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OCD Regular Docket August 6, 2026- 20260806_140414UTC-Meeting Recording

August 6, 2026, 2:04PM

3h 10m 30s

PH Pecos Hall 27:01

Good morning. It is 831 on August the 6th. This is the regularly scheduled hearing by affidavit docket. We have about 40, 41 cases on the docket today.

Okay, we're going to begin with cases that will be heard by myself and technical examiner Patricio Sanchez. Mr. Sanchez, are you with us?

SE Sanchez, Patricio, EMNRD 27:23

Yes, sir, I am, Mister Examiner.

PH Pecos Hall 27:26

Okay, thank you, Mr. Sanchez. I hope you're feeling better today.

SE Sanchez, Patricio, EMNRD 27:31

I am, thank you for asking.

PH Pecos Hall 27:33

All right. Starting out with case number one, this is Conoco Phillips, 26229. Entries, please. Mr. Examiner, good morning. Dana Hardy with Hardy McLean on behalf of Conoco Phillips, and there are no other parties in this case. Good morning, Miss Hardy. Go ahead. Thank you. In this case, Conoco Phillips is seeking to pool uncommitted interest in the Bone Spring Formation. underlying A 1,600 acre non-standard horizontal spacing unit comprised of the south half of section 23 and all of sections 26 and 35, Township 23 South, range 30 East in Eddy County. And they proposed to dedicate the unit to the Fury Road Fedcom walls. Exhibits were submitted last week and include the land testimony and standard exhibits of Ashley St. Pierre, who has previously testified before the division and been

37 recognized as an expert in petroleum land matters. We've also provided the geology
38 testimony and exhibits of Rachel Shanks, who has not previously testified before the
39 division. We did provide her resume, and if there are questions for her, we'll need to
40 have her admitted as an expert before the division.

41 Our notice, testimony, and exhibits show that notice was timely sent on June 15th
42 and 18th and also July 1st, and that we timely published on June 17th. So with that, I
43 ask that the exhibits be admitted and that the case be taken under advisement.

44 Thank you. Admitted all exhibits into evidence without exception.

45 Mr. Sanchez, I believe there's a fix on the CPAC and the C102.

46
SE Sanchez, Patricio, EMNRD 29:06

48 Yes, sir, Mr. Examiner. This, I guess, would be for Mrs. St. Pierre. It would be on page
49 three of 80 of the CPAC. And also, it's regarding the pools. So there are actually 3
50 pools that this project area crosses.

51
PH Pecos Hall 29:10

53 So, but...

54 Yeah.

55 I.

56
SE Sanchez, Patricio, EMNRD 29:25

58 And so on this on this on the CPAC page three of 80, it's going to be section the
59 South half of section 2349er Ridge Bone Spring Code 24720 Section 26 will be 49er
60 Bone Spring.

61
PH Pecos Hall 29:36

63 And.

64
SE Sanchez, Patricio, EMNRD 29:44

66 Spring West Pull Code 96526 Section 35 will be WC-015G-06S233.
67 036D Bone Spring, pull code 97944. No worries, I will e-mail this table and then the
68 other ones to the council so they can distribute that to their affected parties. And
69 that way we can hopefully get this stuff in by the end of the day, Mr. Examiner, if that
70 meets your approval.

71

PH Pecos Hall 30:26

73 Sure, Ms. Hardy, will you pull up page three and share your screen? Sure.

74 Hmm.

75

SE Sanchez, Patricio, EMNRD 30:39

77 That's it.

78

PH Pecos Hall 30:42

80 All right, so Miss Hardy, did you, I know he's going to e-mail you the information you
81 just wrote down, but do you understand what he needs? I do. It sounds like we just
82 need to add the additional pools here to the checklist.

83

SE Sanchez, Patricio, EMNRD 30:54

85 Yes. And Mr. Mr. Examiner, if it so please you, I can go through the other pages for
86 the particular 102s and we can list those off. Of course, they'll be in the notes too, sir.

87

PH Pecos Hall 30:57

89 Oh.

90 Hold on, Miss. Thank you, Miss Sanchez. Hold on a second. Do you need that, Miss
91 Hardy? So, I don't think so. I think I understand. Okay, sounds good. And you'll be
92 able to get this in today? Yes. All right, we'll leave the record open till 5 P.m. and then
93 we'll take the case under advisement if you get this information corrected.

94 Can you attach a cover letter to and explain what you're changing? Yes. All right,
95 fantastic. Mr. Sanchez, anything else or can we go off the record in this case?

96

SE Sanchez, Patricio, EMNRD 31:32

98 We can proceed and go off the record, sir.

99

PH Pecos Hall 31:35

101 All right, thank you. Thank you. Thank you, Ms. Hardy. Let's call the second case on
102 our docket. This is Permian Resource Operating LLC 26235. Yes, Jackie McLean on
103 behalf of Permian Resources, and we have consolidated case numbers 26235.
104 26236 and 26237. Okay, thank you. Good morning, Mr. Hearing Examiner Paula
105 Vance with the Santa Fe office of Holland and Hart on behalf of Newburn Oil

106 Company, and we're just entering an appearance to preserve rights. Thank you.
107 And that's the only other party. Thank you. Thank you. And these companion cases,
108 Permian Resources is seeking to pool all uncommitted interest in the Bone Spring
109 and Wolf Camp formations in sections 27 and 28, Township 21 South, Range 27 East
110 in Eddy County. And these units will be dedicated to the Uncle June Fed
111 Commonwealths.

112 And in case numbers 26239 and 26, or sorry, 26235 and 26236, we're seeking
113 approval of a non-standard spacing unit. Exhibits were timely submitted last week
114 and include the land testimony and exhibits of Daniel Curry, who has previously
115 testified before the division.
116 and has been recognized an expert in petroleum land matters. And we also include
117 the geology testimony exhibits from Charles Ward. He has not previously testified
118 before the division, so if there are questions, we would seek to have him admitted as
119 an expert in petroleum geology matters. We've also included notice testimony, along
120 with copies of the notice letters,
121 which were timely sent to all interested parties, along with an affidavit of publication.
122 And with that, I ask that the exhibits be admitted for case numbers 26235, 26236,
123 and 26237, and that the cases be taken under advisement. Admitted without
124 exception, and I believe
125 Case 26235, we can take under advisement now. I believe there are some pool code
126 fixes that we require to take the others. So Mr. Sanchez, is that correct?

127 The.

128 Yes.

129

130 **SE Sanchez, Patricio, EMNRD 33:53**

131 Case 26236, we'll need to fix that pool to Carlsbad East Bone Spring Oil Pull Code
132 96144. And the affected page on the CPAC is page three of 81.

133

134 **PH Pecos Hall 33:54**

135 Great.

136 Call.

137 Play.

138 The.

139

140 **SE Sanchez, Patricio, EMNRD 34:12**

141 exhibit A on a C102s, it's going to be page 12 of 81. But again, I'm going to e-mail
142 this to you so you'll have it, but just for the record, so it's recorded on this video. And
143 then

144

145 **PH Pecos Hall 34:13**

146 Yes, please.

147 I.

148 No.

149 No.

150

151 **SE Sanchez, Patricio, EMNRD 34:27**

152 That's it on that one and proceeding to 26237. Again, we need to fix that pool to
153 Carlsbad East Bone Spring Oil Pool Code 96144 and it'll be page three of 71.
154 and C102 on page 12 of 71. And that's it, Mr.

155

156 **PH Pecos Hall 34:51**

157 Mister Sanchez, do you have Miss Sanchez, do you have Miss McLean and Miss
158 Hardy's e-mail?

159

160 **SE Sanchez, Patricio, EMNRD 34:56**

161 Yes, sir, I do.

162

163 **PH Pecos Hall 34:57**

164 All right, fantastic. So, Miss McLean, you can get that in by 5:00 in both cases with the
165 cover letter. Yes, for sure. Fantastic. We'll leave the record open until 5 P.m. today,
166 and then we'll take the cases under advisement. Thank you. If there's nothing further,
167 Mr. Sanchez will be in recess on those two cases.

168

169 **SE Sanchez, Patricio, EMNRD 35:14**

170 Nothing further, sir.

171

172 **PH Pecos Hall 35:16**

173 All right, thank you. Let's move on to Permian Resource operating case 26238. Yes,
174 Jackie McLean again on behalf of Permian Resources. And we have consolidated case
175 numbers 26238, 26239 and 26240. Thank you, Miss McLean. Good morning, Mr.

176 Hearing Examiner Paula Vance with the Santa Fe office of Holland and Hart on behalf
177 of Mewburn Oil Company. Again, we're
178 just entering an appearance and preserving rights. I just wanted to, on the record, if
179 Ms. McLean can confirm for the one case that Mewburn that we discussed this
180 morning, which was case 26240, that Mewburn is just an offset and not an interest
181 donor.

182 And that's why they received the notice. Thank you. Ms. McLean. Yes, we are not
183 pulling them in that case. Perfect. Thank you. Go right ahead.

184

185 **JK Jordan Kessler 36:07**

186 And good morning, Mr. Examiner. This is Jordan Kessler on behalf of EOG entering an
187 appearance, just monitoring today.

188

189 **PH Pecos Hall 36:13**

190 Thank you, Miss Kessler.

191 Thank you. In these cases, Permian Resources is seeking to pool all uncommitted
192 interest in the Bone Spring and Wolf Camp formations in sections 33 and 34,
193 Township 21 South, Range 27 East, and Eddy County. And these units we dedicated
194 to the Gabagool Fed Comm Wells. Exhibits were timely submitted last week and
195 include land testimony and corresponding exhibits of Daniel Curry, who has
196 previously testified.

197 before the division and has been recognized in excerpt in petroleum land matters.

198 We also have geology testimony and exhibits from Charles Ward. Again, if we have
199 questions for him, we'd ask to admit him as an expert in petroleum geology matters.
200 And finally, notice testimony along with copies of the notice letter and affidavit of
201 publication.

202 And I ask that the exhibits be admitted for case numbers 26238, 26239 and 26240
203 and the cases be taken under advisement. Admitted without exception. We have the
204 same situation as the last three cases. Case 26238 is taken under advisement at this
205 time.

206 But we will need pool fixes for the other two cases. Go right ahead, Mister Sanchez.

207

208 **SE Sanchez, Patricio, EMNRD 37:26**

209 Yes, sir. 26239. The pool needs to be fixed to Carlsbad Eastbound Spring Oil Pull
210 Code 96144. The CPAC page four of 143 and then exhibit A3 on the C102.

211

212 **PH Pecos Hall** 37:27

213 No, no.

214 True.

215 Good.

216 Okay.

217 Play song.

218 Yeah.

219

220 **SE Sanchez, Patricio, EMNRD** 37:46

221 to page 17 of 143 and page 19 of 143. On the case 26240, Carl's, again, the pool
222 needs to be fixed to Carlsbad East Bone Spring Oil Pull Code 96144.

223

224 **PH Pecos Hall** 37:49

225 Play.

226 Yes.

227 Yeah.

228 Boot.

229 Steve.

230 And.

231

232 **SE Sanchez, Patricio, EMNRD** 38:05

233 Fix pulls on the CPAC page 4 of 132, exhibit A3C102s, page 17 of 132 and page 19 of
234 132. And that's it, Mr. Examiner.

235

236 **PH Pecos Hall** 38:10

237 The.

238 Hey.

239 S.B.C.P.

240 So.

241 Yes.

242 Thank you, Mr. Sanchez. Mr. McLean, 5 P.m.? Yes, that works for us. With cover letter?

243 Yes, we will do that. We will leave the record open and take the cases under

244 advisement at that time. Thank you. All right, thank you. We're off the record in those

245 cases. Let's move on to case #8 on the docket. This is Coterra Energy 26249. Good

246 morning, everyone. Dina Bennett on behalf of Coterra Energy operating.
247 and there are no other parties that have entered an appearance. Good morning, Ms.
248 Van, go right ahead. Thank you. This case was originally heard on July 9th, and at the
249 July 9th hearing, I noted that we had inadvertently not sent out notice letters to the
250 non-standard unit offsets. And so we are back today to cure that notice and included
251 in the revised or amended exhibit packet
252 is exhibit D, which includes myself-affirmed declaration showing that notice was
253 timely sent to the non-standard unit offsets. And it includes a sample notice letter,
254 mailing list, certified tracking information, and an affidavit of publication showing
255 that notice was timely published on July 15th.
256 So with that, I would ask that the exhibits in case number 26249 be admitted into the
257 record and the case be taken under advisement. And these are amended exhibits, is
258 that what you said? They are. Okay, very good. Those are admitted without
259 exception. The case is taken under advisement. Thank you. Thank you. Let's move on
260 now to case number.
261 Ms. Bennett, that case that I just called, that we just heard today, there was a
262 companion case, 26250, and I believe that's closed. That's correct. That case did not
263 need to be continued for notice. Perfect. Thank you. Okay, let's move on now to case
264 #9 on the docket. This is the last case Mr. Sanchez is technical examiner for. It's PBEX
265 operations 26285.
266 Dana Hardy on behalf of PBEX Operations. Thank you. Is there anyone else in this
267 space? Yes. Good morning, Mr. Hearing Examiner Paula Vance with the Santa Fe
268 office of Holland and Hart on behalf of MRC Permian Company, and we are just
269 preserving rights. Thank you, Ms. Vance. And Mr. Examiner Kerry Hatley, representing
270 Marathon Oil Permian, monitoring only.
271 Thank you, Miss Hatley. Thank you. Great ahead. Thank you. In this case, PBAC seeks
272 to pull uncommitted interest in the third bone spring sand underlying A 640-acre
273 non-standard horizontal spacing unit comprised of the east half of sections 24 and
274 25, Township 18 South, range 32 East in Lee County,
275 and will dedicate the unit to the LTK 2425 Fedcom Wells. We submitted our exhibits
276 last week and included the standard exhibits and land testimony of Ruth Pelzel, who
277 has previously testified before the division and been recognized as an expert in
278 petroleum land matters.
279 We also submitted the geology testimony and exhibits of Kristen Bradshaw, who has
280 not previously testified before the division as an expert in geology, and we provided

281 his CV in case there are questions for him. We did provide amended exhibits on
282 Monday, and that was to update the pooled parties list because there were several
283 parties who signed on to agreements.
284 We provided our land, our notice testimony and exhibits, which show that we timely
285 sent notice on June 11th and timely published on June 14th of 2026. So with that, I
286 ask that the exhibits be admitted and that the case be taken under advisement.
287 Admitted without exception. Mr. Sanchez, did you have a chance to see the
288 Amended exhibits.

289

290 **SE Sanchez, Patricio, EMNRD 41:52**

291 Yes, I did, Mr. Examiner, and I did note that they had an NSP prior non-standard
292 location package approved for this role administratively, and I checked that, and
293 that's fine too.

294

295 **PH Pecos Hall 41:53**

296 All right.

297 What?

298 All right, thank you, Mr. Sanchez. That's thorough. Miss Case is taken under
299 advisement. Thank you, Miss Hardy. And thank you, Mr. Sanchez.

300

301 **SE Sanchez, Patricio, EMNRD 42:12**

302 Thank you, Mr. Examiner.

303

304 **PH Pecos Hall 42:13**

305 All right. The rest of these cases will be heard by technical examiner Dean McClure. I
306 see him on the screen. Good morning, Mr. McClure. We're going to start with case
307 number 10. This is an amendment case, Permian Resources operator, operating,
308 excuse me, 26054 and 55. Entry, please. Good morning,

309 Mr. Hearing Examiner Paula Vance with the Santa Fe Office of Holland and Hart on
310 behalf of the applicant, Permian Resources. And I believe you're continuing these
311 cases. Yes, we're continuing these cases. I talked with Mr. McClure yesterday. This is
312 an instance where we're working through doing the administrative submission for a
313 first time extension.

314 There are a lot of notice parties. We have about 800 plus notice parties. And so Mr.
315 McClure had some feedback and we're working through that just to provide the

316 division additional information. But we asked to continue the case and I'll be
317 updating Mr. McClure on when we'll do the administrative submission.

318 When are you continuing these cases to? To the 9-3 docket, but we are hopeful that
319 by then we're going to dismiss and open that up. You know, we'll dismiss the hearing
320 cases by submitting the administrative and getting those approved through the
321 administrative process.

322 And I'd like to talk about that. I was going to wait until case number 17 through 21
323 on our docket. I would love to talk about it. And I'm really opening up this discussion
324 to anyone who wants to chime in about the process here, because I feel like we need
325 to work out a better process for this so we don't clog our docket.

326 We have 7 cases here that we don't even need on this docket, and that bumped 7
327 cases and delayed them a whole month. There's got to be a better way to do this,
328 but I'll start with you, Ms. Vance, because they are your cases, exactly.

329 It's my understanding that you have to file something before the order expires to toll
330 the time until you get an approval or a denial based on the good cause or whatever
331 other words are now in the ordering paragraph. I don't even know if it requires good
332 cause anymore.

