. Will do. All
504 right. Thank you. All right, if there's nothing further or off the record in those cases,
505 let's move to Longfellow Energy, 2625
506 Two.

507

508 **MS Miguel Suazo 49:11**

509 Good morning, Mr. Examiner. Miguel Suazza with Bating Wozaniak appearing on
510 behalf of the applicant, Longfellow Energy.

511

512 **PH Pecos Hall 49:12**

513 Bing.

514 School.

515 Good morning, Mr. Suazo.

516

517 **MS Miguel Suazo 49:20**

518 Good morning.

519

520 **PH Pecos Hall 49:22**

521 Mr. Rankin. Good morning, Mr. Hearing Examiner. Holland and Hart appearing on
522 behalf of Adam Rank with Holland and Hart appearing on behalf of Spur Energy
523 Partners in this case. Thank you. And you've objected, Mr. Rankin? We have. I'm not

524 surprised. And your basis of your objection? Spur is preparing counter proposals and
525 will be circulating those to all parties here.
526 probably, I think they're, I don't know the exact time frame, sometime in the next
527 week or 10 days is what they're trying to get it out as quickly as they can so that they
528 can file. It won't be right for the September docket, but it would be right for the
529 October docket.

530 Thank you. The acreage overlaps.

531 It does. Yeah, OK, Mr. Suazo.

532 Yeah.

533 You?

534

535 **MS Miguel Suazo 50:22**

536 and if October is the soonest that we can do it, I guess that's fine unless there's a way
537 to get it earlier.

538

539 **PH Pecos Hall 50:30**

540 It might be doable in September, especially if Mr. Rankin files them in the next few
541 weeks. I don't see why we couldn't have it on the September 15th docket. But why
542 don't we do this, Mr. Rankin? How about you continue this case to the August 20th
543 status conference docket?

544 And then we can set a hearing at that time.

545 We will do. All right.

546 I'm sorry, why am I saying Mr. Rankin? Mr. Suazo, I meant you.

547

548 **MS Miguel Suazo 51:01**

549 Sure, we can do that.

550

551 **PH Pecos Hall 51:01**

552 Would you please continue this case? I got confused. I apologize. To the August 20th
553 status conference docket.

554

555 **MS Miguel Suazo 51:09**

556 Yes, Mr. Examiner, we'll get that done.

557

558 **PH Pecos Hall 51:12**

559 And then at that time, we can evaluate the counter proposal and we can also see if
560 your witnesses are available September 15, along with Mr. Rankin's. If not, then we'll
561 have the August 20th or 27th.

562

563 **MS Miguel Suazo** 51:26

564 Okay.

565

566 **PH Pecos Hall** 51:27

567 All right. Anything further, Mr. Suazo?

568

569 **MS Miguel Suazo** 51:30

570 No, Mr. Examiner, thank you.

571

572 **PH Pecos Hall** 51:32

573 Mr. Rankin. Nothing further. All right, thank you. Let's move on to another NSP
574 resource case, 26287, number 15 on the docket.

575

576 **JE Jacob Everhart** 51:43

577 Mr. Examiner, good morning. Jacob Eberhard with Bay and Wozniak, New Mexico,
578 appearing on behalf of North Star Resources.

579

580 **PH Pecos Hall** 51:49

581 Good morning, Mr. Everhart.

582

583 **JE Jacob Everhart** 51:51

584 Good morning.

585

586 **PH Pecos Hall** 51:52

587 And.

588 Good morning, Mr. Examiner. Adam Rank with the Santa Fe Office of Holland and
589 Heart, appearing on behalf of Newborn Oil, Permian Resources Operating, MRC
590 Permian and MRC Delaware Resources. And your status? In these cases, I believe,
591 forgive me, these were all just new. I think we're objecting on behalf of
592 Permian and MRC and MRC Delaware. Okay, what's the basis?

593

594 **JE Jacob Everhart** 52:18

595 I think Mewburn's in there as well.

596

597 **PH Pecos Hall** 52:21

598 Is it you been objecting to you? I apologize if I missed the objection. Okay, yeah.

599 Thank you, Mr. Eberhard. Why are you objecting? Do you know? These just all came

600 up. I'm still trying to figure it all out. So I apologize for not being totally apprised. But

601 yeah, obviously a lot of parties involved, a lot of issues. So

602

603 **JE Jacob Everhart** 52:22

604 Yeah, yeah.

605

606 **PH Pecos Hall** 52:39

607 I'm going to request a status conference at the end of August so I can figure out

608 exactly where everybody is. I think everybody probably would appreciate that

609 because we're still trying to figure out what the positions are going to be. Because

610 there were a number of wells filed by, applications filed by NSP.

611 And working to figure them all out right now. All right, thank you, Mr. Rankin. Mr.

612 Everhart, it's your case. How do you want to proceed?

613

614 **JE Jacob Everhart** 53:04

615 Yeah, so I think ideally we would like to move towards the most recent or the fastest

616 available contested hearing, preferably in August or September 15th. It sounds like

617 the August date's getting pretty full. Northstar has had some discussions with the

618 Permian, but

619

620 **PH Pecos Hall** 53:05

621 Yes.

622

623 **JE Jacob Everhart** 53:23

624 Those discussions kind of leave us a little confidence that it's going to result in a like-

625 for-like trade. We do have some meetings scheduled with Permian next week, but

626 considering some of the investment progress that Northstar has invested in the Wild

627 Goose unit to date, we want to charge ahead as an overwhelming working interest
628 owner, about 50% with eight

629

630 **PH** Pecos Hall 53:24

631 And.

632 Yeah.

633 Yeah.

634 You.

635 Bing.

636

637 **JE** Jacob Everhart 53:44

638 committed and another 5% expected to be committed in the next week or so. We
639 have plans for Sputtering in November, so we like to move quickly on this one.

640

641 **PH** Pecos Hall 53:48

642 No.

643 I understand, Mr. Everhart. It sounds to me this case was just filed in June. I do use
644 the filing date as a barometer of how quickly of how quickly I'm going to set this. It
645 sounds like Mr. Rankin's clients, he needs to really figure out where his clients are.

646

647 **JE** Jacob Everhart 53:58

648 Mm-hmm.

649 Yes, sir.

650

651 **PH** Pecos Hall 54:14

652 What I'll do is I'm going to ask you to...

653 continue your case to the August 20 status conference docket. I'll mark it as a final
654 status conference so that we do get this set for either a September or October
655 contested hearing.

656 And that way you have time to talk to your client about September 15, October 20,
657 or October 27. All of those dates are before that November date you just mentioned.
658 I think that's the best I can do.

659

660 **JE** Jacob Everhart 54:44

661 Yes, sir.

662 Okay, we'll work with that.

663

664 **PH Pecos Hall 54:48**

665 Mr. Hearing, just one moment because I think there were some changes in the well
666 name. So what's listed here is Wild Goose. I think maybe the well name is actually the
667 Spruce Goose or was it changed to Wild Goose? Part of my confusion is because of
668 the name, there may be a name change due to amended application. And I think in
669 this case, it's

670 In this situation, I believe that Permian does have a meeting set up with North Star
671 on the 28th of this month. Okay. So they've asked me, you know, based on the
672 status, if September 17th, the second, the status conference on the September
673 docket would work. Now that's pushing it out farther, but again, this was just filed
674 and

675

676 **JE Jacob Everhart 55:15**

677 Mhm.

678

679 **PH Pecos Hall 55:32**

680 in June, and there's working to get potentially have discussions at the end of this
681 month. And so, you know, they've asked me to ask for our September 17th status
682 conference for this particular case. So Mr. Everhart, the applicant, council for
683 applicant, I feel like I'm already

684 Um...

685 Not doing what he's asking me to do, based on based on your position with your
686 clients, but I feel like I don't.

687 I don't feel comfortable pushing this to September status conference. Let's find out
688 what's going on in August. If there's some new information or if Mr. Everhart.

689 Backs off of his.

690 request for a contested hearing sooner, then I'm more comfortable with that. Or if
691 you're going to file competing applications, possibly, I don't know what's going to
692 happen here, but I don't feel comfortable going that far out at this time.

693 Understood.

694 Yeah, I'm just trying to accommodate both parties here at the same time. So Mr.

695 Everhart, about this wild goose, Bruce Goose name, do you know anything about
696 this?

697

698 **JE Jacob Everhart 56:45**

699 Yeah, it was originally filed as Spruce Goose, but there's an existing unit called a
700 Spruce Goose, and so we changed it to wild.

701

702 **PH Pecos Hall 56:49**

703 Understand.

704 A

705 So it is accurate then.

706

707 **JE Jacob Everhart 56:56**

708 Yes, sir.

709

710 **PH Pecos Hall 56:57**

711 Mister Rankin.

712 I think it was originally filed and noticed as Spruce Goose. And so I think there was an
713 amendment. I'm not sure if we, so I figured that out when I went to the case file
714 because there was a supplemental filing. It just got me confused.

715 Well, anyway, I think that's been cleared up now, so I think we're good. Anything
716 further, Mister Everhard?

717

718 **JE Jacob Everhart 57:18**

719 No, Sir.

720

721 **PH Pecos Hall 57:19**

722 All right.

723 Thank you. We're off the record in that case. Let's move on to Spur Energy Partners.

724 This is a very familiar case to me, and I know it will be to Mr. Suazo as well. Case
725 26288. Entries, please. Good morning, Mr. Hearing Examiner. Adam Rankin with the
726 Senate Office of Haunted Heart, appearing on behalf of the applicant, Spur Energy
727 Partners.

728 Thank you.

729

730 **MS Miguel Suazo** 57:43

731 Good morning, Mr. Examiner, Miguel Suaza with Bating Wozniak, appearing today on
732 behalf of Longfellow Energy.

733

734 **PH Pecos Hall** 57:43

735 But.

736 Yeah.

737 Thank you. Let me just give, well, let me just give a little bit of background to this
738 case. It's a bit of an interesting one. Several months ago, Mr. Rankin filed an
739 emergency motion for a stay. It was denied based on the evidence provided. There
740 was a motion for reconsideration.

741 That was also denied. Then there was a application filed on June 9, basically asking
742 for basically raising the same issues in the motion and the motions.

743 And that's what's before us today. Now, there was a motion to dismiss that
744 application filed by Mr. Suazo based on my rulings, and I issued A detailed order with
745 findings of fact and conclusions of law substantiating my decision.

746 to deny the motion to dismiss. So we're going to a hearing on this case, and I would
747 like that hearing to be sooner than later. Mr. Rankin, when can you be prepared for a
748 contested hearing on this case? I'm unavailable for August, but I conferred with the
749 client. Spur can be available for September 15th.

750 Which I think is the earliest special docket for a contested hearing. Okay, I thought
751 you just said that you were available for August. Unavailable. Unavailable. Available.
752 Yeah. Okay.

753

754 **MS Miguel Suazo** 59:23

755 Hi.

756

757 **PH Pecos Hall** 59:27

758 OK, Mr. Suazo.

759

760 **MS Miguel Suazo** 59:30

761 Well, obviously, we'd like to get this resolved sooner rather than later. I don't know if
762 it's possible for Mr. Rankin to have a colleague stand in his stead, but I think the
763 sooner we can get this resolved, that would please my client.

764

765 **PH Pecos Hall** 59:42

766 Right. Mr. Rankin, you're unavailable for the entire month of August?

767 Substantially, yes. Yeah. Well, it...

768 Your application raises some some clouds over this development, and the
769 development is already in progress.

770 We want to hear the evidence. The division really wants to hear the evidence on this
771 quote unquote deviation.

772 As you, as you characterize it, when are you available in August?

773 I'm involved in an arbitration that's going in Houston.

774 So, and then I'm taking my son to college at the end of the month, and so...

775 Basically, the last two-thirds of the month are no good for me.

776 And based on my Spurs availability, I don't know that I understand from them that
777 they were available in September, but not in August based on based on my
778 discussions with them. So I don't have, I don't know if the witnesses are available for
779 early August or not. I don't think that they would be.

780 So that's why we had picked September. We may be able to do an earlier day in
781 September, but I think based on conflicting and competing already, my schedule, I
782 don't know that I can't do September. I can't do August. Yeah. Freya, if we were
783 going to set this as early in September as possible, can we just choose

784 Is there some reason we can't do an earlier date in September?

785 We could do September 1st. Okay. Or September 9th. Okay, let's say September 1st.

786 Mr. Rankin, can you, it's your burden. You have the burden of persuasion, okay? So
787 obviously your witnesses have to be available, but would you check with your client?

788 For September 1st? I'm checking both September 1st and September 9th. Perfect.

789 Thank you. Mr. Suazo, if I could get this to a hearing any sooner, I would. It is Mr.

790 Rankin's case. I realize that you have the cloud over your development, but it is Mr.
791 Rankin's case.

792 And he has the burden. So, in the meantime, would you check with your witnesses,
793 Mister Suazo, for September 1st and 9th?

794

795 **MS Miguel Suazo** 1:02:17

796 Yes, I can commit to September 1st on behalf of the client. The problem with

797 September 9th is I'm actually speaking at a renewable conference in Salt Lake City, so
798 that is out for me.

799

800 **PH Pecos Hall** 1:02:18

801 Play song.

802 Oh.

803 Yeah.

804 OK, alright, understood.

805 Why don't we go in recess on this case? And when you hear back, Mr. Rankin, will
806 you alert me?

807 I will. All right. Mr. Suazo, we're going to come back to this case. I'm going to recall it
808 after we hear from Mr. Rankin, okay?

809

810 **MS Miguel Suazo** 1:02:45

811 Okay, thank you.

812

813 **PH Pecos Hall** 1:02:46

814 All right. Thank you, sir. Okay, I'm going to move on. That was number 16 on our
815 docket. I'm going to move on to the Empire Goodnight cases. Now I say Empire and
816 Goodnight. Goodnight had the first case on our docket, 24491. And that was an
817 extension, an amendment.
818 extension to commence injection operations case, but I thought we should hear it
819 with the Empire new cases, the 13 new cases seeking to revoke injection authority
820 from various operators, both within the EMSU and outside the EMSU. So I'm going to
821 call all the cases together.

822 These are cases 24491.

823 Uh, 26255.

824 And it looks like 26274. I don't know why the numbers aren't in order, but there they
825 are. Enter your appearance, please.

826 Mr. Examiner, Dana Hardy on behalf of Empire and also appearing for Empire is Miss
827 Sharon Shaheen. And Miss Hardy, are you also entering the appearance in 24491 as
828 well? Yes. Very good. Thank you.

829 Morning, Mr. Examiner. Adam Rankin with the Senate Office of Holland Heart,
830 appearing in all those cases on behalf of Goodnight Midstream Permian, as well in
831 every case but 24491 for Parker Energy Services.

832 Hold on, Mister, hold on just one moment. I don't understand. What were you
833 saying? So entering appearance in all the cases for Goodnight Ministry Permian.

834 We've also entered appearance for, I may have bungled my language. I understand
835 now, for another party. For another party, Parker Energy Services is appearing in
836 every other case, but for
837 the extension case for the rocket case. Okay. And before I go to Mr. Beck, Parker.
838 Parker. And what do they do? They dispose of water. Oh, they do. Okay. They're one
839 of the wells that's being targeted by Empire. Yeah. Yep. Perfect. I didn't know that
840 and I appreciate the information. Mr. Beck.
841 Morning, Mister Hearing Examiner, Matt Beck, Piper Hanson, Mullins and Baker, on
842 behalf of Rice Operating Company, Permian Line Service LLC. We have not entered
843 an appearance in the 24491 case, as I don't know what that is, and so we'll see if. But
844 you have entered an appearance in all 13 other cases. Yes, Mister Hearing Examiner.
845 Very good. Are there any other angels of appearance?

846

847 **MS Miguel Suazo** 1:05:34

848 Yes, good morning, Mr. Examiner. Miguel Suaza with Baiting Wozniak, appearing on
849 behalf of Pilot Water Solutions SWD.

850

851 **PH Pecos Hall** 1:05:35

852 But.

853 Okay.

854 Thank you, Mister Suazo. I thought Pilot was in Texas. Are they also in New Mexico?

855

856 **MS Miguel Suazo** 1:05:46

857 They're also in New Mexico.

858

859 **PH Pecos Hall** 1:05:48

860 All right, thank you.

861 Okay, let's deal with 24491 first, Mr. Rankin, because I think it's a little bit of a
862 different issue. However, I see them all intertwined. So I have questions that I'm
863 going to ask the parties. I've come up with a list of questions to help me determine
864 Miss Shaheen's

865 Well, let's first say that Miss Shaheen filed, I'm sure everyone has this, a motion for
866 referral to the commission. You've received it, right? Yes. And I wasn't sure. Did it
867 include 24491 in the extension case? No. It did not. I didn't think so. I lumped that
868 together because really it's.

869 all part of the same fight. However, no, she did not. Okay. Mr. Beck, you have that
870 motion? Yes. Okay. And Mr. Suazo, you have that motion?

871

872 **MS Miguel Suazo 1:06:40**

873 I don't think we've entered into 24491, but like Mr. Beck, we've entered into the other
874 13 cases.

875

876 **PH Pecos Hall 1:06:46**

877 Mm.

878 And the motion for referral was for the 13 cases.

879

880 **MS Miguel Suazo 1:06:51**

881 Okay, sorry, what was your question?

882

883 **PH Pecos Hall 1:06:52**

884 Everybody.

885 The question is, I see that all the parties have opposed the motion for referral.

886

887 **MS Miguel Suazo 1:06:59**

888 Correct.

889

890 **PH Pecos Hall 1:07:00**

891 Okay. And everyone is, I'm assuming everyone's going to respond to the motion in
892 opposition. So I'm going to give a one week deadline. I know you've had it already
893 for several days, but I'm going to set it for a week from today is the deadline. Mr.
894 Henry, does that work?

895 I sort of, we got the motion to refer yesterday afternoon. Okay. And Rice and
896 Permian are intending to file a motion to dismiss the applications. I think other
897 parties are. And so I sent around this morning after getting the motion to refer a
898 proposed scheduling order for briefing on both of the motions. And
899 And I have it. I don't think anyone's other than me really had a chance to review it,
900 but I have it on my computer and I can share it on Teams. Please go ahead.

901 So let me understand something, Mr. Beck, before you continue. You're going to
902 respond to the motion to refer with a motion to dismiss? No, so Mr. Hearing
903 Examiner, I just put up on the screen this proposed.

904 order. Let me get through the two pages of case numbers. So the scheduling order
905 contemplates that this came before you today, that on July 22nd, which is yesterday,
906 Empire filed a motion for cases that at least

907

908 **MS Miguel Suazo** 1:08:19

909 Yeah.

910

911 **PH Pecos Hall** 1:08:31

912 Rice Operating and Permian Line Service intend to file a motion to dismiss and
913 others might. And so what it does is it provides a proposed response deadline of
914 August 10th to the motion to refer, August 25th for a reply, and it proposes August
915 10th that same deadline.

916 For any motions to dismiss August 25th for responses.

917 page limits of 15 for motions and responses and 10 for replies. And then

918 I think that will, my thinking behind this was rather than us debating timing of filing
919 motions to dismiss or other motions, given the motion to refer that, and I know that
920 all the parties want to expeditiously deal with this, is probably the commission and
921 the division due, laying out something like this to give us some guidance.

922 knowing that briefing on all of these would be done by September 9th could help us
923 expedite these sort of preliminary processes.

924 You would have to come up with a really good argument on why I would allow
925 replies, first of all. So I'm not considering the reply schedule here. We have a motion
926 to refer that was filed yesterday. Based on what you have here, and I don't know if
927 the other parties have seen this document yet,

928 I don't expect that they have. I think this is the first everyone's seen it. As I said, I just
929 thought this morning that we would have something to talk about and could have it
930 entered today. That was my thinking. I see.

931 Okay. The motion to refer is on the table first. You're contemplating responses to the
932 motion to refer on what date? It would be August 10th, which is approximately 17, 18
933 days. I was just thinking that because I

934 I had August 10th as a deadline in my mind for filing motions to dismiss, given the
935 motion, so, and

936 And...

937 I'll come to you, Miss Hardy, in just a minute. And I know Mr. Rankin seems to want
938 more time, not less time, for these, for the motion practice, right, Mr. Rankin? Isn't

939 that why you slapped your head a moment ago when I said a week? Yeah, well, that
940 was one thing, but I also wanted to kind of make a suggestion, another suggestion,
941 not to make it more complicated.

942 Um...

943 But, you know, under the division's rules, whether a case is to be heard by the
944 commission in the first instance is a decision that's solely within the discretion of the
945 division director. That's correct. And my thought here is, just given

946

947 **MS Miguel Suazo** 1:11:19

948 Yeah.

949

950 **PH Pecos Hall** 1:11:30

951 the burden on all the parties and yourself, Mr. Hearing Examiner, that perhaps we
952 might seek guidance from the division director whether he would want to hear
953 briefing on a motion to refer in the first instance. And if he's even contemplating
954 whether the commission should hear this, you know, as a in the first instance, then
955 we would brief it.