333 For certain types of extensions. Okay, so that being said, that being said, what is the
334 current process you're using and do you have a suggestion for a better process? I
335 can answer both of those. So on the first point or first part there, what we are doing
336 is we are filing a

337 an application to toll the expiration date and using that as a backup as we're working
338 through the administrative process and then just requesting, working with Mr.
339 McClure because he's been reviewing all of these on, you know, continuing the cases
340 and keeping them live on the docket. So we

341 don't, you know, the orders don't expire. So again, we're filing a, we're filing that
342 application for a hearing while also completing, going through the administrative
343 process. My suggestion, and I'm glad that you asked because I was going to bring
344 this up,

345 is if it were possible to have a special docket just for filing applications for first-time
346 extensions, that way applicants can just file as they're working through this process.

347 And, you know, I talked with Mr. McClure. He said, you know, they're
348 they're working through their process on their end. So it's both sides that are
349 working through it. So if there was a special docket that we could just file these first
350 time extensions to and just continue to toll using that date, that would be great. That

351 way we are not clogging up the regular docket. So before I open this up to other
352 councils, I do want to hear from
353 everyone else who has an opinion about this.
354 What I was...
355 Wondering is.
356 It seems like council thinks an application for a hearing is the only type of application
357 that would toll the time. Why wouldn't a administrative application toll the time?
358 I mean, other than the fact that we've not gotten instruction from the division that
359 that will satisfy tolling, I mean, that's the only reason why not, because we've been
360 using this process of filing an application to toll. And so that's what we've been
361 going with. But if we got guidance from the division that we
362 could toll by filing something else, then we would do that. So legally, and I'm asking
363 for your legal opinion as well, can you, is there a reason why you think an
364 administrative application for an extension of time would not suffice to toll the time?
365 Not from my perspective.
366 Again, I, you know, I'm just going off of prior precedent of what's been done by the
367 division previously, and it required going to hearing to or filing the application, and
368 that would toll. So it's if the division provides instruction that
369 filing some sort of administrative application will satisfy tolling the expiration date. I
370 don't want to speak for all of my colleagues, but you know, from my perspective, I
371 would be fine with that. Because in my mind, if you did that and then you waited
372 your 20 days or whatever it is for objections, because I think that's the period.
373 for objections, right? 20 days? That's correct. And if no objections came in, you could
374 then notify the division, no objections have been received. Within that period of time,
375 please process the, or file an affidavit, a self-affirmed statement saying,
376 So you're, so just so I'm getting this right, we would file a notice in the original case
377 file informing the division that we are seeking approval of a one-year extension and
378 then initiate the notice process. Once the notice process completed and there was no
379 objection,
380 We would just file the affidavit at that point. So I said it a little differently than you
381 did. What I was thinking was you'd file your administrative application with the
382 division. If you file a notice into the case file, that also works at the same time as the
383 application for the administrative approval.
384 of the extension of time, then you wait the 20 days. Once the 20 days are over, if
385 there's no objections, then you file a notice with the division saying, the period is up,

386 no objections, please process the administrative application. If there is an objection,
387 then you go ahead and file your application for a hearing at that point.
388 Does that does that make any sense? It does. I'm just wondering about.
389 the notice piece of it, that we would file our applications, because I don't know how
390 other people are filing either, you know, and I'm just only thinking from our
391 perspective, is that we prepare an application and we send that out with a
392 a list of the notice parties. And then when we're filing the actual application, we're
393 including the tracking report. So, I mean, I guess we could complete the, send out
394 the notice, get our tracking report, and just at that point to, you know, what you're
395 saying, file the application and then wait our 20 days and then
396 file an affidavit. I guess my question would be, because were the attorneys were
397 sending out the notice, is it satisfactory that we are providing that affidavit? I would
398 think so. Okay. I mean, you already provide an affidavit in tab D of just about every
399 application you file.
400 Rely on your candid affirmation, yeah, Miss Bennett.
401 Thank you, so.
402 the division has sent out guidance on how we should approach these applications.
403 And that's how I know I've been doing it. I think that's how Ms. Vance has been
404 doing it. I'm not sure how Ms. McLean and Ms. Hardy have been doing it. And I don't
405 really see a reason to deviate from the process that the division has instructed us to
406 use on the backside. But I do agree that if there is guidance from the division that
407 the filing of the administration
408 administrative application tolls the orders expiration, that's all we need at this point. I
409 will say that I did have two cases set for today's docket to hold, but I continued them.
410 So I mean, if the division, there's no reason why we can't just automatically continue
411 them to the next docket.
412 to keep the order alive. We used to continue cases all the time that kept an order
413 alive. So I'm not like throwing any shade or anything. I'm just saying that there is
414 another mechanism which is to just voluntarily continue the cases to the next socket.
415 Okay, that's great. But that doesn't answer my question. So let me go back to ask the
416 question directly. So is there, do you see any reason why an application, an
417 administrative application would not toll the time for an extension of time? I do not.
418 You do not? No. Okay.
419 And do you think that's a workable solution to try to keep as many of these EOTs off
420 the hearing docket to basically not file anything? What I'm really saying is you have

421 an administrative track and then you have the hearing track. You don't really need
422 the hearing track unless you have an objection, is the way I see it.

423 Right. Do you agree with that? Yes, 100%. Okay. Then you, but it confused me
424 because you said we already have guidance. Why don't we just stick with that? And I
425 don't know what that guidance was, but don't confuse the issue right now. Okay. I'm
426 just trying to find a better process. Right. And I think that if the division were to
427 tell us affirmatively, because I know we've all had conversations with the division off
428 the record about whether the filing of an administrative application tolls the hearing.
429 And I think the answer to date has been somewhat ambiguous. And so if we were to
430 get affirmative guidance to that, that would resolve this issue.

431 The only additional information that would be helpful in that guidance is that if we
432 file an administrative application and it gets objected to, that also tolls the expiration
433 of the order because we could file an administrative application within a month of
434 the order being

435 expired and then get an objection and then file the actual application, but we may
436 not be able to file the actual application until the order has expired. But if the
437 administrative application tolls the time, why would you need something else to toll
438 the time?

439 Because if it's objected to and we have to file a hearing application, then that would
440 be filed after the time the order was issued. So all I'm asking for is just confirmation
441 that that is accurate. You could attach the original administrative application to your
442 hearing application and say, here was the timely filed administrative application that
443 told the time.

444 Now we need a hearing, but that would be. That sounds great. Thank you, Miss
445 Bennett. Miss McLean. We haven't been double filing. We've been filing with enough
446 time to just get the order. The first time I did that was actually Tuesday because I
447 think you were copied on our administrative application was rejected because we
448 didn't notice everyone correctly. So we

449 We did notice Monday, I filed Tuesday. I'm hoping to dismiss it out because it still
450 has plenty of time before the next docket. So it hasn't actually been an issue on our
451 end. Well, okay, but I'm still looking to get a consensus on

452 I'm still looking to get consensus on a new procedure. So if you've heard the
453 discussion so far, what are your thoughts? I think that it would be fine to just file the
454 administrative application and toll it. Mr. McClure emailed that
455 It wouldn't, but I don't know if that...

456 I don't see why it wouldn't be the same as with the hearing. So I guess I'm fine with.
457 I haven't really thought about it since we haven't had that issue come up, but I think
458 there's nothing precluding it from tolling it in the roll. Right, exactly. And there's
459 nothing in the order that requires an application for a hearing versus an application
460 for an administrative approval. Correct. Nothing.
461 discriminating between the two, right? Correct. Okay. Miss Hardy, do you have
462 anything further? No. No, I agree. Okay. Miss Hatley? No. Okay. Miss Pena? No. All
463 right. I can't see who's in the back of all my glasses on.
464 Ohh, hi.
465 Yeah, sure. The hearing has been continued. There's no...
466 Hearing.
467 What resources?
468 Fred, do you know anything about that? It was subjected to, and so it's on the
469 August 20th docket. Oh, it's time for a status conference. Correct. Are you the
470 attorney for?
471 You're just here to observe. Okay, great. Well, you'll have something else to observe.
472 This is not as exciting as that, but we'll do our best. Mr. McClure, you've been
473 listening. Do you have any follow-up questions?

474

475  **McClure, Dean, EMNRD** 56:40

476 Mr. Hearing Examiner. Yeah, I guess the only question I would have that it'd be good
477 maybe to get some input from the attorneys on is in the instance that a

478

479  **Pecos Hall** 56:45

480 No.

481 Mhm.

482 Yes.

483 Mm-hmm.

484 Nice.

485

486  **McClure, Dean, EMNRD** 57:03

487 process that the division would need to like quote unquote return in admin if
488 something needs changed versus rejection.

489

490  **Pecos Hall** 57:03

491 Two.
492 The.
493 So, and you, is that something that happens on a regular basis where we reject those
494 administrative applications?

495

496  **McClure, Dean, EMNRD** 57:22

497 We have had significant issues with the notice being followed through.

498

499  **Pecos Hall** 57:23

500 I.

501 No.

502 Ah.

503 What you were saying, Miss McLean? Yes, because now I know what Mr. McClure
504 wants, because before I was just including, like if we didn't send notice out to
505 everyone that was part of the original one, I just put a little sentence in my letter, but
506 I think he wants an affidavit from the land man that
507 says that title has changed. So we are going to be either sending it out to everyone
508 or including an affidavit. I mean, Mr. McClure, I mean, isn't the whole purpose of the
509 application to alert the division that the operator
510 intends to request or is requesting the one year extension. And even if it was
511 defective for some reason, wouldn't the division be able to hold on to it and alert the
512 operator, say, hey, it's not complete, it's not something or other. It seems to me that
513 That's A semantic thing. I don't know. Miss Vance.

514

515  **McClure, Dean, EMNRD** 58:29

516 But.

517

518  **Pecos Hall** 58:32

519 Yes, I mean, I guess it depends on what the rejection is. You know, if it's rejection
520 based off of, can you do these corrections? It seems to me in the process has been
521 just working with Mr. McClure to make those corrections. But that's really been the
522 only basis I've seen so far. So
523 if he's willing to keep the case or the application alive while we fix it, then I don't see
524 an issue. Miss Bennett. Same. Right, I thought so. And Miss Hardy and Miss McLean,
525 same. I thought so. So Mr. McClure, I think it really depends on how the division

526 treats
527 a defective application, but I think that's something we can talk about offline at our
528 weekly meeting.

529

530  **McClure, Dean, EMNRD** 59:19

531 I'm in agreement, Mister Hearing Examiner.

532

533  **Pecos Hall** 59:21

534 All right, thank you, Mr. McLean. Mr. McClure. Sorry. I sometimes I get those two
535 mixed up. All right, let's go on. Okay, so we continue, Ms. Vance, motion to continue.
536 So, Freya, would you approve the continuance to the September 3rd docket for
537 Case 10 and 11 on our docket? Yes. All right, thank you. All right, we're off the record
538 in those cases, and thanks for the discussion. Okay, let's go on to 26057 Matador
539 Production Number 12. Good morning, Mr. Hearing Examiner Paula Vance with the
540 Santa Fe Office of Holland and Hart on behalf of the applicant, MRC Partner.
541 Permian Company. Excuse me.

542 Good morning, Mr. Examiner. Carrie Hatley entering her appearance on behalf of
543 COG Operating, Control Oil and Gas and Mongoose Minerals, monitoring only.
544 Thank you. Good morning, Mr. Hearing Examiner, Yariza Pena with Hardy McLean on
545 behalf of Permian Resources Operating. We're just monitoring as well. Who is the
546 party that objected that withdrew the objection, Miss Vance?

547 That's a great question. I do not know. I can help Ms. Vans with us. I mean resources
548 and we withdrew our objection. You did. Very good. Thank you. Go right ahead.

549 Thank you. So in case number 26057, MRC seeks to pool a 478.67 acre horizontal
550 spacing unit and that is in the north half, north half of section 16 and 17.

551 and the north half, north half equivalent of irregular section 18, and that's all in
552 Township 21 South, Range 31 East, Eddy County, New Mexico. And this involves the
553 Bone Spring formation. And MRC seeks to initially dedicate the spacing unit to the
554 Corby Federal Comm 101H, 150H, 111H, and 145H.

555 In our hearing packet, we have included our land man statement and geology
556 statement. Our land man is Clay Wooten, and our geologist is Joshua Burris, both of
557 whom have previously testified before the division, and their credentials have been
558 accepted as a matter of record. And along with their statements, we've included the
559 required sub-exhibits for land and geology, respectively.

560 After that, we've got my self-affirmed, or we've got a self-affirmed statement of

561 notice. I think it might be my colleague's, Adam, Mr. Rankin. And that notice was
562 timely. It was mailed out on April 17th, 2026. And along with that, we've got our
563 notice of publication affidavit, which was timely published on April 16th.
564 I will note that there is one interest owner, Michael Grace. He's on the pooling
565 exhibit, but when I was going through and checking our tracking report, I noticed he
566 didn't show up. The reason for that is because his mail went to Costa Rica.
567 He's living the high life in Costa Rica. So I will file a revised hearing packet that
568 includes a copy of that international mailing that we did. And I can get that done by
569 5 o'clock today. And you will see
570 I believe my colleague, Mr. Rankin, again, filed A revised hearing packet. These have
571 been pushed out a couple of times, I think, because of capacity on the hearing
572 dockets. But there is a cover page that outlines any of the updates that have been
573 done. And unless there are any questions, I would ask that this case be taken under,
574 that the exhibits and sub-exhibits be admitted into the record and that the case be
575 taken
576 Again, under advisement at this time, thank you, Miss Vance, admitted without
577 exception, Mister McClover, do you have questions for?

578

579  **McClure, Dean, EMNRD** 1:03:09

580 I have questions for the land man, but could Miss Mann, could you say that one
581 more time about the notice? I apologize.

582

583  **Pecos Hall** 1:03:15

584 Sure.

585 Sure, there is an interest owner and I can just show you really quick if that is helpful.
586 His name is Michael Grace. And I noticed that the tracking report did not show him
587 on there.

588 Let me just go like this.

589 I don't know if you can see.

590 Here we go.

591 This is Mr. Michael Grace right here, and Mr. Michael Grace lives in Costa Rica, but I
592 was able to get a copy of the postal delivery or mailing to his international address.
593 He's not reflected on the mailing report that we included, so I can file a revised
594 hearing packet that includes
595 evidence that we sent him the notice.

596

597  **McClure, Dean, EMNRD** 1:04:14

598 and was notice sent to him prior to, I guess I don't have it right in front of me.

599

600  **Pecos Hall** 1:04:15

601 Open.

602 Yes.

603 Yes.

604 It was it was sent out.

605

606  **McClure, Dean, EMNRD** 1:04:21

607 Is it what the 17th looks like prior to that?

608

609  **Pecos Hall** 1:04:26

610 It was sent along with all of the other notice on April 17th. Again, it just wasn't

611 included in our typical mailing report because it

612

613  **McClure, Dean, EMNRD** 1:04:31

614 Yeah.

615

616  **Pecos Hall** 1:04:37

617 was an international mailing.

618

619  **McClure, Dean, EMNRD** 1:04:40

620 They so precisely.

621

622  **Pecos Hall** 1:04:40

623 And this.

624 And this is all domestic. So this just shows domestic deliveries.

625

626  **McClure, Dean, EMNRD** 1:04:49

627 So the proposed amendment that you would make would be to either include an

628 additional table or just to add Michael Grace to the current table with that

629 international tracking number.

630

631  **Pecos Hall** 1:04:49

632 Okay.

633 I'm just...

634 I will just add it as a additional supplement to the tracking report.

635

636  **McClure, Dean, EMNRD** 1:05:09

637 Okay, and that additional supplement would essentially just be a table like what you
638 normally would have, except you just have an international tracking number instead.
639 Is that correct?

640

641  **Pecos Hall** 1:05:10

642 Nothing.

643 It'll be the actual a copy of the postage and it'll have a copy of that international or
644 it'll have a copy of the tracking number on there.

645

646  **McClure, Dean, EMNRD** 1:05:30

647 Okay, thank you, Miss Vance. Thank you, Mr. Hearing Examiner. I only have questions
648 for the land man now, I believe.

649

650  **Pecos Hall** 1:05:32

651 Play.

652 Did you call your landman? Yes, Mister Clay Wooten.

653 Okay.

654 Ms. Vance, if you don't see him, we can come back to this case as soon as you get
655 word that he's on.

656

657  **Liz Olson** 1:06:03

658 Thank you.

659 Can you all hear me?

660

661  **Pecos Hall** 1:06:09

662 No.

663 There he is.

664 Yes, would you turn your video on, please?

665

666 **LO Liz Olson** 1:06:17

667 Yeah, so...

668 But.

669 Should be on.

670

671 **PH Pecos Hall** 1:06:25

672 I see you. Would you raise your right hand? Do you swear or firm under penalty of
673 perjury that the testimony you're about to give is the truth, the whole truth, nothing
674 but the truth?