956 And if he's disinclined to even bring it up to the commission and would want the
957 division to full hear it in the first case, then we wouldn't brief it. So my thought is to
958 1st just get direction from the division director. Does he want the parties to brief
959 this? Does he want to hear argument on why the commission should consider taking
960 this in the first instance?

961

962 **MS Miguel Suazo** 1:12:02

963 The.

964

965 **PH Pecos Hall** 1:12:10

966 And if he does want to hear that, then maybe we would then brief. That was my
967 initial suggestion before we got into a briefing schedule. I understand. So let me just
968 get the schedule down first from Mr. Beck so we all have something to talk about.
969 And then I'll go to you, Ms. Hardy, because they are your cases, except for the 24491
970 extension case.

971 which I did remove the stay, obviously. But based on some questions I have for the
972 parties, all the cases are affected by the answers to these questions. Mr. Beck, you're
973 suggesting 17 days to file a

974 motion to file a response to the motion to refer, you're also proposing August 10 as
975 a deadline for any motions to dismiss. Is that the idea? Yes, Mr. Harris. All right. Why
976 do you feel you need 17 days to respond to the motion to refer? I think it was more
977 geared towards
978 briefing on the motion to dismiss. And what I expect is that the two will overlap. And
979 so rather than doubling the work of the hearing examiner, the division director, and
980 the parties, it seemed to me that putting those two in tandem made a lot of sense.
981 Okay.
982 And so if in fact we went with that deadline, then ultimately I would impose A7 day
983 deadline for responses to motion to dismiss would be August 17. And that would be
984 the end of the briefing for me. Ms. Hardy.
985 Mister Examiner.
986 It doesn't seem to me that quite that much time should be necessary for responses
987 to the motion to refer or the motion to dismiss. At least I know Mr. Rankin was
988 contemplating a motion to dismiss. These applications were filed. I think they have
989 plenty of time to do that. I don't oppose a little bit more time. I mean, I would
990 propose
991 If we filed we filed the motion yesterday that responses and motions to dismiss
992 would be due by August 5th, that's two weeks, and then we could submit our
993 response within a week.
994 Mr. Beck or Mr. Rankin, whoever wants to answer this, on what grounds would you
995 seek dismissal of the applications? At least for Rice and Permian, what I've thought
996 about is the lack of standing, the lack of an injury, given the previous orders by the
997 commission. I also will
998 point out, you know, one of the things that is referred to in the motion to refer, not
999 to double up on that word, is that the commission has said that it will hear both the
1000 motion to lift the stay and the motion to dismiss.
1001 other related applications that are related to this. And we heard from the commission
1002 yesterday that that hearing is likely to be set in September. So I don't expect a lot of
1003 the same issues in these motions will be the same for those. And so I don't expect
1004 that
1005 If we do take until August 25th, you know, weeks in advance of that hearing, I don't
1006 expect it will cause any delay for any of the parties here.
1007 I want to explore what you said a little bit further. You said you felt like grounds for
1008 motion to dismiss would be based on lack of standing, Empire's lack of standing?

1009 Yeah, yes. You would have to have an injury in fact as part of the standing. I haven't
1010 briefed it, obviously, because I was thinking we would do so in the future, but that's
1011 my recollection from previous cases.

1012 And we've got a commission order that says that there is no current impairment to
1013 Empire's production, even in the EMSU.

1014 I did some research on this this morning to be prepared for today's status
1015 conference.

1016 I reviewed, I went back over the two orders that the commission.
1017 Issued the September and the December orders, and...

1018 Yeah.

1019 In my reading of the two orders.

1020 I came away with the following basic findings from the commission. Number one,
1021 that the ROZ existence in the Grayburg San Andreas was proven by substantial
1022 evidence. Core analysis at EMSU 679 and RR Bell #4.

1023 and that Goodnight's own witnesses agreed, oil is there. I'm not asking for debate on
1024 this. I'm just telling you what I found. ROZ recoverability, physical and economic. I
1025 believe there was insufficient evidence either way. Not disproven, just unproven.

1026 Current impairment of Empire's correlative rights.

1027 Not shown, the MSU still produces approximately 800 barrels of oil.

1028 From the Grayburg, no well specific production data tying that to Goodnight's
1029 disposal. Future impairment waste potential, Empire did carry this. Goodnight could
1030 not establish A continuous containment barrier, which is why the commission left the
1031 door open rather than denying Empire outright.

1032 Um...

1033 So...

1034 When it comes to standing.

1035 I think that's a high hurdle for you to show, but...

1036 You know.

1037 Fine.

1038 File your emotion.

1039 I have some questions I want to ask at this point, based on my reading of the orders.

1040 Um...

1041 I have some questions.

1042 So.

1043 And some of them are going to be directed to you, Miss Hardy, and some to Mr.

1044 Rankin. I don't know if I have questions directly to you, Mr. Beck, maybe. I'm happy
1045 to play the second chair to Mr. Rankin. Miss Hardy, has Empire commenced the CO2
1046 EOR pilot?
1047 project authorized by the commission's orders. Empire has submitted the form C-101
1048 to the division for approval that would allow them to commence a test of whether
1049 the RAS is recoverable. And the division just recently, this within the last couple of
1050 days, denied that because they had concerns about
1051 other matters involving inactive wells, and so Empire is resolving those other matters,
1052 but they are prepared and intend to commence the CO2 project. Okay. All right.
1053 Speaking Officer, may I please address that question? Okay, I didn't know you were
1054 going to have a response to that one. Hold on one second. Miss Hardy, is any
1055 recoverability data available yet?
1056 No, not yet. It takes time to commence the project and then do the test. Mr. Rankin?
1057 I wanted to correct the premise of the question. Go ahead. Because you asked
1058 whether they had commenced the CO2 project that was authorized by the
1059 Commission. The Commission did not authorize a CO2 project. The Commission gave
1060 them a three-year window within which to pursue
1061 if they elected to do so, a CO2 pilot project, with a very clear message that they're
1062 required to follow all regulatory requirements and other requirements to pursue that
1063 if they chose to do so, which is why in the initial instance, the division has denied
1064 both
1065 the C101 APD for the single well that they're seeking to do a huff and puff on, and
1066 the C103 effort to circumvent the C108 UIC process that they filed for the pilot
1067 project for CO2. So just for your awareness,
1068 Our view is that they have to follow the regulations, and I think it's the divisions as
1069 well. The division breached it to the commission. And so they haven't yet done so,
1070 and they are now substantially out of compliance with the division's requirements to
1071 even get any approval. So our view is that, you know, I just want to make clear that
1072 That your question, I think, was whether the...
1073 empires pursued what the commission has authorized and I just want to make clear
1074 that the commission, what they authorized was a three-year window for them to do
1075 the work if they choose to do so and if they can otherwise meet the requirements
1076 under the rules and regulations. So what you're saying is, and if I'm wrong about how
1077 I characterize that,
1078 Thank you for the correction, that the commission did not authorize a CO2 project. It

1079 said you have a three-year window, go about doing it.
1080 according to the division's rules and regulations. Correct. Just a bit. Sounds minor,
1081 but it's actually a big deal. Well, that's my understanding. Miss Hardy, would you
1082 agree with that? Yes, an empire will commence the project in accordance with the
1083 division's regulations within the time period established by the order. All right. And
1084 Miss Hardy, if you disagree with how I
1085 Please feel free to correct me because you know this is a complex matter. It is. And
1086 I'm stepping in.
1087 Hopefully not stepping in, but yeah, you know what I'm trying to say. All right. Given
1088 the three-year clock started when the state lifted December 17, do you agree that's
1089 when the three-year clock started? I think that's correct. Okay, fine. Does it make
1090 sense to press forward on 13 new revocation cases

1091

1092 **MS Miguel Suazo** 1:22:55

1093 But...

1094

1095 **PH Pecos Hall** 1:23:11

1096 Testing the same recoverability question before Empire's own sanctioned pilot has
1097 produced results.

1098 Yes, I think it does, because...

1099 The order issued by the commission suspended Goodnight's existing permits and
1100 imposed requirements regarding their wells that we sought to revoke, subject to us
1101 commencing the pilot project. Once we commenced the pilot project,
1102 they need to shut in those wells. And there is a whole slew of requirements that
1103 apply to Goodnight. And I know that Goodnight is not filed its shut-in plan that it
1104 was required to file by the Commission's order. So it hasn't complied with the order.

1105 But in any event,

1106 Our position is that these wells that are the subject of these 13 applications need to
1107 be treated similarly to the wells that have been addressed by the commission, and
1108 that's part of the reason that the cases in our position should be referred to the
1109 commission. So everything can be handled consistently, and the commission heard
1110 evidence for four weeks on all of these wells.

1111 And so that's why it makes sense to refer them. But yes, I think it does make sense to
1112 pursue these applications now.

1113 Correct me if I'm wrong here, because I, you know, I wasn't there, but I thought the

1114 terms of the shut-in were based on the...
1115 test that you are going to do? The timeline to actually shut in the wells is subject to
1116 us commencing the pilot project, or the timelines are tied together, but the order
1117 requires them to submit a shut-in plan that shows how they will shut in the wells and
1118 what their plans are for the water, and that is not contingent.
1119 on our pilot project commencing. So I'm not sure that that answers the question I
1120 asked, though, because I understand what you just said. But why does it make sense
1121 to press forward on 13 new revocation cases testing the same recoverability question
1122 before your own pilot has produced results. I mean, because if you're, I guess, if your
1123 test shows that there is no economic or some sort of recovery, why would they need
1124 to shut in their wells?
1125 Well, the wells.
1126 Since these wells have not yet been dealt with. Yes.
1127 I think they need to be treated the same way as Goodnight and the other operators.
1128 Other wells.
1129 And that would require a determination, I think, that these wells have to be shut in.
1130 when we commence, I mean, our position is they should be shut in now. Right, I
1131 know you. And I think that, you know, we would present evidence to show that. But
1132 delaying a determination on these applications until our pilot project commences is
1133 inconsistent with what the commission's done in the other cases.

1134

1135 **MS Miguel Suazo** 1:26:16

1136 Yeah.

1137

1138 **PH Pecos Hall** 1:26:30

1139 Because.

1140 Right now, in the other cases, the wells have to be shut in once we commence the
1141 pilot project. And there's no determination for these wells along those lines. So your
1142 understanding, and I'll go to you in a minute, Mr. Rankin, your understanding of the
1143 commission's order is once you get an approved test pilot,
1144 That's when the wells get shut in so that you can conduct your? They get shut in
1145 once we submit a notice of commencing the pilot project. Their paperwork
1146 requirements. So it's not based on the results of your? No, because it's when you
1147 begin your actual. Yes, yes, because our position is that, and I think the commission
1148 found this,

1149 that the injection interferes with our ability to do the test. I understand. I was unclear,
1150 but now I'm not unclear, Mr. Rankin.