675

676 **LO Liz Olson** 1:06:26

677 Yes.

678 Yes.

679

680 **PH Pecos Hall** 1:06:35

681 Thank you. Would you spell your name?

682

683 **LO Liz Olson** 1:06:39

684 Clay Wooten, CLAYWOOTEN.

685

686 **PH Pecos Hall** 1:06:43

687 All right, thank you. And you have been admitted as an expert, as a landman by this
688 division?

689

690 **LO Liz Olson** 1:06:49

691 Yes, sir.

692

693 **PH Pecos Hall** 1:06:50

694 Thank you. Go right ahead, Mr. McClure.

695

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

697 I think this hearing examiner, Mr. Wooten, I'm looking at your commitment table on
698 page 49 of 61.

699 Looks like Miss Pants has it on the screen. Yes.

700 Mr. Wooten, do you see down there where it says Dave Percy and Associates
701 Incorporated and they're listed as a working interest owner?

702

703  **Pecos Hall** 1:07:16

704 The.

705

706  **Liz Olson** 1:07:18

707 Yes, yes, so that we got a title opinion back, and he he's not he doesn't have any
708 interest in there that went to PBX.

709

710  **Pecos Hall** 1:07:19

711 And.

712 Yeah.

713

714  **McClure, Dean, EMNRD** 1:07:27

715 Okay, so then...

716 This person should not be listed in the commitment table, is that correct? Yes, that's
717 correct.

718 Okay, and that person's interest is a part of what PBEC zones. Is that also correct?

719 Yes, that's right.

720

721  **Pecos Hall** 1:07:41

722 But.

723

724  **McClure, Dean, EMNRD** 1:07:44

725 or what used to be his interest.

726

727  **Liz Olson** 1:07:46

728 Yes.

729

730  **Pecos Hall** 1:07:47

731 Yes.

732

733  **McClure, Dean, EMNRD** 1:07:48

734 Okay, so I guess if I were to ask you to remove Dave Percy and Associates
735 Incorporated from the commitment table, do you understand what I'd be asking for?
736

737  **Pecos Hall** 1:07:51

738 Yeah.

739 The.

740

741  **Liz Olson** 1:08:00

742 Yes, sir.

743

744  **McClure, Dean, EMNRD** 1:08:02

745 And is that something you'd be able to accomplish by end of business day-to-day?

746

747  **Liz Olson** 1:08:03

748 Yeah.

749 Yes, sir, we can knock that out pretty quick.

750

751  **McClure, Dean, EMNRD** 1:08:10

752 Okay, so.

753 The amended exhibit that you would be submitting, or I guess Ms. Vance would be

754 submitting, is it would be accurate to say that essentially it's going to be this exact

755 same table except for the removal of Dave Percy and Associates Incorporated?

756

757  **Liz Olson** 1:08:20

758 Mm.

759 Yes.

760

761  **McClure, Dean, EMNRD** 1:08:32

762 OK, thank you, Mr. Wooten. Thank you, Mr. Hearing Examiner. I don't have any

763 further questions.

764

765  **Pecos Hall** 1:08:40

766 Okay, so do we need this case to come back for further review?

767

768  **McClure, Dean, EMNRD** 1:08:45

769 Oh, Miss, Miss, I think if they can get it to us by 5:00, I believe we have an accurate
770 portrayal of what it's going to end up being. So I think we should be fine.

771

772  **Pecos Hall** 1:08:57

773 Okay, thank you, Mr. McClure. Ms. Vance? We can get it done. With cover letter? Yes.
774 Perfect, thank you. All right, we're off the record in that case. Let's move on to...

775 Ms. Vance, there was a case that was joined with that case, 26058. We have that set
776 for a contested hearing September 3rd.

777 That sounds correct. All right, very good. Let's move on to case number 13 on our
778 docket. This is Mewburn Oil 26158. And let's see, yes, it is joined with 26162. Entries,
779 please. Mr. Examiner, Dana Hardy with Hardy McLean on behalf of Mewburn, and
780 there are no other parties. Please proceed. Thank you.

781 In these two cases, Mewburn seeks to pool uncommitted interest in the Bone Spring
782 formation in sections 7 and 12, Township 20 South, range 29 East in Eddy County,
783 and will dedicate the unit to the Jericho Fedcom Wells. Our exhibits include the land
784 testimony and standard exhibits of Josh Anderson, who has previously testified as an
785 expert in petroleum land matters before the division,
786 and the geology testimony and exhibits of Charlie Crosby, who has previously
787 testified as an expert in petroleum geology matters. Our notice testimony and
788 exhibits show that notice was timely sent on July 13th, 2026, and that we timely
789 published on July 22nd.

790 With that, I would ask the exhibits be admitted and that the cases be taken under
791 advisement. Admitted without exception. Mr. McClure, who do you have questions
792 for?

793

794  **McClure, Dean, EMNRD** 1:10:31

795 Oh, the land man, Mr. Examiner.

796

797  **Pecos Hall** 1:10:32

798 Yeah.

799 Miss Hardy, Mister Anderson.

800 Should be on, please.

801

802  **Josh Anderson** 1:10:38

803 Yep, I'm here.

804

805  **Pecos Hall** 1:10:41

806 Mm.

807

808  **McClure, Dean, EMNRD** 1:10:44

809 Mr. Anderson, I'm looking at the store. Oh, oh, I apologize, Mr. Examiner. We haven't
810 just wanted them.

811

812  **Pecos Hall** 1:10:46

813 Hold on, Mr. Mr. McClure. I haven't sworn him in yet.

814 That's okay. You're just raring to go. All right, Mr. Anderson, please raise your right
815 hand. Do you swear or affirm under penalty of perjury? The testimony you're about
816 to give is the truth, the whole truth, nothing but the truth.

817

818  **McClure, Dean, EMNRD** 1:10:52

819 Yeah.

820

821  **Josh Anderson** 1:11:01

822 I do.

823

824  **Pecos Hall** 1:11:02

825 Thank you. Would you spell your name, please?

826

827  **Josh Anderson** 1:11:04

828 Josh Anderson, Josh Anderson.

829

830  **Pecos Hall** 1:11:07

831 There might be something wrong with your microphone, Mr. Anderson. We're not
832 picking you up.

833 Try again.

834

835  **Josh Anderson** 1:11:17

836 Josh Anderson, JOSHANDERSON.

837

838  **Pecos Hall** 1:11:18

839 Better.

840 And have you been admitted as an expert in petroleum land matters by this division?

841

842  **Josh Anderson** 1:11:27

843 Yes, sir.

844

845  **Pecos Hall** 1:11:28

846 Thank you. Go right ahead, Mr. McClark.

847

848  **McClure, Dean, EMNRD** 1:11:30

849 Thank you, Mr. Hearing Examiner. Mr. Anderson, I'm looking at like this three

850 assorted lists of ownership within the exhibit packet, and they don't seem to match.

851 And I'm trying to figure out like which one is correct. So for instance, like I'm looking

852 at your

853

854  **Pecos Hall** 1:11:37

855 The.

856 Play song.

857 Yeah.

858

859  **Josh Anderson** 1:11:51

860 page 13, and there's like a number of persons listed there for tracks? Yes. Yeah, those

861 are all the parties that own in those specific tracks.

862

863  **Pecos Hall** 1:11:52

864 Yeah.

865 Yeah.

866

867  **McClure, Dean, EMNRD** 1:12:05

868 Okay, but shouldn't the summation of those be equal to the list that's on page 15?

869

870  **Pecos Hall** 1:12:07

871 Yeah.

872 Play.

873 Yeah.

874 Yeah.

875

876  **Josh Anderson** 1:12:17

877 They are the.

878 leasehold percentage that is next to Mewburn's name includes all those parties that

879 are that have signed to JOA and are committed and that we are not pooling for

880 those specific tracks. And you can find

881

882  **Pecos Hall** 1:12:23

883 So.

884 This is.

885

886  **Josh Anderson** 1:12:42

887 That on page.

888 21, it lists everybody.

889

890  **McClure, Dean, EMNRD** 1:12:57

891 So then Mr. Anderson, is it accurate to say the commitment table is a full listing of
892 every person?

893

894  **Josh Anderson** 1:13:03

895 Yes, sir.

896

897  **McClure, Dean, EMNRD** 1:13:05

898 Is there anywhere in your exhibit packet that shows the unit ownership of each of
899 these people or the ownership of each of these persons within the overall unit?

900

901  **Josh Anderson** 1:13:18

902 No, not individually. Just A summation.

903

904  **McClure, Dean, EMNRD** 1:13:23

905 And does this table also match the ownership list that you have on page 13, which is
906 the track breakout?

907

908  **Josh Anderson** 1:13:32

909 No, because not everybody that is committed and signed the JOA owns in those
910 specific tracks that are listed on page 13.

911

912  **McClure, Dean, EMNRD** 1:13:49

913 Could you elaborate on that a little bit more, I guess?

914

915  **Josh Anderson** 1:13:53

916 This is a larger unit that includes all of Section 7 and the east half of Section 12.

917 Some of those parties on page 21 own in the south half of Section 7 or 12, for
918 instance. So on page 13,

919 Then the parties listed only own in these specific tracks that are that were pooling
920 today.

921

922  **McClure, Dean, EMNRD** 1:14:21

923 OK, so there's persons on your commitment table that are not going to be a part of
924 this unit, is that correct?

925

926  **Josh Anderson** 1:14:35

927 They are a part of the unit because they've signed the JOA, so they've been spread
928 contractually into it, but they don't have operating rights per se in these specific
929 tracks.

930

931  **McClure, Dean, EMNRD** 1:15:02

932 So...

933 Then is Newborn giving a percentage of their ownership in these tracks to the JOA
934 signers that don't own an interest here? I don't understand where the money from.

935 I'm not going to say how the production from this unit, I guess, is being contributed
936 to.

937

938  **Pecos Hall** 1:15:24

939 Thanks.

940

941  **McClure, Dean, EMNRD** 1:15:29

942 persons that don't own an interest in the unit.
943 I guess that's what I'm trying to understand and how that percentage is shown
944 anywhere in your exhibit.

945

946  **Josh Anderson** 1:15:41

947 Um...

948 Not real sure how to answer that one, besides saying that once you sign a JOA that
949 covers a larger unit, you're spread contractually into this unit, but you don't have
950 operating rights in it. And the two parties we've listed to pool today on operating
951 rights,

952

953  **Pecos Hall** 1:15:57

954 Yeah.

955

956  **Josh Anderson** 1:16:04

957 in this specific tract and have not signed a JOA.

958 Or else we would not have listed them.

959

960  **McClure, Dean, EMNRD** 1:16:16

961 So essentially you're treating this.

962 area that's covered under a joint operating agreement as if it's like a participating
963 area within a federal exploratory unit. A similar concept. Is that accurate to say?

964

965  **Josh Anderson** 1:16:30

966 Yeah, I guess you could probably say that.

967

968  **McClure, Dean, EMNRD** 1:16:35

969 Is that a common practice to your understanding?

970

971  **Josh Anderson** 1:16:42

972 As far as I am concerned, yes.

973

974  **McClure, Dean, EMNRD** 1:16:48

975 Would it not be more accurate to say that typically the compulsory pulling, the units
976 that get formed after a compulsory pulling order?

977 or overlapping.

978 With that rather than allocating production to that JLA.

979

980  **Josh Anderson** 1:17:14

981 I'm going to have to defer to my attorney on that one.

982 Don't understand.

983

984  **McClure, Dean, EMNRD** 1:17:20

985 Well, I guess, do you, is there anywhere in this exhibit?

986 that these interest owners that don't own in that JLA that you're asking the division

987 to force pool, is there anywhere here where they can see how much of their

988 production is going to go to the signers of a JLA that includes outside tracks?

989

990  **Josh Anderson** 1:17:44

991 I mean, on page 15, it lists what their interest is, what the pool party's interest is in

992 those specific tracks and as a total.

993

994  **Pecos Hall** 1:17:45

995 Yes.

996

997  **Josh Anderson** 1:17:55

998 For this proration unit.

999

1000  **McClure, Dean, EMNRD** 1:17:58

1001 So then you're saying that a part of this newborn et al, a part of that production is
1002 going to...

1003 owners that do not own an interest in this unit. Is that correct?

1004

1005  **Josh Anderson** 1:18:16

1006 They have, they don't own operating rights in this unit, yes, but they have contractual
1007 interest.

1008

1009  **Pecos Hall** 1:18:23

1010 Yep.

1011

1012  **McClure, Dean, EMNRD** 1:18:30

1013 Do you include anywhere within your exhibits that displays the area that's covered by
1014 this JLA that you're including here, I guess?

1015

1016  **Pecos Hall** 1:18:33

1017 Okay

1018 Thank you.

1019 Okay.

1020 Thanks.

1021

1022  **Josh Anderson** 1:18:42

1023 Uhh.

1024 You could look on the well proposals on page 16.

1025

1026  **Pecos Hall** 1:18:50

1027 Sing.

1028

1029  **Josh Anderson** 1:18:53

1030 that were sent and on that letter it discusses the unit.

1031 This is the entire 923.88 acre unit of the caption section 7 and east half of 12 will be

1032 dedicated to these wells.

1033

1034  **Pecos Hall** 1:19:07

1035 So.

1036

1037  **McClure, Dean, EMNRD** 1:19:18

1038 Are you?

1039 Are you asking the division to force pool the entirety of Section 7 and East half of

1040 Section 12 into a singular unit?

1041

1042  **Josh Anderson** 1:19:32

1043 No.

1044 Just the, for this specific case, we're just force pooling the north half, north half of

1045 section 7, and the north half, northeast of section 12.

1046

1047  **Pecos Hall** 1:19:46

1048 Thanks.

1049

1050  **McClure, Dean, EMNRD** 1:19:49

1051 And is it the entirety of Section 7 and East half of Section 12 is the area that you're
1052 including in this JLA that you're spreading throughout all of these individual
1053 compulsory pooling cases?

1054

1055  **Josh Anderson** 1:20:04

1056 No, there's actually the existing JOA covers more than just this, but these wells
1057 proration units are smaller. So the existing JOA covers all of Section 8 of 20 South, 29
1058 East as well.

1059

1060  **McClure, Dean, EMNRD** 1:20:25

1061 And is Newborn proposing to give production from this unit to those owners in
1062 Section 8 as well?

1063

1064  **Josh Anderson** 1:20:35

1065 Yes, they're listed on that table on page 21.

1066

1067  **Pecos Hall** 1:20:35

1068 Thanks.

1069

1070  **McClure, Dean, EMNRD** 1:20:58

1071 Yeah, I guess to start with...

1072 If I were to ask you on your page 15 of 31, if I were to ask you to break out and
1073 provide a interest for the entirety of the unit, do you understand what I'm asking for?

1074

1075  **Pecos Hall** 1:21:06

1076 Play.

1077

1078  **Josh Anderson** 1:21:19

1079 For the entirety of the unit that's being pooled specifically in this case, operation

1080 unit?

1081 Or, for...

1082

1083  **McClure, Dean, EMNRD** 1:21:32

1084 Um...

1085

1086  **Josh Anderson** 1:21:34

1087 the entire JOA area that is larger than this.

1088 What are you asking for?

1089

1090  **McClure, Dean, EMNRD** 1:21:41

1091 Well, I mean, I'll be frank with you. This is novel to me that a operator is attempting
1092 to say a person does not own an interest within the pooled unit and then is trying to
1093 attribute to them an interest.

1094 So I don't know if the best course would be for you to show me a...

1095 I guess a breakout of ownership within the unit itself, and then a breakout of what
1096 Newborn is proposing to allocate production to.

1097 I guess do you understand what I'd be asking for if we were to if Newborn were to
1098 provide two separate tables?

1099

1100  **Josh Anderson** 1:22:20

1101 Yeah, are you asking for the ownership for each of these specific tracks, one, two,
1102 and three?

1103 the operating rights and who owns that.

1104

1105  **McClure, Dean, EMNRD** 1:22:28

1106 I mean, that.

1107 I guess, Mr. Anderson, that would be, I guess one of the tables would be a unit reap
1108 appreciation table that provides all of the interest donors and their share in the unit
1109 as one table. I was going to say in

1110 all the other cases, these are only the persons that own an interest within the unit.

1111 And then I guess if Newborn is proposing to allocate their production differently
1112 than that, then I guess that would be where a second table would come in where I'm
1113 trying to figure out, I guess, who it is Newborn is proposing to allocate to.

1114

1115  **Josh Anderson** 1:22:59

1116 Okay.

1117 So you're wanting a breakdown of all the contractual owners in this larger unit and

1118 what they own spread contractually across these tracks?

1119

1120  **McClure, Dean, EMNRD** 1:23:27

1121 Well, if they own...

1122

1123  **Josh Anderson** 1:23:28

1124 Because they've signed to JOA.

1125

1126  **Pecos Hall** 1:23:28

1127 Yeah.

1128

1129  **McClure, Dean, EMNRD** 1:23:31

1130 If they own a contractual interest in these tracks, then yeah, I want to see which

1131 tracks they have an interest in. And we need all these tables to match.

1132

1133  **Josh Anderson** 1:23:36

1134 Okay.

1135 Okay.

1136 Okay.

1137

1138  **McClure, Dean, EMNRD** 1:23:41

1139 So, I mean, if there's some sort of contractual interest that they own in the track, we

1140 want to see that broke out. Okay.

1141

1142  **Pecos Hall** 1:23:43

1143 Yeah.

1144 Yeah.

1145

1146  **McClure, Dean, EMNRD** 1:23:50

1147 And you understand that we would want to see, I mean, all these tables, I don't

1148 understand why they would not match. I guess, do you have a reason for why?

1149

1150 **PH Pecos Hall** 1:23:52

1151 Yes.

1152

1153 **JA Josh Anderson** 1:23:59

1154 Yeah, yeah, really, because page 13.

1155

1156 **PH Pecos Hall** 1:24:01

1157 Please.

1158

1159 **JA Josh Anderson** 1:24:05

1160 Um...

1161 The two parties that were pooling own operating rights in these tracks. They don't
1162 own contractual interest because they have not signed a JOA. So therefore we listed
1163 the operating rights interest owners for these tracks on page 13.

1164

1165 **PH Pecos Hall** 1:24:12

1166 What?

1167 Play.

1168 Okay.

1169

1170 **JA Josh Anderson** 1:24:26

1171 team because those are the parties that down here and the ones that are can be
1172 pooled because they have not signed a JOA.

1173

1174 **PH Pecos Hall** 1:24:27

1175 Okay.

1176

1177 **McClure, Dean, EMNRD** 1:24:38

1178 But if you scroll down, no, go ahead. Mr. Anderson, I guess, and excuse me, because
1179 I'm not a land man, so I just trying to understand, I guess, what you're getting at. But
1180 I guess what I'm now starting to understand is you're saying there's other interest
1181 owners that has a contractional, I guess, working interest within these tracks.
1182 Um, um.

1183

1184  **Pecos Hall** 1:24:48

1185 No.

1186 No.

1187

1188  **Josh Anderson** 1:24:59

1189 Correct? Yeah, yeah. And those are all parties that have signed to JOA that have been
1190 spread contractually into these tracks. And that table is listed on page 21.

1191

1192  **Pecos Hall** 1:25:02

1193 Yeah.

1194 But.

1195

1196  **McClure, Dean, EMNRD** 1:25:14

1197 Do those persons own a working interest in these tracks, whether it's contraction or
1198 otherwise? Yes.

1199

1200  **Pecos Hall** 1:25:15

1201 Okay.

1202

1203  **McClure, Dean, EMNRD** 1:25:22

1204 Okay, so if I were to ask you to show me a full list of everyone with a working interest
1205 within these tracks, including contractional, do you understand what I'm asking for?
1206 Yes.

1207 Okay.

1208 And in addition to that, I guess looking back at your recapreciation table then, with
1209 that in mind, it's not two separate tables. It would just be a singular table that gives
1210 us a recapreciation of everybody with a working interest within the proposed unit. Do
1211 you understand, I guess, where we're at there then?

1212

1213  **Pecos Hall** 1:25:43

1214 Yeah.

1215 Yeah.

1216

1217  **Josh Anderson** 1:25:59

1218 Yes.

1219

1220  **McClure, Dean, EMNRD** 1:26:01

1221 Okay.

1222

1223  **Josh Anderson** 1:26:01

1224 Yeah.

1225

1226  **McClure, Dean, EMNRD** 1:26:05

1227 So then if I go back down to your commitment table, down on page 21 of 31.

1228

1229  **Josh Anderson** 1:26:12

1230 Mhm.

1231

1232  **McClure, Dean, EMNRD** 1:26:15

1233 So this list here though would stay the same, because this is all the people that has a
1234 working interest or contractional working interest in the proposed unit. Yes, sir.

1235

1236  **Pecos Hall** 1:26:16

1237 We.

1238

1239  **Josh Anderson** 1:26:19

1240 Yes.

1241

1242  **Pecos Hall** 1:26:25

1243 It.

1244 Yes.

1245

1246  **McClure, Dean, EMNRD** 1:26:28

1247 Okay, okay. So then I guess, would you understand then if I ask for those prior two
1248 exhibits to be amended, that being your week appreciation table and your track
1249 breakout table, do you understand what I'm asking for? Yes, you're asking for every
1250 party that owns an interest.

1251

1252  **Pecos Hall** 1:26:32

1253 Mum.

1254 I'm not.

1255

1256  **Josh Anderson** 1:26:48

1257 contractual or operating rights to be listed under this.

1258 Under the...

1259 Page 13 and page of and page 15 to be listed in what they own.

1260

1261  **McClure, Dean, EMNRD** 1:27:05

1262 Again, Mr. Anderson, it appears that this is the case for, or this circumstance is
1263 present in both cases, 26158 and 26162. Do you agree? Yes.

1264

1265  **Josh Anderson** 1:27:17

1266 Yes, sir.

1267

1268  **McClure, Dean, EMNRD** 1:27:18

1269 Okay, so you understand that I would be asking for an amendment to these exhibits
1270 in both of these cases, correct?

1271

1272  **Josh Anderson** 1:27:25

1273 Yes, sir.

1274

1275  **McClure, Dean, EMNRD** 1:27:27

1276 Okay.

1277 Thank you, Mr. Anderson. Mr. Hearing Examiner, I don't have any further questions,
1278 but I think this would be an instance that we should continue the case to allow time
1279 for review of the submitted exhibit packet.

1280

1281  **Pecos Hall** 1:27:44

1282 Miss Hardy. That's fine. I expect we could get that information in today, but if Mr.
1283 McClure wants time to review, I understand. When is Mr. McClure, when's the next
1284 docket that you're involved in?

1285

1286  **McClure, Dean, EMNRD** 1:27:59

1287 I mean, I could be involved in whatever docket. I'm sure I can show up.

1288

1289  **Pecos Hall** 1:28:02

1290 Yeah.

1291 Okay, all right. Freya, when is the next docket we could assign that Ms. Hardy could

1292 continue these two cases to?

1293

1294  **Josh Anderson** 1:28:09

1295 The.

1296 Play.

1297

1298  **Pecos Hall** 1:28:13

1299 I believe we have a docket on August 18th. I'm just double checking.

1300 that it hasn't been vacated. All right, take your time.

1301 Miss Hardy, does that date work for you? That does. Thank you. It's still active, so it

1302 could be August 18th. So Miss Hardy, if for some reason, I'm assuming that August

1303 18 is a docket, that it's a special docket? Yes. All right, Miss Hardy.

1304

1305  **Josh Anderson** 1:28:41

1306 Stitch.

1307

1308  **Pecos Hall** 1:28:43

1309 We'll hear it on August 18, unless the docket is vacated. If it is, we'll administratively

1310 move your cases to the next docket that Mr. McClure can accept. Okay, but we'll try

1311 to hear this as soon as we can. Thank you. That being the 18th. Okay. All right. So

1312 we're off the record in 26158 and 26162. Thank you, Mr. Anderson.

1313

1314  **Josh Anderson** 1:28:47

1315 Yeah.

1316 Thank you.

1317

1318  **Pecos Hall** 1:29:08

1319 Yes, okay, it looks like we're moving on to case 15. This is another Mewborn oil case,

1320 26182. Looks like it's joined 284.
1321 And Dana Hardy on behalf of you, Bern. Thank you. Good morning, Mr. Hearing
1322 Examiner, Paula Vance with the Santa Fe office of Holland and Hart on behalf of MRC
1323 Delaware Resources LLC, and we are just preserving rights. Thank you.
1324 Go ahead, Miss Hardy. Thank you. In these cases, Muvern seeks to pull uncommitted
1325 interest in the Bone Spring formation underlying the north half, south half and south
1326 half, south half of sections 23 and 24, Township 18 South, Range 30 East, and Eddy
1327 County, and will dedicate the units to the juice box Fedcom Wells.
1328 Our exhibits were timely submitted and include the land testimony and exhibits of
1329 Josh Anderson, who's previously testified, and also the geology testimony and
1330 exhibits of Charles Crosby, who has also previously testified as an expert. Our notice
1331 testimony shows that notice was timely sent on July 13th, 2026.
1332 With that, unless there are questions, I ask that the exhibits be admitted and that
1333 these cases be taken under advisement. Thank you, Ms. Hardy. You mentioned notice
1334 was sent July 13th. Is that actual notice or constructive notice or both? That was
1335 actual notice. Okay. You didn't need constructive notice? Right. Okay.
1336 All right, admitted without exception. Mr. McClure, do you have questions for Mr.
1337 Anderson again?

1338

1339  **McClure, Dean, EMNRD** 1:30:41

1340 Yes, Mr. Hearing Examiner, since you're a repeat of the last two cases, except we can
1341 get to the point much quicker this time.

1342

1343  **Pecos Hall** 1:30:41

1344 Yeah.

1345 Do you?

1346 Ah, okay.

1347 Okay. All right. No worries. Mr. Anderson, I remind you, you're still under oath. Go
1348 right ahead, Mr. McClark.

1349

1350  **Josh Anderson** 1:30:53

1351 Just.

1352

1353  **McClure, Dean, EMNRD** 1:30:54

1354 Mr. Anderson, is it correct to say that within your week appreciation table and track

1355 breakout tables that there's contractual working interest owners that are not
1356 included?

1357

1358  **Pecos Hall** 1:31:00

1359 Okay.

1360

1361  **Josh Anderson** 1:31:09

1362 Yes, sir.

1363

1364  **Pecos Hall** 1:31:10

1365 This.

1366

1367  **McClure, Dean, EMNRD** 1:31:11

1368 Okay, so you would understand if I ask for these exhibits to be amended to include
1369 all working interest donors, including contractual ones. Is that correct? Yep.

1370

1371  **Pecos Hall** 1:31:13

1372 Yeah.

1373 Yeah.

1374

1375  **Josh Anderson** 1:31:20

1376 Yes, sir.

1377

1378  **Pecos Hall** 1:31:21

1379 Star.

1380

1381  **McClure, Dean, EMNRD** 1:31:21

1382 Okay.

1383 And is it also correct that your commitment table on page 20 of 29 includes all the
1384 working interests, including contractual working interests? Is that correct? Yes, sir.

1385

1386  **Pecos Hall** 1:31:28

1387 Yeah.

1388 Restart.

1389 Yeah.

1390 Play.

1391 See.

1392

1393  **McClure, Dean, EMNRD** 1:31:36

1394 Okay, thank you, Mr. Anderson. Mr. Harringsham and I have no further questions,
1395 although I'd like first to dispose of these cases in the same way as the last two.

1396

1397  **Pecos Hall** 1:31:46

1398 All right, thank you, Mr. McClure. Miss Hardy, same disposition, you'll continue these
1399 two cases to August 18th? Yes. With the understanding that it's possible that they're
1400 not heard on the 18th. Yes, thank you. We'll do our best. Thank you.

1401 We're off the record in those two cases. Thank you, Mr. Anderson. All right, let's
1402 move on to...

1403 Now, 17 through.

1404 Twenty-one, I'm gonna call the numbers; it looks like they've all been.
1405 dismissed.

1406 All right, these are Matador Production Companies cases for amendments
1407 26159606163 and 64. Entries please. Good morning, Mr. Hearing Examiner Paula
1408 Vance with the Santa Fe office of Holland and Hart on behalf of the applicant, MRC
1409 Permian Company. There are no other parties in these cases. They were approved
1410 administratively yesterday.

1411 and we filed a notice of dismissal. Perfect. Thank you. Okay. Thank you very much,
1412 Ms. Vance. We're off the record in those cases. Let's move on now to Permian
1413 Resource number 22 on our docket, 26179. Jackie McLean with Hardy McLean on
1414 behalf of Permian Resources, and there's no other party that's entered in. Jackie
1415 McLean, go right ahead.

1416 Thank you. In this case, Permian Resources, Permian Resources is seeking to pull all
1417 uncommitted interest in the Bone Spring Formation underlying A 960 acre more or
1418 less non-standard overlapping spacing unit comprised of the south top of Section 22
1419 and all of Section 27

1420 Township 20 South, Range 35 East in Lee County, and this will be dedicated to the
1421 Mallard Fedcom U-turn wells. Exhibits were timely submitted and include the land
1422 testimony and exhibits of Reagan Armstrong, who has previously testified before the
1423 division and has been recognized as an expert in petroleum land matters.

1424 And we've also got geology testimony and exhibits from Cole Hendrickson, who has

1425 also previously testified before the division and has been recognized as an expert in
1426 petroleum geology matters. Finally, we've included notice testimony along with
1427 copies of the notice letter, which was sent to all interested parties on May 11th and
1428 July 16th.

1429 and an affidavit of publication from June 7th and July 22nd. With that, I ask that the
1430 exhibits be admitted for case 26179 and that the case be taken under advisement.
1431 Admitted without exception. I believe we can take this case under advisement with a
1432 couple of corrections. Mr. McClure?

1433

1434  **McClure, Dean, EMNRD** 1:34:30

1435 I thank you, Mr. Examiner. Yeah, I have questions for the land man.

1436

1437  **Pecos Hall** 1:34:30

1438 No.

1439 OK, did you call your land man? Yes, Miss Reagan Armstrong.

1440

1441  **Reagan Armstrong** 1:34:39

1442 Good morning.

1443

1444  **Pecos Hall** 1:34:41

1445 Good morning. I'm waiting to, there you go. Would you raise your right hand,
1446 please? We swear or affirm under penalty of perjury, testimony you're about to give
1447 is the truth, the whole truth, nothing but the truth.

1448

1449  **Reagan Armstrong** 1:34:45

1450 Yes, sir.

1451 Yes.

1452

1453  **Pecos Hall** 1:34:52

1454 Thank you. Would you spell your name, please?

1455

1456  **Reagan Armstrong** 1:34:55

1457 Reagan Armstrong, REAGANARMSTRONG.

1458

1459  **Pecos Hall** 1:35:01

1460 Thank you. And you've previously been admitted as an expert in petroleum land
1461 matters by this division?

1462

1463  **Reagan Armstrong** 1:35:07

1464 Yes, sir.

1465

1466  **Pecos Hall** 1:35:08

1467 Thank you, Mr. McClure.

1468

1469  **McClure, Dean, EMNRD** 1:35:10

1470 I thank Mr. Hearing Examiner. Miss Armstrong, I'm looking at your NSP notice table
1471 exhibit A2 on page 16 of 95.

1472

1473  **Pecos Hall** 1:35:15

1474 S.

1475 I can give me one second and I'll share this. Thank you, Miss McCullen.

1476 not pulling it up.

1477 No.

1478 The.

1479 See.

1480 Yeah.

1481 Mm.

1482 St.

1483 Yeah.

1484 There it is.

1485 Okay, what page was that again, Mr. McClure?

1486

1487  **McClure, Dean, EMNRD** 1:35:54

1488 16, Miss McLean.

1489

1490  **Pecos Hall** 1:35:55

1491 I see.

1492 She.

1493

1494  **McClure, Dean, EMNRD** 1:36:07

1495 You see what we're looking at, Miss Armstrong?

1496

1497  **Reagan Armstrong** 1:36:09

1498 Yes, Sir.

1499

1500  **Pecos Hall** 1:36:10

1501 See.

1502

1503  **McClure, Dean, EMNRD** 1:36:10

1504 Okay, just to confirm, that box or table or list that's in a box in the bottom right-hand
1505 corner that says fee, that would be the ownership within your lease #2, is that
1506 correct?

1507

1508  **Pecos Hall** 1:36:11

1509 Yes.

1510 Yeah.

1511 Oh.

1512 And.

1513

1514  **Reagan Armstrong** 1:36:26

1515 Yes, that's correct.

1516

1517  **McClure, Dean, EMNRD** 1:36:29

1518 Okay, and then the interest held by these persons, is that working interest and or
1519 operating interest? Is that what that list surprises of?

1520

1521  **Reagan Armstrong** 1:36:36

1522 Correct, yes, working interest owners, yeah.

1523

1524  **Pecos Hall** 1:36:37

1525 Play.

1526

1527  **McClure, Dean, EMNRD** 1:36:39

1528 OK, and then.

1529

1530  **Reagan Armstrong** 1:36:40

1531 We operate that lease, so just listing all working interest owners for y'all since we
1532 couldn't obviously alert another operator.

1533

1534  **Pecos Hall** 1:36:42

1535 Yes.

1536 Yeah.

1537

1538  **McClure, Dean, EMNRD** 1:36:49

1539 Okay, thank you, Miss Armstrong. For the box, the smaller box that is just to the
1540 bottom left of that, is that the box for leases 3 and four? Is that correct? Correct.

1541

1542  **Pecos Hall** 1:36:54

1543 Call.

1544

1545  **McClure, Dean, EMNRD** 1:37:03

1546 And then is that also the working interest donors within those leases?

1547

1548  **Pecos Hall** 1:37:05

1549 Yes.

1550

1551  **Reagan Armstrong** 1:37:07

1552 Correct.

1553

1554  **McClure, Dean, EMNRD** 1:37:09

1555 Okay, thank you, Ms. Armstrong. Mr. Hearing Examiner, I have nothing further for this
1556 case, and I think we can take it under advisement. Thank you.