1151 May I share my screen? Yeah, please. Okay, let me get to the place where I can do
1152 that in one moment.

1153 And this, Mr. Hearing Officer, I'm just going to say, you know, largely is what is going
1154 to go in the briefing. And I also want to say a couple of things about that is...
1155 That it seems to me that...

1156 A little bit of this is premature because we've got 6 cases pending at the commission.
1157 I know you do. That have been stayed. Yes, I know. And they're seeking to lift the
1158 stay on that. We briefed whether those cases should be dismissed or the stay should
1159 be continued.

1160 Those excuse me, these are cases dealing with wells outside the EMS. Correct.
1161 Correct. And so here, I'm going to kind of.
1162 kind of talk about this a little bit in the context of these cases at the division and the
1163 cases at the commission. So here you'll see the four cases, the four wells that are
1164 subject to the suspension, okay, currently are these four wells here that I've
1165 highlighted that I see pointing to. I see in section 17.

1166 Okay.

1167 The other, these other wells out here were the wells that were denied by the
1168 commission. Denied injection, correct? They're new wells that were proposed, and
1169 they were not permitted. OK.

1170 other wells that were stayed by the commission are outside the unit. I remember
1171 that. Now, and what the division, as you recited, the division essentially found that
1172 there is no current impairment and no recoverability proven for the ROC in the unit.
1173 So

1174 What the what the commission's been asked now to determine is whether or not the
1175 cases only relating to Goodnight outside the unit should be lifted.

1176 And the issue there is just as you posited, why should they be lifted when they
1177 haven't yet even proven what the division, the commission has asked them to
1178 establish within the unit? Okay. So now they're asking, before the commission even
1179 addresses that, they're asking the division to address that.

1180 earlier and before the commission addresses it. So when these cases were first
1181 referred to the commission to be heard in the first instance, it seems out of order.

1182 Okay. So at the very least, I would say, let's hear what the commission does first.
1183 on those six cases before we get all fired up to brief all this when the commission yet

1184 hasn't yet has that yet to weigh in on it.

1185 That's my first thought. I just think in terms of like our schedules, our effort, and so
1186 forth, it doesn't make sense to do that now.

1187 So, but to further addressing your question here, and to Ms. Hardy's point, which
1188 seems to be that these wells are not in the same position as these four wells. Well,
1189 yeah, that makes sense, because look at them. They're all over the place. Some of
1190 them are more than a mile and a half, almost 2 miles away from any of their units.
1191 Of course, they're not in the same position as the wells that are in the unit. They
1192 shouldn't be.

1193 there's going to be different evidence, different burdens to establish for these wells
1194 outside. Okay. If they even should be heard in the first instance, the commission's
1195 precedent has been and has been upheld previously that when you're more than half
1196 a mile away, unless you can actually show injury, then they dismiss the case.

1197 So I understand your point that the commission has found that there's a potential
1198 injury based on a model for the future, potentially, but that is still contingent on
1199 whether they can show that there's an ROZ, which is this three-year project. So it
1200 hasn't yet been established, which is why they gave them that three years. So my
1201 point here is that let's wait

1202 for the commission to rule in September and see what they're going to do. And
1203 depending on what the division does, the commission does, then I think we have
1204 some direction as to how to proceed here within the division cases. So if, so I think in
1205 terms of order of operations, I think the first thing would be if the commission wants
1206 all these cases to be up

1207 at the commission level right now to be heard and considered all at once. I think that
1208 first question is, does the division director want to refer all these cases or to consider
1209 referring all these cases to the commission? And if he's willing to consider that, then I
1210 think we should have briefing on that so that

1211 the division director and the division can hear the arguments about why that's
1212 prudent or not. But as to whether or not these other these new cases should be
1213 heard and briefed even before the commission addresses this issue in September, I
1214 think that's totally premature. And I think we ought to wait for the commission to
1215 decide what it's going to do

1216 With these cases outside the unit boundary.

1217 Thank you, Mr. Rankin. I have a question, Ms. Hardy, before I go on to the next. I
1218 have a group of questions, so this may take a while. Ms. Hardy, why weren't these,

1219 why weren't these 13 cases filed back when the other cases were filed a year or so
1220 ago?

1221 We were prioritizing the wells that were injecting into the units directly. Really, it's a
1222 matter, I think, of magnitude of the number of applications, the number of parties.
1223 So we tried to divide them up in a manner that seemed
1224 more manageable. But all of the wells impact the units and also Empire's acreage
1225 surrounding the units. They don't just own within their units. And so I think
1226 procedurally, that's what's gone on. Although at the commission, when we did file
1227 the applications involving the wells outside of the unit, we had requested that they
1228 all be heard together. And Goodnight opposed that and argued that they should not
1229 be. So the commission separated them and stayed the wells outside the unit. So the
1230 13th, I mean, I have a map in front of me. I know it's not a helpful map when it comes
1231 to where
1232 The 13 cases lie.

1233 How many of the cases are inside the unit and how many of the 13 are outside the
1234 unit? So in our motion that we filed yesterday, and actually I could share my screen,
1235 that might be helpful because I have a different map that I could pull up here.
1236 And this, are you seeing my screen or not yet? No. Okay.

1237 Okay. Okay. The blue line is within the EMSU. The red line, have any cases been heard
1238 by the commission in the AGU? No. I didn't think so. Not yet. Just within the EMSU.
1239 Right. Okay. Right. And so this map is in our motion that we filed yesterday. Right.
1240 I've seen it. And so you can see there the wells, the yellow acreage,
1241 is Empire's acreage. So it's outside of the units as well as within the units. And so if
1242 you look at the locations of the wells, the SWDs that we're seeking to revoke permits
1243 for, they all impact Empire's acreage, whether it's
1244 Within the units or outside of the units, and where is your pilot? Where is your pilot
1245 well gonna be?

1246 The one you filed the C11 for.

1247 Just use your cursor and that I don't. Miss Shaheen, do you know where that is?
1248 Sure.

1249 We think it's somewhere around here. Okay, all right, so in the middle of it. All right,
1250 fine. And so some of these are good night midstreams cases. So these are the 13
1251 cases of the colored dots here? Yes. Is that what you're showing me? Yes, then you
1252 can see the...

1253 The legend here, the red wells are our pilot, the, you know, green wells are Parker.

1254 So these are all the wells that are subject to these applications.
1255 Okay, I understand. I see. So they're really both within and without. Okay, I
1256 understand that.
1257 And you're saying that even the cases that are within the EMSU, because there are at
1258 least one, two, three, 4, 5, 6, 7, 8, looks like I see 8 cases that are either on the line or
1259 within the EMSU. They were not filed along with your other
1260 applications to revoke injection because? So most of the empire wells within the unit
1261 were, so the wells on this map that you're seeing, those are not all new applications.
1262 They're not. No, like some of these, you know, the Andre Dawson, the Sosa, the
1263 Rhino, the Ernie Banks,
1264 Those are the subject of the applications that were heard by the commission. Oh,
1265 they are. Yes, yes. So this is showing, I believe, all of the wells that we've sought to
1266 revoke or are seeking now to revoke. Oh, so this, so I can't use this to know which of
1267 the 13 new cases? No, we do identify them in the motion.
1268 Okay. Okay. I just thought it might be helpful. Yeah. I understood that. All right. Yeah.
1269 This is a question I'm going to ask, but I think it should be on the record. So Ms.
1270 Hardy, if the division hears these 13 cases and rules against you, you would de novo
1271 that to the commission? Right. Right. Mr. Rankin.
1272 If, if we win and they lose, we want to know. No, I, well, I mean, I mean, yeah, OK. But,
1273 but if we lost, we lose, yes, we want to know. Now, I just want to say, Mister Hearing
1274 Officer, I don't want to do a long thing right now, Mister Beck.
1275 I don't know the answer to that. I expect that any party that is not successful will
1276 appeal. I would think so too, but I just wanted to hear it. Mr. Suazo.

1277

1278 **MS Miguel Suazo 1:38:10**

1279 I think Pilot stands in the same position. I think, you know, the map that is on the
1280 screen from Miss Hardy is instructed, given where Pilot's well is located. It's A
1281 marginal well. It injects, you know, I think an average of 15 barrels A day. So it's a
1282 pretty nominal well in the scheme of things, but nevertheless, we're being, you know,

1283

1284 **PH Pecos Hall 1:38:13**

1285 Yeah.

1286 Just.

1287

1288 **MS Miguel Suazo 1:38:29**

1289 placed in the position of this potentially being shut in, which is, I think, an
1290 extraordinary measure here.

1291

1292 **PH Pecos Hall 1:38:33**

1293 Yeah.

1294 Okay. So you would appeal if the division found against your client, you would
1295 appeal that to the commission, right?

1296

1297 **MS Miguel Suazo 1:38:43**

1298 Yes, that's correct.

1299

1300 **PH Pecos Hall 1:38:44**

1301 All right. Ms. Hardy, I want to understand the evidentiary basis, whether this is going
1302 to be on the same record or whether we're going to have new evidence at this, you
1303 know, if we conduct a hearing before the division. And to clarify Mr. Rankin's point
1304 before, he was saying, well, why are we even dealing with these motions before the
1305 commission makes a decision?

1306 on what's in front of it in September. What exactly is in front of the commission in
1307 September?

1308 Empire's motion to lift the stay to proceed on.

1309 the Goodnight's wells that are outside of the, that are immediately outside of the
1310 MSU. And Goodnight filed a motion to dismiss based on standing. And I will note
1311 that argument's already been rejected by the commission previously. So it's the same
1312 argument and the same argument that Mr. Beck is going to make, I presume.

1313 on the half mile area of review for an SWD. Based on the injury, in fact. Right. And I
1314 think we've refuted that. And I think the map I just showed also refutes that because
1315 there are interests outside of the unit as well. Okay, so that's what's in front of the
1316 commission in September is motions to dismiss. Motion to dismiss.

1317 Just the cases outside the EMSU, the six cases that are on stay, Mister? That's right, I
1318 think. Yeah, correct. And to Ms. Pardee's point, the commission has not yet heard a
1319 motion to dismiss following the evidence in the case and the order. They have not
1320 heard that yet. So this is an opportunity for them to rule
1321 on the cases outside the unit subsequent to their order.