1557

1558  **Pecos Hall** 1:37:11

1559 Pause.

1560 Great, no corrections needed. Thank you, Miss McLean. Thank you. All right. Move on

1561 to 23, Coterra Energy, 26183. Good morning, everyone. Dina Bennett on behalf of
1562 Coterra Energy Operating Company. Good morning, Mr. Hearing Examiner Paula
1563 Vance with the Santa Fe office of Holland and Hart on behalf of the MRC Delaware
1564 Resources LLC, and we are just preserving rights.

1565

1566  **McClure, Dean, EMNRD** 1:37:18

1567 But.

1568

1569  **Pecos Hall** 1:37:39

1570 Thank you. Miss Bennett. Thank you. In this case, Cotera seeks an order from the
1571 division approving a non-standard spacing unit, pooling all uncommitted mineral
1572 interest owners, and to the extent necessary, approval of an overlapping spacing
1573 unit. And we've provided the usual suite of exhibits, including the exhibits of Trey
1574 Roberson,
1575 who's previously testified before the division and his credentials have been accepted
1576 as a matter of record. And in his exhibits, we've included the non-standard unit
1577 exhibits, including a notice list and an overlapping notice chart showing that notice
1578 was mailed to the overlapping spacing unit interest owners. And
1579 Then we've also included Exhibit B, which is a self-perm statement of Josh Day, a
1580 geologist for Cotera, and he's previously testified before the division and his
1581 credentials have been accepted as a matter of record. And then Exhibit C is a self-
1582 perm statement from myself showing that notice was timely mailed on May 14th and
1583 July 14th.
1584 and that notice was timely published on May 20th and July 17th. We did two
1585 different mailings and publications to account for all of the different interest owners
1586 in these and offsetting owners. And one quick note, I'd like to, well, two quick things
1587 to say about these cases. First, when I
1588 submitted the application for these cases, we were under the impression that the
1589 wells traversed 3 pools, which is in fact, I think, correct. But in the application, I had
1590 put the Buffalo pool as one of the pools, but it turns out it's the T's Bone Spring pool.
1591 So I corrected that in the compulsory pooling checklist. And then if there are any
1592 questions for our landman, Mr. Roberson, he is unavailable today, but we have
1593 another landman.
1594 landman who's able to step in and answer any questions if there are questions for
1595 the landman. So with that, I would ask that the exhibits in case number 26183 be

1596 admitted into the record. And if there are any questions I can answer, happy to do
1597 so. And if the division has questions for any of the witnesses, we will make them
1598 available. Admitted without exception. Mr. McClure, I believe you want
1599 A depth severance correction.

1600

1600  **McClure, Dean, EMNRD** 1:39:45

1602 Oh, that's correct, Mr. Hearing Examiner. No questions, but just guidance from Ms.
1603 Bennett regarding the CPAC.

1604

1604  **Pecos Hall** 1:39:49

1606 Love you.

1607 The.

1608 Great. Happy to hear it.

1609

1609  **McClure, Dean, EMNRD** 1:39:55

1611 Ms. Bennett, I think we might have discussed the topic in one of these recent
1612 competing cases, but if you were looking at your CPAC specifically where it talks
1613 about the death severance.

1614

1614  **Pecos Hall** 1:39:59

1616 Yes.

1617 No.

1618

1618  **McClure, Dean, EMNRD** 1:40:11

1620 I don't know if you have it right in front of you or not. Yeah, essentially, rather than a
1621 repeat of like the vertical extent, what we're looking for there is a description of both
1622 points at where the ownership changes. So instead of that, instead of like a single
1623 sentence like that, you would have

1624

1624  **Pecos Hall** 1:40:12

1626 Yes, I do. Yeah, I do.

1627 Play the song.

1628 Uh-huh.

1629 Yeah.

1630

1631  **McClure, Dean, EMNRD** 1:40:33

1632 There's a death severance at 10216 and then like another sentence is a death
1633 severance at 10782.

1634

1635  **Pecos Hall** 1:40:42

1636 OK.

1637

1638  **McClure, Dean, EMNRD** 1:40:42

1639 Do you see what I'm referring to, Miss Bennett?

1640

1641  **Pecos Hall** 1:40:45

1642 I do, and I did look back at what I had prepared before, trying to...
1643 learn from my past foibles, but I apparently did not take the lesson to heart. So I will
1644 do a better job. And I think the only question I would have is, I understand the depth
1645 severance at 10216. The
1646 10782 is the base of the third bone spring, so...

1647

1648  **McClure, Dean, EMNRD** 1:41:13

1649 Home.

1650

1651  **Pecos Hall** 1:41:13

1652 I'm not sure if that's necessary.

1653

1654  **McClure, Dean, EMNRD** 1:41:16

1655 Okay, yeah, yeah, good. Well, yeah, good point, Miss Ben. I guess I wasn't
1656 understanding that.

1657 That was the.

1658 Yeah, I guess I guess I do see when I'm reading it a little bit better than that would
1659 be.

1660

1661  **Pecos Hall** 1:41:28

1662 Yeah.

1663

1664  **McClure, Dean, EMNRD** 1:41:35

1665 Define as the base of the second bone spring to the base of the third bone spring.
1666 Sand. Okay, I guess I'm in agreement with that. So yeah, I'm in agreement with what
1667 you just laid out. I guess the only depth severance that would fall off in the bone
1668 spring formation then would be your 10-2-1-6 then. I'm in agreement. So essentially
1669 your intended

1670

1671  **Pecos Hall** 1:41:38

1672 Sing.

1673

1674  **McClure, Dean, EMNRD** 1:41:54

1675 submission, what I guess, what are you intending to submit to us?

1676

1677  **Pecos Hall** 1:41:59

1678 Well with I would submit something that says there is a depth severance at 10216
1679 TVD as found on the Halliburton dual space neutron spectral density log dot etc.

1680

1681  **McClure, Dean, EMNRD** 1:42:13

1682 It sounds very good and that's something you'd be able to provide to us by the end
1683 of the day.

1684

1685  **Pecos Hall** 1:42:15

1686 Okay.

1687 Definitely.

1688

1689  **McClure, Dean, EMNRD** 1:42:19

1690 Okay, thank you, Miss Bennett. Mr. Hearing Examiner, I have nothing further on this
1691 case.

1692

1693  **Pecos Hall** 1:42:21

1694 Thank you.

1695 So Ms. Bennett, we'll leave the record open until 5 P.m. today. Thank you. Thank you.

1696 We're off the record in case number 23. Let's go to case number 24, Matador

1697 Production. It looks like it's joined to two other cases, 2619192 and 93. Entries,

1698 please. Good morning, Mr. Hearing Examiner Paula Vance with the Santa Fe office of

1699 Holland and Hart on behalf of the applicant, MRC Permian Company.

1700 Good morning, Mr. Examiner, Dina Bennett on behalf of Avant Operating Two LLC.
1701 And Avant Operating Two is not objecting to the cases, subject to further
1702 confirmation from Ms. Adance, that I understand that MRC and AO2 have reached an
1703 agreement. And so
1704 With that understanding, Avant is not objecting to the cases moving forward. Thank
1705 you. But I look forward to the confirmation on the record. I gathered that. Thank you.
1706 Ms. Bennett. On the offset or on the outset, I will just go ahead and align Ms.
1707 Bennett's concerns. Yes.
1708 the parties have reached a letter of agreement. And so we will plan to file if it's okay
1709 with the division, unless there's other stuff we need to also correct. But we will file
1710 revised hearing packets that reflect that Avant is not being pooled. I think I think this
1711 case
1712 can be held open till 5 P.m. for that correction and maybe a couple of others that Mr.
1713 McClure may have for you. So why don't you present your case and we'll move
1714 forward. Perfect. So in these cases, the acreage involved is all in Township 25 South,
1715 range 36 East, and that's in Lee County, New Mexico.
1716 In case number 26191, Matador MRC is seeking to pool a 480 acre West Half, West
1717 Half spacing horizontal spacing unit and that consists of and that's in sections 10, 15,
1718 and 22 in the Bone Spring formation and initially dedicate this spacing unit to the
1719 Rays Creek
1720 Fedcom 81H. In case number 26192, MRC seeks to pull a 480 acre east half, west half
1721 horizontal spacing unit. Again, that's sections 10, 15, and 22, Bone Spring Formation,
1722 and initially dedicate that spacing unit to the Rays Creek Fedcom 91H.
1723 And then lastly, in case number 26193, MRC seeks to pool a 480 acre W half, W half
1724 horizontal spacing unit in sections 10, 15, and 22. And that one is in the Wolf Camp
1725 formation and initially dedicate that to the Rays Creek Fedcom 111H.
1726 In our hearing packet, we have included the statement from our land man, David
1727 Johns, and then our geologist, Liz Olson, both of whom have previously testified
1728 before the division and their credentials have been accepted as a matter of record.
1729 We have included the required sub-exhibits for both land and geology. And then
1730 following that is myself or a self-affirmed statement of notice.
1731 And there are a couple of letters in there dated May 15th, 27th, and then July 17th,
1732 2026. And then notice of publication, the affidavit there. We've got three of those
1733 that are dated May 19th, June 12th, and July
1734 21st, 2026. And unless there are any questions, I would ask that the exhibits and sub-

1735 exhibits be admitted into the record and that these cases be taken under advisement
1736 at this time.

1737 Admitted without exception, Mr. McClure.

1738

1739  **McClure, Dean, EMNRD** 1:46:08

1740 Thank you, Mr. Hearing Examiner. Miss Vance, I'm looking at your first two cases, the
1741 bone spring ones, 26191 and 26192. I'm looking at your CPAC on them. I don't know
1742 if you have one of them in front of you or not.

1743

1744  **Pecos Hall** 1:46:09

1745 Okay.

1746 Yeah.

1747 Yeah.

1748 No.

1749 What?

1750 Do.

1751 Yes, I do. I've got both of them up.

1752

1753  **McClure, Dean, EMNRD** 1:46:30

1754 The.

1755 Sweet, you see where on that says is pulling this vertical extent entry there.

1756

1757  **Pecos Hall** 1:46:39

1758 Yes.

1759

1760  **McClure, Dean, EMNRD** 1:46:40

1761 The pool that covers this area for the bone spring is subdivided between the upper
1762 and lower bone spring. So we would need to correct this vertical extent to now state
1763 either the lower bone spring or you can get more detailed.

1764

1765  **Pecos Hall** 1:46:41

1766 Yeah.

1767 Yeah.

1768 Please.

1769 Sing.

1770

1771  **McClure, Dean, EMNRD** 1:46:59

1772 and say it's from the top of the first bone spring sand to the base of the bone spring,
1773 either would be acceptable.

1774

1775  **Pecos Hall** 1:47:00

1776 No.

1777 Okay, now, would this be something that we could reach out, either discuss with you
1778 offline to confirm based off of their landing, which pool it lands in, and then make
1779 that correction? How would you like to, I mean, you tell me how you'd like to
1780 proceed, because I

1781 I guess I wouldn't know unless we get confirmation from the district geologist.

1782

1783  **McClure, Dean, EMNRD** 1:47:33

1784 I suppose what the easiest route would be is for, I mean, in regard to the pool, I can
1785 tell you what the pool is. That's not a big deal. But, you know, towards that end, we
1786 could bring your geologist on and confirm where these wells are landed at.

1787

1788  **Pecos Hall** 1:47:37

1789 No.

1790 Okay.

1791 No.

1792 Our geologist is available, and that way we can confirm and know which pool, and
1793 then I can make that correction.

1794

1795  **McClure, Dean, EMNRD** 1:47:58

1796 Okay, yeah, that might be a good idea. Mr. Henry examiner, if maybe we could ask
1797 the geologist some questions.

1798

1799  **Pecos Hall** 1:47:58

1800 Yeah.

1801 Yeah.

1802 Do you want to call your geologist, Miss Van? Yes, Miss Olson should be available.

1803 Okay, would you raise your right hand, Miss Olson? Do you swear, affirm, under

1804 penalty of perjury, testimony about to give us the truth, the whole truth, nothing but
1805 the truth.

1806

1807  **Liz Olson** 1:48:17

1808 Yes.

1809 Yeah.

1810

1811  **Pecos Hall** 1:48:22

1812 Thank you. Would you spell your name, please?

1813 Thank you. And you've been admitted by this division as an expert in petroleum
1814 geology?

1815

1816  **Liz Olson** 1:48:33

1817 Yes, sir.

1818

1819  **Pecos Hall** 1:48:34

1820 Perfect. Thank you, Mr. McClure.

1821

1822  **McClure, Dean, EMNRD** 1:48:36

1823 Thank you, Mr. Examiner. Miss Olson, I'm looking at like your cross section, like
1824 exhibit D3. In the first case, it's page 55 of 70.

1825

1826  **Liz Olson** 1:48:49

1827 Yes, sir, I'm there.

1828

1829  **McClure, Dean, EMNRD** 1:48:51

1830 Okay, Miss Olson, I guess, is this like highlighted area that's towards the bottom
1831 there? Is that representation, is that representative of where the lateral for these wells
1832 is going to be completed in?

1833

1834  **Liz Olson** 1:49:05

1835 Yes, sir, both for the 081 and the 091.

1836

1837  **McClure, Dean, EMNRD** 1:49:09

1838 Okay, and what would be the horizon or the bench within the bone spring that this is
1839 falling within?

1840

1841  **Pecos Hall** 1:49:16

1842 Yeah.

1843

1844  **Liz Olson** 1:49:17

1845 These will be their gun sand wells.

1846

1847  **McClure, Dean, EMNRD** 1:49:20

1848 Okay. Is this accurate for, I mean, I know we're looking at one of the cases here. Is
1849 this accurate across both of the, or is this the same for both of the Bone Spring
1850 cases?

1851

1852  **Pecos Hall** 1:49:29

1853 You.

1854

1855  **Liz Olson** 1:49:33

1856 It's the same landing zone for both of the bone spring cases.

1857

1858  **McClure, Dean, EMNRD** 1:49:38

1859 Okay, so to your understanding, if the vertical extent of the unit were to be
1860 constrained to from the top of the first bone spring sand to the base of the bone
1861 spring, that that would be inclusive of where the applicant attends to complete the
1862 wells?

1863

1864  **Pecos Hall** 1:49:39

1865 Thanks.

1866 Beat.

1867

1868  **McClure, Dean, EMNRD** 1:49:57

1869 And produced from.

1870

1871  **Liz Olson** 1:49:59

1872 Yes, sir, that'd be correct.

1873

1874  **McClure, Dean, EMNRD** 1:50:01

1875 Okay, thank you, Miss Olson.

1876 I guess, Ms. Vance, did you want confirmation of the pool code that is that it's going

1877 to be landed within? Is that what you were asking before for?

1878

1879  **Pecos Hall** 1:50:15

1880 That would be great, but I would also ask for the it to be mailed to emailed to me so

1881 I don't have to scribble it out if that would be okay.

1882

1883  **McClure, Dean, EMNRD** 1:50:16

1884 Mhm.

1885 Mm.

1886 Um, okay, yeah, we...

1887

1888  **Pecos Hall** 1:50:26

1889 Since one of the technical other technical examiners offered to do that.

1890

1891  **McClure, Dean, EMNRD** 1:50:30

1892 Oh, Miss Vance, can you scroll up on your where you're at just a little bit?

1893

1894  **Pecos Hall** 1:50:35

1895 Sure.

1896

1897  **McClure, Dean, EMNRD** 1:50:36

1898 Do you see? Oh, I guess it's there too. Do you see where it has like that pool? Yes,

1899 Miss Vance, that that is the that is the correct pool right there. With that in mind, I,

1900 okay, very good. And you understood what I was asking for on the CPAC, is that

1901 correct?

1902

1903  **Pecos Hall** 1:50:40

1904 Okay, is that the...

1905 Okay.

1906 Then I'm good to go.

1907 Yeah.

1908 Correct. Now, since this is an upper and lower, do you want me to go ahead and just
1909 put in there from the base of the first bone spring to the base of the bone spring and
1910 then just include that pool code?

1911

1912  **McClure, Dean, EMNRD** 1:51:08

1913 Well, you're not, you're not, it's not needed for you to include the pool code, but you
1914 definitely may include this pool code and pool name within the CPAC. Your
1915 description though of the lower bone spring would be incorrect.

1916

1917  **Pecos Hall** 1:51:09

1918 Do.

1919 Can you let me know what you'd like me to put?

1920

1921  **McClure, Dean, EMNRD** 1:51:26

1922 Yeah, the lower bone spring is defined as from the top of the first bone spring sand
1923 to the base of the bone spring.

1924

1925  **Pecos Hall** 1:51:27

1926 Play.

1927 Okay.

1928

1929  **McClure, Dean, EMNRD** 1:51:39

1930 So with that in mind, I guess...

1931 What would you be submitting to us or proposing to submit to us?

1932

1933  **Pecos Hall** 1:51:50

1934 So we will update the CPACs with that language in the vertical, where, let's just go to
1935 it so we're both on the same page. Right here, pulling this vertical extent, and I will
1936 put from the top of the first bone spring sand to the base of the bone spring.
1937 on both of our both case number 261.

1938

1939  **McClure, Dean, EMNRD** 1:52:12

1940 The.

1941

1942  **Pecos Hall** 1:52:19

1943 91 and 92.