1322 So, your, so it's your motion, or is it Mister Beck's motion, or both of your motion?

1323 It's our motion, because while Mister Beck's in the case and Mister Mister Suazo is in

1324 those cases, it's our well, that's our wells, it's Goodnight's well. So, we filed a motion
1325 to dismiss those six cases that are still pending before the commission on the basis
1326 that for standing, essentially.

1327 Based on injury, in fact. Correct. Based on the findings of the commission in the unit.

1328 Correct. Mr. Beck, you joined in that motion?

1329 I think we did, as far as I recall. Yeah, I think we did.

1330 I can't recall right now, but I'm pretty sure we do. Do you know? If not, if not, I do
1331 not. OK, as I said, I'm always happy to back up Mister Rankin. So, if not, maybe, did
1332 you join in that motion?

1333

1334 **MS Miguel Suazo** 1:41:17

1335 I also don't recall, but we're certainly with Mr. Rankin in spirit and here for all of her
1336 support today.

1337

1338 **PH Pecos Hall** 1:41:17

1339 Yeah.

1340 You're carrying quite a burden. I don't think Mr. Suazo actually technically officially
1341 joined. I believe that Rice and Permian did have the motion. That's my recollection to
1342 you. But my point is simply that they're in the case, they're in the case, I believe, on
1343 the at the commission level. They're both in the commission level.

1344 So if, so based on what you said earlier, if the commission does, you know, grant this
1345 Hail Mary of yours to dismiss these six cases, what does that have to do with the 13
1346 new cases for the ones that are within the EMSU? So they're not, there's only two
1347 cases in the EMSU. Well, there's only two.

1348 Yes, so again, I'll show you, thank you, the map. Good night, 'cause I don't think this
1349 was...

1350 So in the emails, the two cases that remain, so just procedurally, there is the N11 and
1351 the P15. Okay. When you say remain, what do you mean by remain? Sorry. That they
1352 filed applications. The 13, of the 13 new cases. Of the 13 cases, N11 and the P15.

1353 These both were previously filed.

1354 by Empire, but they dismissed them without prejudice to file them again. Okay.

1355 Which is what they've done here. So they're only of all the 13 cases, there are only
1356 two that are in the unit. And those are the N11 and the P15. Okay. So depending on
1357 the commission's.

1358 decision on the injury, in fact, outside the EMSU, some of the Empire cases may go

1359 away based on the same argument. True. I guess, I guess technically these two cases
1360 for the wells inside the unit are potentially, I guess you could argue, are in a different
1361 posture because they're actually in the unit.

1362 All the others are outside the unit. I understand. That's helpful. Okay, so just to be
1363 clear, the alternative relief that we're seeking at the commission is to dismiss or to
1364 keep the stay in place pending the results of their analysis. I see. Okay.

1365 So it's not simply whether they will dismiss or not. It may be that they say, look, you
1366 know, these other six cases outside the unit, there's no good basis to go forward with
1367 them. We think we need to wait and see at least whether there could be
1368 recoverability and whether, so that's an alternative relief. And so I think very
1369 reasonable to wait for the commission to decide on how they want to handle those
1370 six cases.

1371 So right now we just have a motion to refer on the table. Correct. And we don't, I
1372 mean, if parties want to file motions to dismiss that, it seems it would be premature
1373 based on what you're saying, what the commission may or may not find
1374 withstanding.

1375 But the August 5th deadline for the responses to the motion refer does stand. I'm
1376 not going to tell the parties whether they want to file a motion to dismiss or not. I
1377 would probably hold that in abeyance until the commission made its ruling. I think
1378 that's reasonable, don't you, Ms. Hardy?

1379 I do, and I do want to, I do have one correction. There are three wells that are inside
1380 the unit, actually. Which ones? It's the P15 number one, the EME SWD number 21,
1381 and the N11 number one. Perfect. Forgive me, I really did like the EME SWD 21 and
1382 I've forgotten that it is actually inside the unit.

1383 All right. All right. So, Ms. Hardy, evidentiary basis, because these are your cases, you
1384 have the burden of proof. So I'm going to ask you these questions. The ROZ
1385 existence, fracture communication, and future impairment findings in R24004 were
1386 built on core samples
1387 from two specific wells, EMSU 679 and RR Bill #4. And Dr. Buckwalter's model, for
1388 each of the 13 wells here, is Empire relying on new well-specific evidence or asking to
1389 extend those EMSU
1390 679 RR Bell findings by analogy. I think that we would show that the geology is the
1391 same outside of the unit. In this area, we may provide additional evidence if there is
1392 additional evidence that's been identified.

1393 But. Perfect. That helps. That helps me. Okay. All right.

1394 Okay, for the wells actually inside the EMSU AGU, that would be the Owl P-15
1395 number one, the Permian Lines EME number 21 and N-11 number one, Rice's
1396 Blindbury Drinkard number 18.

1397 Those are all together. For the wells actually inside, does the operator agree this
1398 directly implicates the same theory already addressed in the commission's order, or
1399 is there a distinguishable factual basis?

1400 For the walls within the unit, I think it's the same. The same.

1401 And since the blind breed drinker is a rice well, I'll just point out that that is in the
1402 AGU, not the EMSU. And so there's going to be, I expect, different evidence, different
1403 geology. You know, I think it's a far cry to say that
1404 the same evidence presented only inside the EMSU, given the variations we saw
1405 throughout the EMSU, would apply equally to the AGU.

1406 Would you agree, Miss Hardy? No, I think the evidence is going to be very similar.

1407 Okay. All right, well, at least we will see. Okay. Mr. Rankin, you didn't have anything
1408 to say about that, did you? Well, I mean, I will just say it's 7 or 8 miles away, the
1409 drinkers, for example, and there's
1410 you know, 0 evidence that there's any core data, anything from the AGU. Okay. And I
1411 just can't imagine how any geologist is going to get up and say it's the same.

1412 You can find an expert to say anything.

1413 All right, Miss Hardy, for the two good night wells never part of R24004, that would
1414 be the Penrock State E.

1415 27 SWD #2 and the Scully State SWD number one, both outside the EMSU. Does
1416 Goodnight, well, I guess I'm asking Mr. Rankin this question. Does Goodnight view
1417 these as meaningfully different from the four wells already suspended or
1418 substantially the same theory?

1419 Yes, which wells again were you? OK, sure. Yeah, this would be the Penrock State
1420 ETR27SWD2.

1421 and the Scully state SWD number one.

1422 Yeah, substantially different. This area is dictated by structure. Perfect. And the
1423 reason that they chose their pilot well where they did is because it's on the very top
1424 of the structure, where they have the very best likelihood, and they're only targeting
1425 them, I mean, what we think is really Grayberg.

1426 is what they're targeting. The very, very top of what potentially has any oil. So yes,
1427 very different. And just for my information, Grayburg is above or below the salmon
1428 dress? Grayburg is above. I thought so. And there's communication between the

1429 two? No, there is not. But the commission found that there...
1430 There was. No, the commission found that there may be communication. Maybe. No,
1431 there's, in fact, and you know, I can get into it. No, no, thank you. No, thank you. Save
1432 that for September. All right.
1433 For the in part wells outside the EMSU AGU, what evidence connects them to the
1434 future impairment showing the commission accepted for the EMSU core well
1435 specifically?
1436 I think the evidence is very is similar in that the geology.
1437 Our expert testimony would be that it's very similar and that the findings extend.
1438 Okay.
1439 I'm sure you disagree. Obviously, yes. I know that. Yes. I'm just asking. I'm asking to
1440 make a determination on referral. I understand. I mean, I know you're going to brief
1441 this, but seeing as how the commission has sent these cases back to the division for
1442 to test well and to deal with.
1443 This, that says something to me. Okay, legal framework, settled or still contested. The
1444 amended order in December already resolved that the commission and OCD by
1445 delegation can suspend injection to facilitate the recoverability test without proof of
1446 current impairment.
1447 Do the parties agree that legal framework governs here, or does anyone contest
1448 these 13 cases present a distinct legal question requiring the Commission's
1449 resolution? I'll start with you, Ms. Harding. Sure. No, I think the question is the same,
1450 and I think it's resolved by the Commission's order, because under the Oil and Gas
1451 Act,
1452 The obligation to protect correlative rights and prevent waste includes the residual
1453 oil zone that the Commission has found we proved existed.
1454 So the answer to the question is that the legal framework does govern. Yes. From
1455 your perspective, Mr. Mr. Rankin. I'm going to ask you just to reframe the question,
1456 because I'm not sure I understood exactly what you're asking. Okay, I'm just going to
1457 read what I have here again. The order.
1458 Now, I'm specifically speaking about the 2nd order in December, R24004A, already
1459 resolved that the Commission and OCD by delegation can suspend injection to
1460 facilitate a recoverability test without further proof of current impairment.
1461 Do the parties agree that legal framework, that legal framework governs here, or
1462 does anyone contend that these 13 new cases present a distinct legal question
1463 requiring the commission's resolution? Yes, I think that the facts don't apply.

1464 because these wells are outside the unit. And what they found was that injection in
1465 the unit, the legal framework that that decision the commission made was largely
1466 governed by the fact that there is a unitized interval, that there is a unit agreement in
1467 place, that Empire has authority to govern operations for recovery.
1468 within the unitized interval. The question here is whether or not any of these wells
1469 injecting outside the unit is a factual question, have any barrier, any impact at all on
1470 their operations in the unit. That's a different, it's a different set of issues, different
1471 set of legal issues that have to be addressed with these facts.
1472 That's interesting. You said, you said something I thought was interesting. You said
1473 that it's a factual issue of whether any of these injection wells outside the unit would
1474 impair recovery within the unit. I think that's my understanding of their applications
1475 to revoke.
1476 It's not that they were impairing anything outside the unit, but that we're impairing
1477 their operations inside the unit. That's my understanding. So if I'm wrong, they can
1478 tell me, but that's the way I understood their allegations to be framed in their
1479 applications. So the legal framework would not hold there? No, it's a different
1480 question. A different factual question is whether or not...
1481 the injection outside the unit is having any impact on operations in the unit. I'll come
1482 back to you in a minute, because I know you probably want to clarify. Mr. Beck.
1483 Yeah, I think I largely agree with Mr. Rankin. I think what he's saying, and I think
1484 probably we're all on the same page with this even Miss Hardy, is that the division
1485 and the commission are looking at waste and protecting correlative rights. That's the
1486 legal framework that applies.
1487 We're stuck right now, I think as the division is probably stuck with the commission's
1488 orders, right? The commission has made its findings, has made legal determinations.
1489 I think what Mr. Rankin is saying is that some of those findings may not be preclusive
1490 in a division hearing.
1491 For applications to revoke wells injecting outside of the unit.
1492 And 13 of the and four of the 13 cases are within the unit. That's right. Yes. So I think
1493 for the other nine, we've got the legal framework provided by the statutes and the
1494 commission. The question is, is how the unitization impacts those wells.
1495 that are not within the unit. So I think that, so your question was the same legal
1496 principles apply. Yes, they do. But some of those legal principles, as Mr. Rankin points
1497 out, were premised on the unitization act and the unitized interval. And so
1498 that will be a difference factually and potentially legally for the 9 out of the 13 that

1499 are not within the unit.

1500 OK, Mr. Suazo.

1501

1502 **MS Miguel Suazo** 1:55:03

1503 I agree with, you know, everything that Mr. Rankin and Mr. Beck just said. I mean,
1504 you know, it's I wish our well, pilots well, ours well. The P-15 was a little bit further to
1505 the southeast than it is on that on that turquoise line. But here we are. You know,
1506 again, I think just to reiterate, even if we develop the facts,

1507

1508 **PH Pecos Hall** 1:55:13

1509 No.

1510 Sure.

1511

1512 **MS Miguel Suazo** 1:55:22

1513 you know, having this well cease injection is an extreme remedy given that it's
1514 marginal. And so we want the opportunity to present that. And I think there's other,
1515 you know, far more pressing, far more impactful developments surrounding, you
1516 know, this area within the EMSU. So pilot's a little bit differently situated, I think,
1517 except by

1518

1519 **PH Pecos Hall** 1:55:22

1520 Yeah.

1521 Yes.

1522 No.

1523 Play music.

1524 Two.

1525 Yes.

1526

1527 **MS Miguel Suazo** 1:55:43

1528 Geography.

1529

1530 **PH Pecos Hall** 1:55:45

1531 I see. Miss Hardy, back to the, if you'll answer that first, the premise of the, that Mr.
1532 Rankin brought up first, will you answer that first?

1533 Yes, my understanding, okay, of his point. The legal framework, I think, is the same.

1534 Okay. Because the commission is obligated in the division to prevent ways to protect
1535 correlative rights, which includes the residual oil zone within and with outside of the
1536 unit, I think.

1537

1538 **MS Miguel Suazo** 1:56:05

1539 Ohh.

1540

1541 **PH Pecos Hall** 1:56:17

1542 So there are two factors, right, on the wells outside of the unit. One is
1543 whether they're impairing correlative rights within the units, whether they're
1544 reaching, you know, whether injection fluid is reaching the units and impairing
1545 correlative rights. And then I think there's a second inquiry that involves whether
1546 they're impairing correlative rights outside of the unit. And I don't think the
1547 commission's order is specific to unitization. I don't think the legal framework is.

1548

1549 **MS Miguel Suazo** 1:56:33

1550 Yeah.

1551

1552 **PH Pecos Hall** 1:56:46

1553 I think the obligation applies whether you're talking about correlative rights inside of
1554 a unit or outside of a unit. Okay. All right. Okay.

1555 Yeah.

1556 Ms. Hardy, your motion to refer talked about the public importance factor. Right.
1557 Does any party dispute Empire's characterization that federal, state, and royalty
1558 owner interests make this a matter of substantial public importance as opposed to a
1559 private correlative rights dispute between operators? I'll start.
1560 Well, I mean, it was your argument, so I'm going to go to Mr. Rankin first.
1561 Well, I mean, I think that this whole area is of great public importance. This whole
1562 debate is of great public importance. Upwards of 50% of New Mexico's water,
1563 produced water is being exported to Texas because the state has not been approving
1564 saltwater disposal wells.

1565

1566 **MS Miguel Suazo** 1:57:44

1567 The.

1568

1569 **PH Pecos Hall** 1:58:03

1570 And it was anywhere, anywhere. I mean, there's been one approved this year, maybe
1571 two, you know, fewer than five in the last, you know, fewer than 10 in the last two
1572 years approved.

1573 There is a crushing need for the state to step up and manage its produced water.
1574 And these operators have identified a gold mine for disposal of produced water
1575 because the San Andreas is extensive.

1576 It is, has superior capacity. After 8 years of injection of over 300 million barrels, the
1577 entire reservoir has increased in pressure marginally. Okay. So what we have here is
1578 of great public importance.

1579 And the injection that's being threatened here is serving a substantial amount of
1580 existing actual operations in the Delaware Basin. And so, yes, this is of great public
1581 importance, but not for the reasons they're saying. Because there has been no
1582 proven ability to recover any of this ROZ.

1583 The allegations that it's been proven, we dispute strenuously. The core that the
1584 commission relies on doesn't even go down into the disposal zone. Okay, it is
1585 several, it's almost 100 feet above, at least. So there's actually no physical proof of oil.
1586 in the disposal zone. Okay. So yes, this is a problem and we need to address it. And
1587 it's unfortunate that it got to this point. But our view is that yes, this issue and all
1588 these wells and the entire San Andreas as a target for disposal is a
1589 incredible public importance, and it's not getting the attention it deserves. I can
1590 understand that. Thank you. Mr. Beck, Mr. Suazo, you basically agree with Mr.
1591 Goodnight? That's what we call him too. I refer to him as Captain Goodnight,
1592 actually.

1593 wearing a cape. Oh brother. Mr. Beck, that means yes, you agree? No, I'm not sure
1594 that I do. Actually, we don't depart ways very often. You know, I'm not sure that, I
1595 certainly think that these are issues of public importance.

1596 You know, I've heard before that there's no such thing as a big or a small case to
1597 everyone involved. It's the biggest case that they're in, and I think that's probably
1598 true here. I don't know the definition for purposes of 1915-420, what is a matter of
1599 substantial public importance, and I don't know if this qualifies. So

1600

1601 **MS Miguel Suazo** 2:00:48

1602 And.

1603

1604 **PH Pecos Hall** 2:00:55

1605 I can't answer that question. OK, Mister Suazo.

1606

1607 **MS Miguel Suazo** 2:00:58

1608 I will remain aligned with Mr. Rankin on this one. I do think that there is significant
1609 public importance and there's also, you know, specific importance to pilot. I mean,
1610 yes, there are produced water issues, but, you know, in this case, you know, our well
1611 is so far away from the pilot project and, you know, injects such a marginal amount
1612 of water.

1613

1614 **PH Pecos Hall** 2:00:59

1615 Play song.

1616 Okay.

1617 Okay.

1618 Yeah.

1619 No.

1620 Thanks.

1621 Please.

1622 The.

1623

1624 **MS Miguel Suazo** 2:01:35

1625 one instrument in a pretty nuanced situation.

1626

1627 **PH Pecos Hall** 2:01:41

1628 Can I add, can I have one comment to my, it's a shorter one.

1629 What are you making a comment to? To the question of public importance. Okay. I
1630 think because it is of great public importance, I think that, and because the
1631 commission has referred a lot of this management of both the suspension of
1632 injection and the implementation of any potential pilot project, I think

1633

1634 **MS Miguel Suazo** 2:01:56

1635 ****.

1636

1637 **PH Pecos Hall** 2:02:07

1638 speaks to the commission's intent and desire to have the division reassess these
1639 issues. And for purposes of articulating what the commission needs to focus on, I
1640 think it would be important for the division to have these cases heard and have the
1641 evidence, there's going to be new evidence and there's going to be a different set of
1642 factors that are evaluated with these cases outside the unit. I think it's a great
1643 importance that these issues be better crystallized at the division level so that when
1644 they do go to the commission, the commission is better equipped and the parties are
1645 better equipped to focus what the actual issues are. And so I would urge, to the
1646 extent that the division directors would consider referring these to the commission,
1647 would be
1648 to first have these heard out at the division level for that reason. Okay. Miss Hardy,
1649 when do you anticipate, if we clear away the motion to refer and we deal with the
1650 motions to dismiss if they are, if there's any basis for them?
1651 When do you anticipate wanting to hear these cases?
1652 I think probably as soon as possible, but I do think it makes sense to refer them to
1653 the commission so they can treat them consistently. But if they were going to be
1654 heard by the division, I would think
1655 within a couple of months. So we have to wait for the commission to deal with the in
1656 September. So that means, you know, October, November, something like that.
1657 Would you would you like to consult your client? Yes. And discuss witness
1658 availability?
1659 You have the burden of proof here and persuasion.
1660 And I think I'll leave it here. So Mr. Rankin, Mr. Beck, Mr. Suazo, please discuss dates
1661 in October, November for, if we don't refer these to the commission, to have a
1662 hearing here at the division level.
1663 in person. Witnesses don't have to be in person, but yeah, I mean, I haven't decided
1664 how I want to proceed on the, I need to hear the responses to the motion to refer
1665 and then see about dismissal, but that's what I'm thinking right now before I'm more
1666 well informed. Miss Hardy, am I missing anything?
1667 I don't believe so. Okay. Thank you. All right. So it sounds to me like there's not
1668 going to be a lot of new evidence. There's going to be evidence that is given to the
1669 division or the commission asking us to extend
1670 that evidence to areas of both within the EMSU and outside the EMSU.
1671 That's my understanding, but I'm not a geologist, so there may be additional
1672 evidence as well. But that's my understanding. I mean, you had four weeks of

1673 evidence in front of the commission. I would think that every stone was overturned.
1674 Um...
1675 You never know.
1676 You might find another expert.
1677 Mr. Rankin.
1678 Yeah, I mean, no, I think we'll, I think we'll confer with among council and with our
1679 clients.
1680 I think I think it's worthwhile having a discussion among the parties for an orderly
1681 hearing to figure out how, given that, you know, that these wells extend across an
1682 area of, I'm going to say, 50 square miles, how on earth we're going to do that in the
1683 context of a single hearing.
1684 Um...
1685 where each well will need to have, they need to make the burden for each well, and
1686 so it'll be interesting to see how it all plays out. I think depending on how the motion
1687 practice goes, we'll definitely have another status conference. At that status
1688 conference, I'm going to ask you, Miss Hardy, what are the issues going to hearing?
1689 And I'm hoping that in that time you will confer with the other parties and try to
1690 whittle down the issue. So we have, so we don't have a free for all here. Understood.
1691 Because I've seen how other hearings go and that's not going to go on here. We're
1692 going to have a very discreet list of issues.
1693 Witnesses will have a time limit to present their cases. We're going to do this in a
1694 very orderly fashion if we do it here at the division level. Mr. Suazo, anything further?
1695