1944 And I can submit that by this afternoon. And unless there's anything else aside from
1945 us also updating the pooling exhibit.

1946

1947  **McClure, Dean, EMNRD** 1:52:36

1948 Yeah, and that was the only thing I was going to ask you, Miss Vance, is...

1949

1950  **Pecos Hall** 1:52:37

1951 The.

1952 Okay.

1953

1954  **McClure, Dean, EMNRD** 1:52:41

1955 Can you describe what that amendment is going to consist of?

1956

1957  **Pecos Hall** 1:52:42

1958 Call.

1959 So for case 26191, I will update the CPAC and make notation in the line item for the
1960 vertical extent based off of what we just spoke about. And then I will also update our
1961 exhibit.

1962 Should be exhibit.

1963 C3 and you'll see AO2 Permian LLC, that's Avant and I will unhighlight them. And
1964 then the same thing for 26192. And then lastly for our Wolf Camp case, I will just be
1965 updating that exhibit C3
1966 the pooling exhibit and unhighlighting Avant to reflect that they are no longer being
1967 pooled.

1968

1969  **McClure, Dean, EMNRD** 1:53:41

1970 Okay, thank you, Miss Vance. Mr. Hearing, examiner, I think we should be fine with
1971 leaving the record open until the end of the day and then take it under advisement.

1972

1973  **Pecos Hall** 1:53:42

1974 Bing.

1975 Yeah.

1976 Yes.

1977 Thank you, Mr. McClure. Ms. Vance, is that doable? Yes. All right. For all three cases?

1978 Correct. Okay, very good. We're off the record in those cases. Let's move on to...

1979 Looks like case number 27 on the docket, this is New Burn Oil. There are two cases

1980 joined, 2622426225. Jackie McLean on behalf of New Burn Oil Company, and there

1981 are no other parties that have entered an appearance in this case. Thank you, Ms.

1982 McLean. Go right ahead. Thank you.

1983 In these cases, New Bern is seeking to pull all uncommitted interest in the Bone

1984 Spring formation in sections 5 and 6, Township 21 South, Range 26 East, in section 1,

1985 Township 21 South, Range 25 East in Eddy County, and the units will be dedicated to

1986 the Ophelia 51 Fedcom Wells.

1987 Exhibits were timely submitted last week and include land testimony and geology

1988 testimony and exhibits from Ariana Rodriguez and Charles Crosby, both of whom

1989 have previously been recognized as experts in their respective fields by the division.

1990 And we've also included our notice testimony

1991 along with copies of the notice letter, which was timely sent to all parties on July 15th

1992 and an affidavit of publication from July 22nd. With that, I ask that the exhibits be

1993 admitted for case numbers 26224 and 26225 of the cases be taken under

1994 advisement.

1995 The exhibits are admitted without exception. Mr. McClure, your questions?

1996

1997  **McClure, Dean, EMNRD** 1:55:33

1998 Yeah, Mr. Hearing Examiner, I'll have questions for the land man for the first case.

1999 And then we have the notice issue that we need to address with Miss McLean.

2000

2001  **Pecos Hall** 1:55:42

2002 Okay, so the land man for the first case, not the second case. So 26224, it's the same

2003 Ariana Rodriguez. Perfect. Do we have Ms. Rodriguez? She should be.

2004

2005  **Ariana Rodriguez** 1:55:58

2006 Here.

2007 Can you hear me?

2008

2009  **Pecos Hall** 1:56:02

2010 Yes.

2011 There you are. Miss Rodriguez, would you please raise your right hand?

2012 To swear or affirm, under penalty of perjury, that the testimony you are about to give
2013 is the truth, the whole truth, and nothing but the truth.

2014

2015  **Ariana Rodriguez** 1:56:24

2016 Yes.

2017

2018  **Pecos Hall** 1:56:25

2019 Would you spell your name?

2020

2021  **Ariana Rodriguez** 1:56:27

2022 It's Ariana Rodriguez. It's ARIANARODRIGUES.

2023

2024  **Pecos Hall** 1:56:37

2025 Thank you. And you have been previously admitted by this division as an expert in
2026 petroleum land?

2027

2028  **Ariana Rodriguez** 1:56:42

2029 Yes, Sir.

2030

2031  **Pecos Hall** 1:56:43

2032 Thank you. Go ahead, Mr. McClark.

2033

2034  **McClure, Dean, EMNRD** 1:56:45

2035 I think we're sharing examiner. Miss Rodriguez, I'm looking at your, I mean, it might
2036 be easiest just for us discussing. I'm looking at your like lease map here on found on
2037 page 12 of 70.

2038

2039  **Pecos Hall** 1:56:51

2040 No.

2041 Okay.

2042

2043  **Ariana Rodriguez** 1:57:03

2044 Yes.

2045

2046  **McClure, Dean, EMNRD** 1:57:04

2047 And do you see that track #2 essentially that unleashed federal interest in the?

2048

2049  **Pecos Hall** 1:57:05

2050 Play the song.

2051

2052  **McClure, Dean, EMNRD** 1:57:14

2053 I guess I don't know how best to describe it. Lots 25 through 28, I guess.

2054

2055  **Ariana Rodriguez** 1:57:18

2056 Yes.

2057

2058  **McClure, Dean, EMNRD** 1:57:20

2059 Okay, can you provide me with a little bit more information regarding that track?

2060

2061  **Ariana Rodriguez** 1:57:30

2062 It's an unleased BLM tracked, and we reached out to the BLM because we have a
2063 proximity tracked well, and they had us set up an unleased lands account off with
2064 that serial number, that 106812425.

2065

2066  **McClure, Dean, EMNRD** 1:57:48

2067 Okay, so then is it the applicant's intent? I mean, is it essentially is like the production
2068 that would be attributed to that lease? Is that like going to be set up in like escrow or
2069 something like that? Is that the thought process?

2070

2071  **Ariana Rodriguez** 1:58:03

2072 It's set up in the unleased lands account that we sent that we got approved with the
2073 BLM.

2074

2075  **McClure, Dean, EMNRD** 1:58:12

2076 OK, but if when the B, I mean, does the BLM plan on leasing that track, I guess?

2077

2078  **Ariana Rodriguez** 1:58:19

2079 I can't speak for the BLM. I wouldn't. I mean, I'm.

2080 I just, I can't speak to that. They gave us that unleased lands account, that serial
2081 number to use for these wells, and so that's what we're doing.

2082

2083  **McClure, Dean, EMNRD** 1:58:29

2084 Excuse me?

2085 Yeah, and I understand where you're going there.

2086 Would it be you born's intent to...

2087 If that acreage gets leased, would it be Mewborn's intent to then like force pool that
2088 person later if they don't sign?

2089 Into these wells.

2090

2091  **Ariana Rodrigues** 1:58:58

2092 I think with an unleased lands account, and I would, I probably have to defer to our
2093 attorneys, but I think with that unleased lands account, that's, it is included in the
2094 wells, like the person that.

2095 Production and all the revenue goes to that unleased lands account. I'd have to ask
2096 our attorneys.

2097 How that works?

2098

2099  **McClure, Dean, EMNRD** 1:59:22

2100 Okay, and that's understandable, I guess.

2101 So then you don't know what would happen if a working, if an operator were to lease
2102 out that lease at a later point. Is that, would that be accurate to say?

2103

2104  **Ariana Rodrigues** 1:59:40

2105 I don't know. That would be a question for the attorneys.

2106

2107  **McClure, Dean, EMNRD** 1:59:44

2108 Okay.

2109

2110  **Ariana Rodrigues** 1:59:52

2111 We've reached out to the BLM and we've set that account up with them.

2112

2113  **Pecos Hall** 1:59:53

2114 Play song.

2115

2117  **McClure, Dean, EMNRD** 2:00:10

2117 Now it is correct that the applicant is not requesting the division to force pool any
2118 entities in regards to this track though, is that correct?

2119

2120  **Pecos Hall** 2:00:13

2121 Okay.

2122 What?

2123

2124  **Ariana Rodriguez** 2:00:20

2125 Correct.

2126

2127  **McClure, Dean, EMNRD** 2:00:22

2128 Okay, thank you, Ms. Rodriguez. Mr. Hearing Examiner, I don't have any further
2129 questions for any either of these cases. Just discussion with Ms. McLean now.

2130

2131  **Pecos Hall** 2:00:27

2132 Yeah.

2133 Go right ahead.

2134

2135  **McClure, Dean, EMNRD** 2:00:34

2136 Ms. McLean, I'm looking at, well, essentially the last page in both of these cases, your
2137 affidavit of publication, specifically the newspaper clipping.

2138

2139  **Pecos Hall** 2:00:38

2140 What?

2141 Yes, I have it up.

2142

2143  **McClure, Dean, EMNRD** 2:00:47

2144 I know this. I know this had come up on a prior case, and in that instance, I believe
2145 the public notice was not necessary. However, I believe the public notice is necessary
2146 in both of these cases. Do you agree?

2147

2148  **Pecos Hall** 2:00:51

2149 Call.

2150 The.
2151 I would need to refresh my memory on these.
2152 to see if everyone got.
2153 A delivery receipts are not.
2154 Yeah, I mean, it looks like...

2155

2156  **McClure, Dean, EMNRD** 2:01:31

2157 I mean, there were definitely ones that weren't.

2158

2159  **Pecos Hall** 2:01:31

2160 Looks like there was some that were forwarded, so I'll just take your word for it that
2161 not everyone did. So what's the issue with the publication, I guess?

2162

2163  **McClure, Dean, EMNRD** 2:01:35

2164 Yeah.

2165 Well, this has the same issue that we were talking about in that prior case, and that is,
2166 if you'll notice, it seems the newspaper, or I'm assuming the newspaper, removed
2167 your dashes from between the lots. Do you see where I'm referring to? Like, I mean,
2168 there's several instances kind of in the middle. There's like that 2730. It should have
2169 said 27-3.

2170

2171  **Pecos Hall** 2:01:51

2172 Like.

2173 Start.

2174 Starting.

2175

2176  **McClure, Dean, EMNRD** 2:02:08

2177 30. There's like 2532 should have said 25-32 I'm assuming is what you sent the
2178 newspaper.

2179

2180  **Pecos Hall** 2:02:13

2181 Ohh yeah.

2182 I see that. It says 3134. Yes, I see that.

2183

2184  **McClure, Dean, EMNRD** 2:02:21

2185 We will need to conduct new public notice that has that corrected. I don't know if
2186 maybe you want to put in there, you know, like 25 through 32 or 25 to 32 or
2187 something along those lines if the newspaper is going to keep doing that to you.
2188

2189  **Pecos Hall** 2:02:21

2190 Okay.

2191 Select.

2192 Yeah.

2193 No.

2194 Go.

2195 Yeah.

2196 Yeah, it's weird because in the proofs that like we get, it still has the dash. So I don't
2197 know, because I review all of it. So I don't know what happens when they actually
2198 print it, but I guess we will do that.

2199

2200  **McClure, Dean, EMNRD** 2:02:56

2201 I mean, I'm assuming this newspaper clipping is the accurate representation of what
2202 ultimately ended up being there.

2203

2204  **Pecos Hall** 2:03:00

2205 Yeah, and this is...

2206 Yeah, and they send this to us attesting that that is the case, so I would have to
2207 believe that's correct. Okay, so we will do the newspaper publication. I'm thinking
2208 because it's

2209

2210  **McClure, Dean, EMNRD** 2:03:08

2211 Well, that's interesting. Um, what?

2212

2213  **Pecos Hall** 2:03:23

2214 You know, well, it depends which one is this and the...

2215

2216  **McClure, Dean, EMNRD** 2:03:28

2217 No.

2218

2219  **Pecos Hall** 2:03:28

2220 Carlsbad, I think they're only running the paper there on Wednesdays now. So we
2221 would have to wait until next Wednesday. And then 10 days, one, two, three, 4, 5, 6,
2222 7, 8, 9, 10. There is a hearing on the 20th
2223 I was looking at that.
2224 The hearing dates.
2225 So, I guess we would just need to do...
2226 Well, would we need to come back or could we just submit it because it's just that
2227 publication? Would you be able to review it without us coming back to a hearing if
2228 we just submit it when the time ran for that?

2229

2230  **McClure, Dean, EMNRD** 2:04:19

2231 Well, I know current procedure would be to actually call it in case there's anybody
2232 who wants to, you know, do an inch of appearance, I guess.

2233

2234  **Pecos Hall** 2:04:21

2235 Goodbyes.

2236 Yeah.

2237

2238  **McClure, Dean, EMNRD** 2:04:31

2239 So my thought process would be we would want to continue it to another docket
2240 unless our hearing examiner, I guess, has additional thoughts on it.

2241

2242  **Pecos Hall** 2:04:44

2243 Ms. McLean.

2244 I mean, no one objected. I don't know if people usually do object based on the
2245 public notice.

2246 I was just trying to think of the easiest thing for everyone with something like this,
2247 the lots, you know.

2248 Because the spacing unit description is what it is, but it's, you know, at your
2249 discretion.

2250 Okay.

2251 When is the earliest, what is the earliest docket this could be put on? I think it's this
2252 September 1st, 2026. There's currently one case on that because the Carlsbad paper
2253 only publishes Wednesdays now. So the first

2254 The time that they would be able to publish would be next Wednesday. It's not like

2255 we can do that today. Got it. So you said September 3rd? September 1st. It looks like
2256 there's a special docket on that date. Let's put it on the 3rd because who knows
2257 what's going to happen. Yeah, it's a couple of days parties at the last minute.
2258 You probably didn't know this, but parties at the last minute resolve. Never heard of
2259 that happening. Resolve their cases and we don't come to a hearing. So just continue
2260 your cases to that docket. And Freya, would you see that it's at the beginning of the
2261 docket so we can dispose of it quickly? Yes.
2262 All right, thank you. All right, thank you, Miss McLean. These 2 cases will come back
2263 and be heard on the third. Thank you, Mr. McClure. Thank you. All right, let's move
2264 on to Matador Production Company. It looks like we have a few of these that are tied
2265 together, and not to spoil any surprises, but it looks like we're going to take them
2266 under advisement. So whoever cases they are, let's make them nice and quick.
2267 This is 29 through...
2268 34 on the docket, 262899091929394. Well, we're going to throw a curveball at you,
2269 of course. So we're going to present three of them. So I'll enter my appearance. Paula
2270 Vance with the Santa Fe office of Holland and Hart on behalf of the applicant.
2271 And I believe this one is MRC Permian. Anyway, I will let Miss Hatley go forward.
2272 Good morning, Mr. Examiner. Good morning. Carrie Hatley entering her appearance
2273 on behalf of Marathon Oil Permian. And we are monitoring three of the cases.
2274 However, I am entering an objection in three of them. So I would like to orally object
2275 and will follow up with a written objection.
2276 to case number 26289, 26290, and 26293. Hold on, let me just get this right. 2628990
2277 and then skipping over to 93. That's correct. And you're representing Marathon? Yes,
2278 sir. Okay.
2279 So those cases obviously can't go forward today. Freya, will you administratively
2280 move those to the status conference docket? That's going to be a long docket on the
2281 20th. Yes. But that's life. Okay.
2282 All right. Thank you, Ms. Hatley. Are there any other entries? No. Okay. So you're
2283 going to present 91, 92, and 94 at this time. Is that right?
2284 That's correct. Go right ahead. Thank you, Mr. Hearing Examiner Paula Vance with the
2285 Santa Fe Office of Holland and Hart on behalf of the applicant, MRC Permian. And in
2286 the three cases that we are going to move forward with, all of the acreage is in two
2287 different townships ranges.
2288 We've got section 36, and that's section 36, Township 22 South, range 27 East, and
2289 then section 31, which is in a regular section, and that's in Township 22 South, range

2290 28 East, and that's all in Eddy County, New Mexico. In case number 26291,
2291 MRC is pulling a 319.06 acre N half S half. That's the Bone Spring formation and
2292 initially dedicating that to the Betty Jones Federal Comm 123 H. Case number 26292.
2293 MRC is pulling a 319.02 acre S half S half and that's in the Bone Spring
2294 as well in initially dedicating that to the Betty Jones Federal Comm 124H. And then
2295 lastly, case number 26294, MRC is pulling a 478.0 acre north half of the south half of
2296 Section 36 and south half of Section 31.
2297 That's the Wolf Camp formation. That involves approval of an overlap. We included
2298 the exhibit to go along with that. And that is initially being dedicated to the Betty
2299 Jones Federal Com 203H candy cane well. And we have included our land and
2300 geology statement. I will note that our geologist has not previously testified.
2301 and that is Mr. Brandon Hercher. So I'm not sure if you, if it's a, if you'd like to, if we
2302 can admit him, at least do that. He did include a summary of his experience and
2303 education in his affidavit. And again,
2304 you know, as normal, we have included all the required sub exhibits, followed by a
2305 self-affirmed statement of notice, sample copy of the notice letter. Notice was timely
2306 mailed out on June 18th, 2026. And along with that, we've got our notice of
2307 publication that was timely published on June 24th, 2026.
2308 And unless there are any questions, I would ask that the exhibits and sub-exhibits be
2309 admitted into the record and that those three cases be taken under advisement at
2310 this time. I will note there is one thing on case 26294. I will call this out on myself.
2311 But I did notice when I was reviewing these yesterday that on the CPAC, it says oil
2312 instead of gas, and this is in the purple sage. So we will update that so it reflects
2313 correctly. So the exhibits are admitted without exception. And as I said earlier,
2314 Case 91 and 92 are taken under advisement at this time. Mr. McClure, do you have
2315 any questions in case 26294?

2316

2317  **McClure, Dean, EMNRD** 2:11:27

2318 Yes, I do, Mr. Examiner for the land man.

2319

2320  **Pecos Hall** 2:11:30

2321 Land men, would you call your land men? Yes, Mr. Addison Costley.

2322

2323  **Liz Olson** 2:11:45

2324 I'm here.

2325

2326 **PH Pecos Hall** 2:11:53

2327 Did you turn your microphone on, Mr. Costley?

2328

2329 **LO Liz Olson** 2:11:57

2330 Yes, sir, can you hear me?

2331

2332 **PH Pecos Hall** 2:11:59

2333 I'm sorry, did you? There you go. Okay. It says Liz Olson. I recognize you, though.

2334 You've testified before as an expert in land matters. So would you raise your right

2335 hand, please? You swear or affirm under penalty of perjury that testimony you're

2336 about to give is the truth, the whole truth, nothing but the truth.

2337

2338 **LO Liz Olson** 2:12:05

2339 Yes, sir.

2340 Sorry.

2341 Yes, sir.

2342

2343 **PH Pecos Hall** 2:12:18

2344 Great. Would you would you spell your name?

2345

2346 **LO Liz Olson** 2:12:21

2347 Yes, Addison. Costly. ADDISON. Costly. COSTLEY.

2348

2349 **PH Pecos Hall** 2:12:28

2350 Okay, Mr. McClure, I recognize him as the expert in land, so I don't have to ask that

2351 question. Go right ahead, Mr. McClure.

2352

2353  **McClure, Dean, EMNRD** 2:12:35

2354 Oh, thank you, Mr. Hearing Examiner. Mr. Costly, I'm looking at, I mean, it might just

2355 be easiest, so we have something we're looking at, and that's page 35 of 47 is

2356 essentially like your.

2357

2358 **PH Pecos Hall** 2:12:45

2359 Please.

2360

2361  **McClure, Dean, EMNRD** 2:12:49

2362 Yes, maybe this is like the NSP map, I guess.

2363 Maybe it's part of the geo exhibit, but this might be the easiest thing to look at. Do

2364 you see that, like the blue, is it accurate to say that the blue area is what the

2365 applicant's asking the 4th pool in this case, and that the red area is the accepted or

2366 the removed area from the standard HSU?

2367

2368  **Pecos Hall** 2:12:58

2369 No.

2370 One.

2371

2372  **Liz Olson** 2:13:12

2373 That is correct.

2374

2375  **McClure, Dean, EMNRD** 2:13:14

2376 Um...

2377 But it's accurate, I believe, from your statement, but just to confirm that the applicant

2378 owns 100% of the working interest within the south half of the south half of Section

2379 36 or that red area there.

2380

2381  **Liz Olson** 2:13:20

2382 Mm.

2383

2384  **Pecos Hall** 2:13:21

2385 I.

2386

2387  **Liz Olson** 2:13:24

2388 The.

2389

2390  **Pecos Hall** 2:13:26

2391 Oh.

2392

2393  **Liz Olson** 2:13:30

2394 That is correct.

2395

2396  **McClure, Dean, EMNRD** 2:13:32

2397 I guess.

2398

2399  **Pecos Hall** 2:13:33

2400 The.

2401

2402  **McClure, Dean, EMNRD** 2:13:34

2403 Why is the applicant asking for an NSP to exclude that rather than just including it all
2404 in the same unit here?

2405

2406  **Pecos Hall** 2:13:41

2407 Yeah.

2408 Yeah.

2409

2410  **Liz Olson** 2:13:52

2411 well, in the same target as the Betty Jones 203 that we are proposing. And so we felt
2412 like an NSP was appropriate to allocate for the candy cane being, you know, 1/3 of it
2413 is in section 36 and 2/3 of it.

2414

2415  **Pecos Hall** 2:13:55

2416 Yeah.

2417

2418  **Liz Olson** 2:14:11

2419 of the lateral will be in section 31.

2420

2421  **McClure, Dean, EMNRD** 2:14:16

2422 I guess is the applicant, does the applicant, does Matador believe that the candy
2423 cane well is not going to drain from the south half of the south half of Section 36?

2424

2425  **Liz Olson** 2:14:31

2426 I think with that existing well-being in the south half, south half already, that's
2427 already drained that area.

2428

2429  **Pecos Hall** 2:14:38

2430 Yeah.

2431

2432  **Liz Olson** 2:14:42

2433 And so that's why we're not including it.

2434

2435  **McClure, Dean, EMNRD** 2:14:46

2436 I guess could you elaborate on that a little bit more?

2437 Um...

2438 In terms of...

2439 The reason to remove it. I understand that it's been producing for a number of years,
2440 but can you elaborate more on Matador's reason that that would qualify it for
2441 removal from the unit?

2442

2443  **Liz Olson** 2:15:09

2444 You.

2445 Sure. I think, you know, with the existing well-being there, it has, you know, been
2446 there for roughly 10 years or so. It's drained that acreage. The rest of the unit is
2447 undrained or unburdened in the Wolf Camp A.

2448

2449  **Pecos Hall** 2:15:20

2450 The.

2451 And.

2452

2453  **Liz Olson** 2:15:37

2454 And so we felt that the proration unit should represent the, you know, virgin rock
2455 rather than the drained rock. And so that's why we allocated the unit to just be in the
2456 untouched rock rather than the previously drained rock under the Scott Walker.
2457 204 within the South Half South Ave.

2458

2459  **McClure, Dean, EMNRD** 2:16:02

2460 I guess, did the, did Matador, to your awareness, did Matador submit any like
2461 evidence demonstrating?

2462 along that line that it is in fact is drained, therefore it should not be included,
2463 anything like that.

2464

2465  **Liz Olson** 2:16:21

2466 I do not do not believe so. I'm not aware of anything, so...

2467

2468  **McClure, Dean, EMNRD** 2:16:31

2469 Okay, thank you, Mr. Mr. Costley. Thank you, Mr. Hearing Examiner.

2470 I don't have any further questions. I believe we can take it under advisement with the
2471 record left open till the end of day for that correction to the CPAC that Ms. Vance
2472 had mentioned.

2473

2474  **Pecos Hall** 2:16:45

2475 The.

2476 Thank you, Mr. McClure.

2477 Miss Vance.

2478 Yes, I can get that done. Okay, we're off the record in those cases.

2479 Okay, let's move on to case number 35 on the docket, which is joined to two other
2480 cases. This is 26295 Matador Production Company, joined with 96 and I guess 97.

2481 Who's representing Babador? Oh, you are. Oh, I didn't hear you. Do you want to take
2482 a two-minute break or something? No, actually, but before my last meeting. Your
2483 microphone's not been on for this whole time. Sorry about that. No, I'm good to
2484 move forward. Sorry, just shuffling a couple of papers. So

2485 Good morning. Good morning. Paula Vance with the Santa Fe office of Holland and
2486 Hart on behalf of the applicant, MRC Permian Company. Thank you, Ms. Vance. Good
2487 morning, Mr. Hearing Examiner. Yadiza Pena on behalf of COG Operating LLC, and
2488 we are just monitoring. Thank you, Ms. Pena.

2489 Thank you. Oh, I'm sorry.

2490

2491  **Benjamin Holliday** 2:17:58

2492 Morning.

2493 Sorry, it's hard to see. Good morning, everyone. Ben Holiday appearing on behalf of
2494 Powderhorn Operating. We're in case number 26296 only. No objection, just
2495 preserving rights. Thank you.

2496

2497 **PH Pecos Hall** 2:18:11

2498 Thank you, Mister Holiday.

2499 Thank you. So, and I will say on the offset, on the outset, I don't know why I keep
2500 saying offset and I think it's just like the nature of the work. But at the outset, we will
2501 be filing revised hearing packets. One of the items is related to Mr. Halliday's
2502 A client, Matador and Powderhorn have reached an agreement, so Powderhorn is no
2503 longer being pulled. So we will be updating that pulling exhibit. And then I'll go
2504 through a couple of other updates that we'll need to file revised hearing packets for.
2505 Okay. So in these cases, the acreage involved is all in Township 18 South, range 24
2506 East, and that's in league.

2507 County, New Mexico. In case number 26295, MRC is pulling a 318 acre west half of a
2508 regular section 18. That's in the Bone Spring formation. This does include approval of
2509 an overlap. And this is the pooling is limited to the to a depth of 11,044 feet total
2510 vertical depth.

2511 depth to the base of the bone spring formation. And Matador seeks to initially
2512 dedicate the spacing unit to the Mark M Fedcom 130H. And then in case number
2513 26296, the exact same acreage overlapping, but in the Wolf Camp,
2514 and Matador seeks to initially dedicate that to the Mark M Fedcom 210H, and that's
2515 another U-turn well there. And then lastly, in case number 26297, Matador is pulling
2516 a 320-acre E half of irregular section 18, and that involves the Wolf Camp formation,
2517 includes a overlap approval and is limited to a depth of 12,242 feet total vertical
2518 depth to the base of the Wolf Camp formation, and then initially dedicate that to the
2519 Mark M Fedcom 229H U-turn well. We have included

2520 The self-affirmed statements of our land man and geologist, both of Mr. David Johns
2521 is our land man and our geologist is Blake Herber. Although I will note if there are
2522 questions on geology, Mr. Herber is not available today, but Ms. Olson is available,
2523 who you've already heard from.

2524 earlier. Both of our experts have previously testified before the division and their
2525 credentials have been accepted as a matter of record. And we've included the all the
2526 required sub exhibits. And then following that is my is a self-affirmed statement of
2527 notice along with a sample letter that was timely mailed on June 18th, 2026.

2528 along with a notice of publication that was filed on June 21st, 2026. I'm gonna just
2529 go through the corrections, the updates for each of these. So on, and our land man is
2530 available, who can also speak to this. So

2531 Basically, there were some leases taken after the application was filed. So, and there
2532 were some subsequent to getting to hearing there have been some updates, some
2533 new leases taken. So essentially, and I can walk through the specifics of those, but
2534 basically what I
2535 I'm telling you is we need to, we are planning to file revised hearing packets with a
2536 updated pooling exhibit and updated commitment status and chronology of contacts
2537 to make sure to note the parties
2538 that were the owners at the time of filing, but the parties that have taken subsequent
2539 who Matador has been in contact with regarding the pooling process. So I can go
2540 into the specifics. You can ask our land man, but
2541 That's sort of the general overview. I will note specifically, though, a couple of key
2542 people here, though. In case number 26295 and 26296, at the time of filing, George
2543 Lynn Sims was the
2544 owner of the interest being pooled. And so that individual was provided notice. That
2545 was recently leased by Balam Resources. So you'll see George Lynn Sims on the
2546 tracking report as having received the notice. And then
2547 on the pooling, the communications, and the commitment status Ballum resources is
2548 listed. So we'll just make that clear in the exhibits that George Semmes was the party
2549 of record at the time of filing the application.
2550 And then that interest has been subsequently leased. And so Matador listed them on
2551 the pooling exhibit as owning the interest and has been in communication with that
2552 party subsequent to, you know, moving forward with the cases. And then similarly, in
2553 case 26297,
2554 The original interest owner at the time of filing the application was West Bend, and
2555 so they show up on the tracking report as receiving the notice going to them. But on
2556 the pooling, the communications and the commitment, Lone Tree Resources is listed
2557 because they
2558 or the new party that leased that interest. We'll just make that clear in there and I will
2559 make sure that it's covered in the cover page. So it's easy for the technical examiner
2560 to follow the changes of interest subsequent to filing the application.
2561 So unless there are any questions, I would ask that the exhibits and sub-exhibits be
2562 admitted into the record and that the cases be taken under advisement at this time.
2563 And of course, we're ready for questions if the examiner has any. Admitted without
2564 exception. Mr. McClure.

2565

2566  **McClure, Dean, EMNRD** 2:24:42

2567 Thank you, Mr. Hearing Examiner. I'll have questions for the land man, but if I may
2568 ask Miss Vance 1 clarifying question real fast before we do that.

2569

2570  **Pecos Hall** 2:24:43

2571 Yeah.

2572 Yes.

2573

2574  **McClure, Dean, EMNRD** 2:24:51

2575 Ms. Van said, just to confirm, I believe that is what you said, but just to confirm, the
2576 persons that received notice, those were the interest owners at the, that were known
2577 at the time of the application being submitted. Is that correct?

2578

2579  **Pecos Hall** 2:24:54

2580 Play, play, play.

2581 You.

2582 Yeah.

2583 Yeah.

2584 Yes, they were the parties of record at the time of filing the application.

2585

2586  **McClure, Dean, EMNRD** 2:25:10

2587 Okay.

2588 Okay, thank you, Miss Vance. So, Miss Haring Examiner, I guess if I could ask the
2589 landman some questions.

2590

2591  **Pecos Hall** 2:25:16

2592 The.

2593 Okay, I see a gentleman here on the screen. Who is that, Miss Mans?

2594 That is our land man, Mr. David Johns. David who?

2595

2596  **Liz Olson** 2:25:28

2597 Can you guys hear me OK?

2598

2599  **Pecos Hall** 2:25:30

2600 David Johns. Johns. Thank you. Mr. Johns, would you please raise your right hand?
2601 Do you swear or affirm under penalty of perjury? The testimony you're about to give
2602 is the truth, the whole truth, nothing but truth.

2603

2604  **Liz Olson** 2:25:41

2605 Yes, sir.

2606

2607  **Pecos Hall** 2:25:42

2608 Thank you. Would you spell your name, please?

2609

2610  **Liz Olson** 2:25:44

2611 David, David, Johns, Johns.

2612

2613  **Pecos Hall** 2:25:50

2614 Thank you. And you've previously been qualified as an expert before this division?

2615

2616  **Liz Olson** 2:25:54

2617 Yes, sir.

2618

2619  **Pecos Hall** 2:25:55

2620 In what field?

2621

2622  **Liz Olson** 2:25:56

2623 Land.

2624

2625  **Pecos Hall** 2:25:57

2626 Thank you. Go right ahead, Mr. McClark.

2627

2628  **McClure, Dean, EMNRD** 2:26:00

2629 Thank you, Mr. Examiner. Mr. Johns, like I'm looking on your self-affirmed statement,
2630 page 12 of 47 in the first case here, specifically at your paragraph 13, where you talk
2631 about unlocatable persons.

2632

2633  **Liz Olson** 2:26:32

2634 Yes, sir.

2635

2636  **McClure, Dean, EMNRD** 2:26:34

2637 Okay and.

2638 Well, I don't know about this case. Which case are you in, Miss Vance?

2639

2640  **Pecos Hall** 2:26:43

2641 Sorry, which case number? Oh, I'm on Betty Johns. I'm sorry. Sorry. What page

2642 number was it, Mr. McClure?

2643

2644  **McClure, Dean, EMNRD** 2:26:46

2645 Alan.

2646 Okay.

2647 Page, I might have said 13, but it's actually page 12 of 47. And this is for the case

2648 26295.

2649

2650  **Pecos Hall** 2:27:00

2651 Thanks.

2652 Yes, OK, that should be correct.

2653

2654  **McClure, Dean, EMNRD** 2:27:03

2655 In paragraph, yeah, yeah, Miss Hence. Yes, Miss John or Mr. Johns, are you with us

2656 here now?

2657

2658  **Liz Olson** 2:27:10

2659 Yes, Sir.

2660

2661  **McClure, Dean, EMNRD** 2:27:12

2662 It appears that...

2663 Cold water land service was unlocatable, is that correct?

2664

2665  **Liz Olson** 2:27:21

2666 Yes, sir, that's correct.

2667

2668  **McClure, Dean, EMNRD** 2:27:23

2669 Okay, and this isn't one of the persons that is associated with the changes that Ms.
2670 Vance was talking about. Is that also correct?

2671

2672  **Liz Olson** 2:27:33

2673 That's correct. They're not associated with those changes.

2674

2675  **McClure, Dean, EMNRD** 2:27:36

2676 Okay, and is this the only interest owner that was unlocatable?

2677

2678  **Liz Olson** 2:27:41

2679 That's correct.

2680

2681  **McClure, Dean, EMNRD** 2:27:43

2682 Okay.

2683 And I know Miss Vance brought it up, but could you...

2684

2685  **Pecos Hall** 2:27:50

2686 Yes.

2687

2688  **McClure, Dean, EMNRD** 2:27:53

2689 Give me an extremely brief.

2690 description or summary of what's going on with Balen Resources LLC.

2691

2692  **Pecos Hall** 2:28:02

2693 So.

2694

2695  **Liz Olson** 2:28:05

2696 Yes, sir. George Lynn Sims originally owned an unleased mineral interest in case
2697 number 26295 and case number 26296. They were noticed and in the last two weeks,
2698 they executed a lease to Balam Resources.