1696 **MS Miguel Suazo 2:07:01**

1697 No, Mr. Examiner, I think we've covered everything in that path with respect to
1698 narrowing the issues. Sounds good to pilot.
1699

1700 **PH Pecos Hall 2:07:08**

1701 Of course, Mister Beck. Yes, Mister Hearing Examiner. So, I wanted to revisit the issue
1702 of the scheduling order. You know, I think that Mister Rankin makes a very good
1703 point, which is that we are...
1704 I mean, we shouldn't let the tail wag the dog. What's going to happen in this case is
1705 going to be determined in September by the commission. And so it makes infinite
1706 sense to me to wait on the commission to see what they do with
1707 the motion to stay and the motions to dismiss, and that we reconvene after that

1708 time. Now, I don't think that it necessarily needs to hold up the motion to refer. I
1709 think that
1710 I don't know if the division and commission are interested in that, but if they are,
1711 again, I think that we can just, for now, set, I guess, response deadlines on the
1712 motion to refer and say everything. I think that, I mean, I think that October and
1713 November is unrealistic.
1714 for a hearing. The EMSU took four weeks over the course of, I think, three months.
1715 And
1716 what I can tell, and I don't know the tip of the iceberg compared to Mr. Rankin, but it
1717 seems to me that there is a lot more research and evidence about the geology and
1718 hydrocarbons in the EMSU than there is in the AGU. And so
1719 When we're going to move to the AGU, I would expect that a hearing on the AGU
1720 would take that amount of time or more or less, depending on what the evidence is.
1721 And then when you're moving outside of that to a non-unitized unit, I would expect
1722 that there's less known.
1723 And so if we're going to include all of this in one, it would surprise me if we could get
1724 that done in six weeks. And it would surprise me if we would be ready for that by
1725 next July to present all of the evidence they would need to present. I'm putting those
1726 issues out there. As you said, you instructed us all to talk about this, and I think we'll
1727 do that.
1728 I'm just not sure we're going to be able to all agree on what that looks like. I just I
1729 just want everyone to go into this with eyes wide open, because...
1730 As I differentiated between the legal issues and the factual issues, this is all
1731 dependent on the facts. And I have, from what I saw, I probably know the least
1732 amount of geology in anyone in this room, but I was shocked to see the differences
1733 just within the EMSU.
1734 And when we're talking about a unit 7 miles away with less research, it seems like a
1735 giant intellectual leap to say that anything in the EMSU is applicable to the AGU and
1736 vice versa. And then when you move outside of that, it seems very hard to cry. So,
1737 you know, if they're stayed,
1738 and it turns out they can't produce the ROZ, it seems like an immense amount of
1739 resources that go to waste if we go through all this rigmarole in the next 2.2 years
1740 and it turns out there's nothing there.
1741 Getting back to the scheduling order, I think August 10th is a fine deadline for a
1742 response, given that we're going to wait till September. I'll note that all of the parties

1743 in here have a district court hearing next Wednesday, which I anticipate will be all
1744 day. I think that's true. So although a two-week deadline would
1745 would usually be okay. Given that we've got time to hear from the commission until
1746 September, and given that we're all going to be working for that hearing next
1747 Wednesday and all day hearing in both these cases in the district court, I think that
1748 August 10th is not prejudicing anyone to have our responses to the motion or for
1749 filed on that day.

1750 Thank you, Mister Beck. Miss Hardy, do you have anything to say about August 10th?
1751 No, I think I don't object to that, but I do think it would be helpful to have a decision
1752 on the motion to refer
1753 before we hit the commission hears the other issues in September, because if the
1754 cases are referred, of course, that impacts what they're probably going to hear. Okay.
1755 That seems fair.

1756 Can I ask for a point of clarification on what the motion to refer actually is
1757 requesting?
1758 I guess, is it requesting that the division director make a decision about whether the
1759 cases should be heard by the commission, or is it asking whether the hearing officer
1760 should ask the division director whether the cases should be heard by the
1761 commission? Ms. Harley.

1762 Well, I think it's under the rule; the motion is made to the...
1763 division and the division director would determine whether to make the referral, but I
1764 imagine that yourself would be involved in that decision with the director. Okay.
1765 Seems like a fair characterization.

1766 All right. Did I not call any cases? No, 24491. We're back to your case. This is an
1767 extension case. Correct.

1768 It's a case in which you received an order.
1769 What is the status of that order now? I know it's told because of your application. It's
1770 years old, right? Correct. So
1771 We filed this case application to extend the authority to commence injection.
1772 Because Empire had challenged the...
1773 injection authority of wells in the unit and outside the unit.
1774 So at the time, for a number of reasons that are now of record because we filed
1775 some testimony already in it, Goodnight determined to not drill the well and then to
1776 seek an extension to do so.
1777 And we asked for a one-year extension from issuance of the order. And that one-year

1778 extension now itself has passed. So the status of this is that all this has been told by
1779 the fact that we filed the application and then requested the extension. Having lifted
1780 the stay, we're now seeking and have requested, and I think the division has directed
1781 us to determine a date for a hearing on the good cause.
1782 clause for why the extension should be granted. So to that point, I guess I can tell
1783 you that, you know, our witnesses are available and September 15th, which I
1784 understand is the only date in September for our special hearing date. So we, our
1785 witnesses can be available that date. And then also in October,
1786 if that is necessary. I think I confer with Miss Hardy, and I think September 15th
1787 worked. I can't recall, but maybe it was later September worked. Forgive me for
1788 suggesting, but if September 15th doesn't work for them, I think then we'll have to
1789 look for October, unfortunately.
1790 Okay, and I think we also are need to, we also put another case in recess for parties
1791 to discuss with their clients September 1st or September 9th. Correct. So, I'll get to it,
1792 just a minute, I don't want to confuse things. We're still talking about 24491. So, Ms.
1793 Hardy,
1794 Obviously you oppose this extension, but it is a good cause based extension. Now,
1795 whether the division grants the extension or not, I'm sure you'll appeal that to the
1796 commission based on what's going on in the rest of the cases. So
1797 You have avenues open to you. Do you have a, I mean, it's Mr. Rankin's case, so I
1798 tend to give preference, but do you have a, something to say about the date?
1799 I think that the September date would work. I haven't conferred with my client about
1800 October. You know, I think both parties had asked at one point to refer this case to
1801 the commission as well. So we didn't revisit that in our motion. But I do think that
1802 It's tied up with the other cases in that whether the extension...
1803 how you can grant an extension on an application on a permit where showing should
1804 want to show should be revoked. Yeah, no, I so I.
1805 Do you have a separate case asking someone to revoke the injection of this well that
1806 they're actually an extension for? Yes, we do. You do? Okay, all right. And it's at the
1807 commission. And that's a state case with the commission right now? It is, yes. Okay.
1808 Well, I understand.
1809 Mr. Rankin, anything? No, I agree with Miss Hardy that that case was is part of the
1810 case to revoke is with part of the commission cases that are stayed and that are
1811 going to be taken up at the September 17th commission docket.
1812 Okay, I understand. So I guess on that note, well, I would argue it makes sense to

1813 stay, to postpone any hearing setting on this case until we know what the
1814 commission's going to do on the stay on the other companion case. Because if they
1815 lift the stay on the other, however, if for some reason we don't find good cause, then
1816 the case goes away.

1817 True. Right? Yes. So they're independent of each other. Just because the commission
1818 lifts to stay doesn't necessarily mean that how the good cause is going to be
1819 handled. I still think we should hear it at the division level and do our job here and let
1820 you do what you do at the commission level on that.

1821 case that stayed. So on the table is September 15th right now. Are you prepared for
1822 September 15th?

1823 I think that, I think I'd prefer the October dates, but I need to confirm with my client
1824 regarding availability on those dates. Do you guys want to discuss this? Yes, I think
1825 so. Well, I mean, not that you can agree on anything, but we are, we are ready to go
1826 on September 15th. Obviously, this case has been pending for a long time.

1827 You know, we, and it's a simple case about good cause, and obviously, I mean, the
1828 good cause is simply because Empire is seeking to revoke all these cases, and we
1829 just, you know, stayed it, didn't draw up for that for that reason. So, I mean, I think
1830 it's fairly simple. We'd like to go forward with it on September 15th. I'm willing to
1831 discuss with Ms. Hardy

1832 But I think, you know, we'd like to get that September 15th on the docket so that we
1833 can prepare our witnesses and get ready to go. Miss Hardy, how much time do you
1834 need to discuss with Mr. Rankin? Because what we'll do is we'll just hold off on the
1835 pre-hearing order until you guys have discussed the date. And a couple, I mean,
1836 could you let us know by tomorrow afternoon? Yes, yes.

1837 Then we'll just hold off on this. We're looking at September 15 for a good cause
1838 hearing only, but we're going to wait until tomorrow to issue that order. And possibly
1839 that'll go to October, possibly not.

1840 Would you help me? So, this must be this must be a well that's outside the EMSU,
1841 isn't it? Yes, it is. It's a little more than a mile outside. Okay. All right, fine. I just didn't
1842 remember that. Now, let's go back to the what was the case that we were waiting for
1843 September 1 or 9?

1844 It was your favorite case. I have many favorites. Forgive me for presuming. It was a
1845 case. It's #16 on the docket worksheet. Got it.

1846 And Mr. Suazo is involved. Oh yes, for energy. Yes, Mr. Suazo wants it sooner and

1847 you would like it a little later. And we were talking about September 1 and 9. Mr.
1848 Suazo, what's your case? September 1 or September 9?

1849

1850 **MS Miguel Suazo** 2:19:39

1851 September 1 it needs to be.

1852

1853 **PH Pecos Hall** 2:19:41

1854 That's right, you said that earlier. Are you okay with that, Mr. Rankin? Let me just
1855 double check again, because I didn't, before Mr. Suazo said that I...

1856 I offered him 1st and 9th, so he told me the 9th worked for him, so...

1857 One second. I understand why it doesn't work for Mr. Suazo.

1858 One second, I can't type.

1859 I can't.

1860 Apologies.

1861 Miss Hardy, while he's typing.

1862 Did we recall 26151 the Permian resource case?

1863 That's #8 on the docket. Not yet. We need to do that. We need to do that too. Yes.

1864 Mr. Rankin, why don't you take a break and do your thing. Let me recall case 26151.

1865 Ms. Hardy, where were we in this case? So on that one, I was confirming with my
1866 client regarding the notice

1867 To, yes, yes, Mister Hain's client, yes, and...

1868 It looks like notice was sent in May, but it was returned to us. And so I'm not sure to
1869 FE Permian. So I'm not sure why it was returned, but regardless, FE Permian had
1870 received the well proposals in March, and I have that tracking number, so I know that
1871 they received those. And then Miss Shaheen had entered an appearance
1872 in the case on June 2nd. Okay. So they've known about the case for a month and a
1873 half at least at this point. Ms. Sheen.

1874 Yes, I agree with that, although there was an interesting.

1875 fact, and that is Ms. McLean had given us a tracking number, and it was for Effie
1876 Permian, and the tracking number that she gave us may be incorrect because now
1877 that USPS says it was delivered to someone in Santa Fe, and the address is not in
1878 Santa Fe. So somehow that got lost in the mail.

1879 But what I also can tell you, FE Permian does have the interest. Flat Creek will be the
1880 contract operator in the competing proposal, and FE Permian did not receive notice. I
1881 don't know whether they received the well proposal. I'm assuming they did.

1882 If Miss Hardy represents that they did, then I trust Miss Hardy.
1883 Okay, so we're still talking about how we should proceed on your case, Ms. Hardy.
1884 It's your case. How do you want to proceed? Yes, we would like to set a contested
1885 hearing on August 18th. Okay. We'll issue the pre-hearing order for August 18th, Ms.
1886 Shaheen, and if there's a good reason to continue it, and there may be,
1887 then you'll file some sort of a motion explaining why I should delay it. Okay.
1888 Okay, but I thought it was August 15th.
1889 Maybe it is, I don't know, but 18th is it better three days later, Miss Miss.
1890 Freya, is it August 15th or 18th? It's 18. It was September 15th, August. The 15th is a
1891 Saturday, so. The 18th is, that makes the 18th A Tuesday. Yes. Okay, so we, and I did
1892 write down August 18th. I don't know where I got that from, but anyway.
1893 So we'll issue a pre-hearing order for August 18. If for some reason, Machine, you
1894 have a great reason why we can't do that, you let us know. Well, do you think that
1895 submitting our well proposals and being on the September, actually it would be the
1896 1st October docket? Is that going to be a...
1897 I mean, have you have you already sent out your well proposals? No. Well, I mean, to
1898 send out our well, whether we send out our well proposals now or August, I think it's
1899 the 8th, the soonest docket we can get on is October. Based on what Miss Hardy
1900 said, you know, the idea that the well proposals were sent out in March,
1901 and the case was filed in May, et cetera, et cetera, you know, you have to give me a
1902 good reason why your client has delayed sending out its own competing
1903 applications.
1904 We will do that. All right, fantastic.
1905 Mr. Rankin.
1906 I was able to talk to the land manager, but I couldn't he couldn't get the availability
1907 of the geologist or the engineer yet. So I mean, I can tell you, as you know, they're at
1908 lunch and he's trying to track them down, but I can get you an answer today, early
1909 afternoon. We'll go, we'll move forward with September 1st.
1910 If you need to file a motion with an affidavit on why we can't hear it September 5th,
1911 and we can also start on September, I'm sorry, September 1st. We can also start on
1912 September 1st. Freya, what day of the week is September 1st? Tuesday. Tuesday. A
1913 Tuesday. I mean, maybe we start on the 1st and continue on the 2nd, depending on
1914 availability. I don't know.
1915 But you would be going first. So your witness availability is critical. Okay? It is critical,
1916 yeah, as it is our application. So I will endeavor to find out their availability. I will just

1917 say, you know, I know the division wants to get it done. I know there's some issues to
1918 get resolved, and we want them resolved quickly as well. If the first doesn't work,
1919 and the 9th doesn't work, 15th is only two short weeks away. So I'm hopeful that, you
1920 know, we'll be able to get it done quickly and I'll advise the division on our witness
1921 availability. Okay.
1922 by later today? Yes. Okay. Would you also confer with Mr. Suazo, depending on what
1923 you find, so that when you give me something, it's a final that works for both of you?
1924 I will. All right, perfect. Mr. Suazo, anything else?

1925

1926 **MS Miguel Suazo 2:26:09**

1927 No, that sounds good.

1928

1929 **PH Pecos Hall 2:26:11**

1930 All right, very good. Thank you, everyone. We're off the record. Mr. Hearing Examiner.
1931 Oh, Mr. Yeah.

1932 Did you want to call the cases on the contest front set for contested hearing next
1933 week?

1934 Oh.

1935 We're back on the record. Can you call the cases, Fred, because I don't know the case
1936 numbers well enough.

1937 I believe they are case numbers 2599626062 through 652612926130. And the
1938 applicants' names are?

1939 Avant and Cotera. Avant and Cotera. And Chief of Appearance, please. Good
1940 morning again, Caitlin Luck appearing for Avant in all of these cases. Thank you,
1941 Mister Holiday.

1942

1943 **BH Benjamin Holliday 2:27:08**

1944 Good morning, Mr. Examiner, Ben Holiday appearing on behalf of Coterra Energy
1945 Operating.

1946

1947 **PH Pecos Hall 2:27:09**

1948 Yeah.

1949 Alright, Mister Holiday, I received...

1950 Miss Luck, I received your motion yesterday. Yes, Mr. Hearing Examiner, I believe that
1951 we both filed motions. They were agreed motions and they should be the exact same

1952 in all of the cases that are pending. We did have a contested hearing date scheduled
1953 for July 28th that the parties have reached an agreement. And so for that reason, we
1954 have requested to continue it while the parties paper up their agreement and then
1955 cases can proceed by affidavit following that. I would like to explore that a little bit.
1956 When you say that they've reached an agreement, can you tell me what the
1957 agreement is? I can maybe defer to Mr. Holiday. He could provide a little bit more
1958 context and information. Mr. Holiday.

1959

1960 **BH Benjamin Holliday 2:27:57**

1961 Sure, the agreement.

1962 in principle right now is for Coterio and Avant to trade out. So Avant would trade
1963 their acreage within the proposed Ball State units and in exchange, Coterio will
1964 provide acreage in another section of the basin.

1965

1966 **PH Pecos Hall 2:28:12**

1967 Good.

1968 Okay. And so if this trade out, first of all, how long do you think it will take? Well, first
1969 of all, you said you have an agreement in principle. Is that right?

1970

1971 **BH Benjamin Holliday 2:28:25**

1972 Yes, sir.

1973

1974 **PH Pecos Hall 2:28:26**

1975 All right, how long will it take to solidify that agreement in principle?

1976

1977 **BH Benjamin Holliday 2:28:33**

1978 I think it's reasonable that they could do it.

1979 before the August status conference. So that's why that's the date we requested. And

1980 I understand completely why you wanted to talk about this today, but there's a lot of
1981 acreage involved, but it's.

1982

1983 **PH Pecos Hall 2:28:43**

1984 The.

1985

1986 **BH Benjamin Holliday 2:28:49**

1987 The parties know what they want. I think we could give them to the August status
1988 conference date and then reset things for the September hearing by affidavit docket.

1989

1990 **PH Pecos Hall 2:28:59**

1991 What cases would move forward if this agreement is solidified?

1992

1993 **BH Benjamin Holliday 2:29:05**

1994 My understanding, and Mr. Luck, please correct me if I'm wrong, because Avon is
1995 trading out of its acreage in the proposed Ball State units, it would be dismissing its
1996 cases.

1997 And then they would refile for acreage in another part of the basin when they're
1998 ready.

1999

2000 **PH Pecos Hall 2:29:22**

2001 Yeah.

2002

2003 **BH Benjamin Holliday 2:29:23**

2004 Coterra would move forward with their applications, the three, excuse me, 4
2005 applications to proceed by affidavit.

2006

2007 **PH Pecos Hall 2:29:30**

2008 I see. Miss Luck, is that how you see it? Yes, Mr. Hearing Examiner. And so that's why
2009 we wanted to present these motions for continuance to the division as soon as
2010 possible before the July 28th hearing, because the agreement would be that basically
2011 one set of applications is dismissed, the other set of applications is basically
2012 consented to, but

2013 We're not in a position to put that on paper quite yet, but I do think that that's
2014 what's going to happen between the parties. Thank you. All right. In the future, and I
2015 realize that you, that this deal was made last minute, so I'm not, I'm not,
2016 Annoyed.

2017 that the technical examiner has already reviewed all of the data for these contested
2018 cases. It's a lot of wasted time for Mr. Fordyce, but that's the name of the game, I
2019 guess. However, at the very basic level, when parties submit an unopposed motion,
2020 or a joint motion, they provide a draft order with it.

2021 May we submit a draft order?

2022 Yes. I will do so or Mr. or I'll first have to run it by Mr. Holiday, but then I'll submit it
2023 after this hearing. Thank you. Okay. And the cases, all the cases, Cotera and Avant will
2024 be continued by the applicants to the August 20th status conference docket.
2025 That will be a final setting. If the parties have not resolved their differences, then
2026 we're going to set a contested.
2027 Hearing in September, or if the parties are not, I think the parties are ready to move
2028 forward. They filed for hearing statements and and exhibits. Is that right, Mister
2029 Holiday?

2030

2031 **BH Benjamin Holliday 2:31:23**

2032 Yes, sir. If for whatever unknown reason this breaks down, then we would, I would
2033 presume we would just move forward with the exhibits filed as they are.

2034

2035 **PH Pecos Hall 2:31:23**

2036 Yes.

2037 Right. And Miss Luck, a September contested hearing, if this agreement is not
2038 finalized, is acceptable to you? Yes, sir. All right. Okay. So we're at the end of the
2039 we're at the end of the hearing bureau time frame for these cases.
2040 either resolve them and we'll hear the Cotera cases by affidavit in September, or we'll
2041 have a contested hearing in September.

2042 Anything further?

2043

2044 **BH Benjamin Holliday 2:32:07**

2045 Nothing further. I just on the record, want to apologize for the lateness of it, but we
2046 did get the stand down order yesterday and tried to reach out to you guys as soon
2047 as we could and file this motion as soon as possible.

2048

2049 **PH Pecos Hall 2:32:19**

2050 Just in the future, file a proposed order with it so I can sign something or redraft it to
2051 my own liking.

2052

2053 **BH Benjamin Holliday 2:32:22**

2054 Thanks.

2055

2056 **PH Pecos Hall 2:32:30**

2057 Anything else, Ms. Luck? No, thank you for your time. I appreciate the division's time.
2058 All right. So verbally, I'm vacating the contested hearing next Tuesday and ordering
2059 the parties to continue all of their cases to the August status conference docket for a
2060 final status conference.

2061 Thank you. Thank you. We're off the record.

2062

2063  **Benjamin Holliday** 2:32:50

2064 Thank you.

2065

2066  **Pecos Hall** stopped transcription