2699 So, Ballum Resources has been included and updated in all of the all of the exhibits,
2700 and we've been in contact with them.

2701

2702  **McClure, Dean, EMNRD** 2:28:31

2703 Okay, so then notice wasn't provided to Balam because it was provided to the person
2704 who owned the interest prior to them. Is that correct?

2705

2706  **Liz Olson** 2:28:44

2707 Yes, Sir.

2708

2709  **McClure, Dean, EMNRD** 2:28:45

2710 And could you say one more time who that interest owner was that was provided
2711 notice for this interest?

2712

2713  **Pecos Hall** 2:28:52

2714 So.

2715

2716  **Liz Olson** 2:28:52

2717 George Lynn Sims.

2718

2719  **McClure, Dean, EMNRD** 2:28:57

2720 George Lynn Sims, is that correct?

2721

2722  **Liz Olson** 2:29:01

2723 Yes, sir.

2724

2725  **McClure, Dean, EMNRD** 2:29:02

2726 Okay.

2727 No.

2728 Okay, now I'm looking at your...

2729 And unfortunately I didn't include page numbers in my notes for this, but I'm looking
2730 at your commitment table. Let me get scrolled down to it.

2731 Maybe Miss Vance has it.

2732 Looks like page 34 of 47. Oh, yeah, Ms. Vance already has it. Are you with us, Mr.

2733 Jones?

2734

2735  **Liz Olson** 2:29:34

2736 Yes, Sir.

2737

2738  **McClure, Dean, EMNRD** 2:29:36

2739 Okay, do you see on there where you have like 2 persons that's listed as being
2740 committed and white there?

2741

2742  **Liz Olson** 2:29:43

2743 Yes, sir.

2744

2745  **McClure, Dean, EMNRD** 2:29:45

2746 Okay, um...

2747 You see on the right-hand column where you only say committed, correct?

2748

2749  **Liz Olson** 2:29:52

2750 Yes, sir, they they signed the JOA.

2751

2752  **Pecos Hall** 2:29:54

2753 Yeah.

2754

2755  **McClure, Dean, EMNRD** 2:29:55

2756 Okay, and do you understand, I guess, that what the division is looking for there is
2757 the commitment type. So you would say, I mean, you can say committed there if you
2758 don't want to have a different column, but like committed, dash, JOA, something
2759 along those lines, just so we know how they were committed.

2760

2761  **Pecos Hall** 2:30:00

2762 Okay.

2763

2764  **Liz Olson** 2:30:14

2765 Yes, sir, we can we can make that edit quickly today.

2766

2767  **McClure, Dean, EMNRD** 2:30:17

2768 Okay, and then that was, and just to confirm, that's the case for...

2769

2770  **Liz Olson** 2:30:18

2771 Yeah.

2772

2773  **McClure, Dean, EMNRD** 2:30:22

2774 Latum Energy LLC that they're committed via JLA.

2775

2776  **Liz Olson** 2:30:27

2777 Yes, sir, as long as Gossier Energy LLC.

2778

2779  **McClure, Dean, EMNRD** 2:30:33

2780 Okay.

2781 Hey.

2782 Yeah, not to jump all over the place too awful much, but I'm back up at your self-

2783 affirm statement, Mr. Johns. Specifically, I'm looking at the paragraph 4 on page 10

2784 of 47 that discusses the death severance.

2785

2786  **Liz Olson** 2:31:14

2787 Yes, sir.

2788

2789  **McClure, Dean, EMNRD** 2:31:16

2790 Can you describe, I guess, from where that death severance is derived?

2791

2792  **Liz Olson** 2:31:24

2793 There were historical leases that were taken that contained few clauses and the

2794 acreage below, 100 feet below the deepest depth drilled expires. So that if you'll

2795 look, you'll notice COG operating operates 2 Sebastian wells.

2796 So that depth severance is 100 feet below the Sebastian wells that are existing in the

2797 ground. And there's no depth severances below 11,044 feet that we're pulling. All the

2798 inches below that depth is uniform.

2799

2800  **McClure, Dean, EMNRD** 2:32:01

2801 Okay, so then 11,044 feet is derived from being 100 feet.

2802 deeper than one of the Sebastian Wells. Is that correct?

2803

2804  **Liz Olson** 2:32:13

2805 Yes, sir.

2806

2807  **McClure, Dean, EMNRD** 2:32:15

2808 Okay, do you include that Sebastian well, I guess anywhere in your exhibits?

2809

2810  **Liz Olson** 2:32:27

2811 On page 15 of 47, we've got the overlapping unit map that contains.

2812 The Sebastian Fedcom One and the Sebastian Fedcom Two.

2813

2814  **McClure, Dean, EMNRD** 2:32:42

2815 Okay, I'm looking at the map that Ms. Vance has.

2816 So which one is the deeper one? The one in the west looks like 10944, is that correct?

2817

2818  **Liz Olson** 2:32:53

2819 Yes, sir.

2820

2821  **McClure, Dean, EMNRD** 2:32:55

2822 Okay, so then would it be accurate to say...

2823 That you're...

2824 is based upon the surface location of the Sebastian Federal Comm 1H.

2825

2826  **Liz Olson** 2:33:15

2827 It's based off of...

2828 The deepest TBD of the Sebastian Fedcom One Edge, yes, sir.

2829

2830  **McClure, Dean, EMNRD** 2:33:25

2831 Yeah, but would it be accurate to say that the TVD of that well is connected to its

2832 surface location? Therefore, your...

2833

2834  **Liz Olson** 2:33:32

2835 Yes, sir.

2836 Yes, sir.

2837

2838  **McClure, Dean, EMNRD** 2:33:36

2839 Okay, and where is that surface location located at?

2840

2841  **Liz Olson** 2:33:42

2842 The surface location of the Sebastian Fedcom #1H well.

2843

2844  **McClure, Dean, EMNRD** 2:33:47

2845 Yes, sir, Mr. Jones.

2846

2847  **Liz Olson** 2:33:51

2848 I'm not sure if those were drilled from north to south.

2849 or South and North.

2850

2851  **McClure, Dean, EMNRD** 2:34:12

2852 Let's see, Mr. Vance, do you know if there's an API number listed for that well

2853 anywhere? I guess they can look up by the well name.

2854

2855  **Pecos Hall** 2:34:18

2856 Yes.

2857 Yes, give me a second. It should be in the application. So the API numbers are right

2858 here. I was going to say, I'm sharing my screen, but otherwise I would look in the well

2859 file for you.

2860

2861  **McClure, Dean, EMNRD** 2:34:25

2862 Oh, there we go.

2863 Your mouse is, is that 68? No, 687.

2864

2865  **Pecos Hall** 2:34:39

2866 Yeah.

2867

2868  **McClure, Dean, EMNRD** 2:34:42

2869 Looks like the service location is located in unit letter D, so the of section 18, so the

2870 northwest, northwest quarter it appears. So then Mr. Johns, would it be accurate to

2871 say that your depth severance of 11,044 feet is in reference to the northwest,

2872 northwest quarter of

2873

2874  **Pecos Hall** 2:34:50

2875 Yeah.

2876

2877  **McClure, Dean, EMNRD** 2:35:03

2878 Section 18.

2879

2880  **Liz Olson** 2:35:05

2881 Well, that's where the surface location of the well is, but we...

2882 The language of those pew clauses, it's...

2883 It's the deepest depth drilled of that well. That well, the surface hole is in D, as you
2884 guys confirmed, the northwest, northwest quarter, and then the bottom hole is in
2885 southwest, southwest.

2886

2887  **McClure, Dean, EMNRD** 2:35:28

2888 Well, would it be accurate to say that essentially it is like the stratigraphic equivalent
2889 of that depth? Correct, would be the thought process?

2890

2891  **Liz Olson** 2:35:39

2892 No, it's not the key language isn't isn't tied. The key language in the least is tied to a
2893 stratigraphic equivalent. It's just that it's the true deepest depth drill of that of that
2894 subject. Well.

2895

2896  **McClure, Dean, EMNRD** 2:35:53

2897 And does this, the step severance, it would cover the entirety of the west half of
2898 Section 18, that's correct?

2899

2900  **Pecos Hall** 2:35:55

2901 The.

2902

2903  **Liz Olson** 2:36:04

2904 That's correct. The depth severance of the formations were the depth severance, the
2905 depths that we're trying to pull the 11,044 feet. That's correct. That would be for the
2906 entire West half.

2907

2908  **McClure, Dean, EMNRD** 2:36:33

2909 Mmh.

2910 If I were to ask you to provide us some additional written, like in your self-affirmed
2911 statement, if you could amend like your paragraph 4 to reference like where that
2912 11,044 feet is coming from, kind of summarization of our verbal.
2913 back and forth here today. Do you understand what I'd be asking for?

2914

2915  **Liz Olson** 2:37:01

2916 Yes, sir, we can we can do that today. And just to confirm, we could, you know,
2917 paraphrasing, but just put that it's based off of.
2918 100 feet below the TBD of the Sebastian Fedcom 1H.

2919

2920  **McClure, Dean, EMNRD** 2:37:15

2921 Mr. Johns, yeah, that you have a, I would agree, I guess, with the thought process
2922 there.

2923

2924  **Liz Olson** 2:37:21

2925 Perfect. Yes, sir, that we can we can quickly add that today.

2926

2927  **McClure, Dean, EMNRD** 2:37:31

2928 And you understand, or it sounded like you already said you did, but just to confirm,
2929 in regards to what I was referencing in the commitment table about putting the type
2930 of commitment on those.

2931

2932  **Pecos Hall** 2:37:32

2933 The.

2934

2935  **Liz Olson** 2:37:41

2936 Yes, sir.

2937

2938  **McClure, Dean, EMNRD** 2:37:43

2939 Okay, um...

2940 Everything.

2941 Mr. Honey Examiner, I don't think I have any more questions for Mr. Jones, but I will
2942 have some questions for their geologists or the substitute geologists.

2943

2944  **Pecos Hall** 2:38:21

2945 Ms.

2946 Has the substitute geologist been admitted as an expert before this division? Yes,
2947 and she was, she already spoke earlier today, so she's already been sworn in. One
2948 question, just since we have a death severance on both the 26295 and 26297, I'm
2949 assuming Mr.

2950

2951  **McClure, Dean, EMNRD** 2:38:36

2952 Yeah.

2953

2954  **Liz Olson** 2:38:36

2955 You.

2956

2957  **McClure, Dean, EMNRD** 2:38:39

2958 Okay.

2959

2960  **Pecos Hall** 2:38:54

2961 McClure wants a similar discussion in the landman statement for that case as well,
2962 correct?

2963

2964  **McClure, Dean, EMNRD** 2:39:11

2965 Oh, actually, I do apologize, Miss Vance, because some reason I didn't have it in my
2966 notes, but that was it was going to come up shortly because this is the depth
2967 severance is what my geologist questions are about. But yes, or Mr. Hearing, if we
2968 can bring Mr. Johns back and briefly discuss case 26297.

2969

2970  **Pecos Hall** 2:39:15

2971 I.

2972 You.

2973 OK, let's take a five-minute recess, and then we'll be ready for Mister Jones. Thank
2974 you. Off the record.

2975 heard Mr. McClure.

2976 Yeah.

2977

2978  **McClure, Dean, EMNRD** 2:47:04

2979 I heard nothing. It's you've been in the privacy this entire time.

2980

2981  **Pecos Hall** 2:47:08

2982 Ah, Mr. McClure, we're back on the record.

2983

2984  **McClure, Dean, EMNRD** 2:47:09

2985 Yeah.

2986 Yeah.

2987

2988  **Pecos Hall** 2:47:12

2989 Yeah.

2990 And we have our landman who's back up to answer any questions.

2991

2992  **McClure, Dean, EMNRD** 2:47:25

2993 Thank you, Ms. Vance. Mr. Johns, in regards to the case 26297, is that a similar, is that
2994 a similar death severance as to the Bone Spring case?

2995

2996  **Pecos Hall** 2:47:27

2997 Yeah.

2998 The.

2999 No.

3000

3001  **Liz Olson** 2:47:43

3002 Yeah, similar, similar situation, just different, different Sebastian wells and a different
3003 formation, but same, same general idea.

3004

3005  **McClure, Dean, EMNRD** 2:47:54

3006 And I see in your self-affirmed.

3007 Oh, maybe this is the application. Let me go down to your self-affirm statement.

3008 Oh, actually, I guess I was looking at the overlap, which is just in your application, not

3009 your self-affirmed. In your application on page 7 of 47, it looks like there's like

3010 several Sebastian Wells listed there. Do you know which one your...

3011 Death severance of 12,242 is based on.

3012

3013  **Liz Olson** 2:48:36

3014 I believe it's the Sebastian Fedcom #7 on the range.

3015

3016  **McClure, Dean, EMNRD** 2:48:42

3017 I'm sorry, Mr. Johns, I missed the last number there. You said 70.

3018

3019  **Pecos Hall** 2:48:43

3020 I.

3021

3022  **Liz Olson** 2:48:46

3023 704H, I believe.

3024

3025  **McClure, Dean, EMNRD** 2:48:48

3026 Oh, 4H. Okay.

3027 It appears that that surface location should be located in the northwest of the

3028 northeast quarter of Section 18. Does that sound right to you, Mr. Jones?

3029

3030  **Liz Olson** 2:49:22

3031 Again, I don't.

3032 I don't know offhand the surface locations of the sebackion wells.

3033

3034  **McClure, Dean, EMNRD** 2:49:28

3035 Yeah.

3036 Good point, Mr. Johns. But it would be, okay, I guess it's a similar concept though to

3037 our prior discussion that your depth severance is based upon the deepest 100 feet

3038 below the deepest point of these two wells. Is that correct, Mr. Johns?

3039

3040  **Pecos Hall** 2:49:33

3041 Yes.

3042

3043  **Liz Olson** 2:49:47

3044 Yes, sir.

3045

3046  **McClure, Dean, EMNRD** 2:49:49

3047 Okay.

3048 And then you would understand, or you already understood my prior request for the

3049 last case in regards to your self-affirmed statement corrections.

3050

3051  **Liz Olson** 2:50:05

3052 Yes, sir.

3053

3054  **McClure, Dean, EMNRD** 2:50:06

3055 Okay.

3056 Thank you, Mr. Johns.

3057 Mr. Hearing, examiner, I finished asking questions of the landman this time, I hope,

3058 and ready for the geologists.

3059

3060  **Pecos Hall** 2:50:17

3061 Yes.

3062 Okay, let's get the geologist back.

3063

3064  **Liz Olson** 2:50:20

3065 Yep.

3066

3067  **Pecos Hall** 2:50:23

3068 Is it Ms. Olsen?

3069 That's correct. Okay. Miss Olsen, I remind you that you're still under oath. Go right

3070 ahead, Mr. McClure.

3071

3072  **McClure, Dean, EMNRD** 2:50:31

3073 I thank, thank you, Mister Hearing Examiner. Miss Olson, I'm looking at your.

3074

3075  **Pecos Hall** 2:50:33

3076 Yeah.

3077 Yeah.

3078

3079  **McClure, Dean, EMNRD** 2:50:37

3080 I'll just start with this East Half Wolfcamp case, because that's what I have open. So
3081 case 26297. I'm looking at your cross section on exhibit D3, page 40 of 47.

3082

3083  **Liz Olson** 2:50:54

3084 Yes, Sir, I'm there.

3085

3086  **McClure, Dean, EMNRD** 2:50:57

3087 And do you see where?

3088

3089  **Pecos Hall** 2:50:59

3090 But.

3091

3092  **McClure, Dean, EMNRD** 2:51:03

3093 Matador has or this exhibit has like that dashed line for the death severance wrote at
3094 like it just says like 12242 you see what I'm referring to.

3095

3096  **Pecos Hall** 2:51:06

3097 The.

3098

3099  **Liz Olson** 2:51:14

3100 Yes, Sir.

3101 I do.

3102

3103  **McClure, Dean, EMNRD** 2:51:26

3104 I guess, do you think this is an accurate representation across that cross section as to
3105 where that depth severance would exist?

3106

3107  **Liz Olson** 2:51:38

3108 I think it's that's definitely accurate on the middle type wall, the government L2,
3109 which is a was it which is on section for the Sebastian Federal Wells.

3110 I think it's just a TBD representation otherwise.

3111

3112  **McClure, Dean, EMNRD** 2:51:55

3113 Okay, yeah, so, um...

3114 And I'm looking at your.

3115 Map directly above to show where your cross-section is coming from.
3116 And it looks like the debt would be based off of the northwest quarter, the northeast
3117 quarter.
3118 So with that in mind, would you agree that that total vertical debt for like land
3119 somewhere between your government L2 and your Bell Lake 7 unit one, but close to
3120 the government L2?

3121

3122  **Liz Olson** 2:52:37

3123 Yeah, I think it's pretty similar on the government L2 and the Bell Lake unit one, but I
3124 do think the government L2 is most representative of the section that we're talking
3125 about.

3126

3127  **McClure, Dean, EMNRD** 2:52:49

3128 So if I guess if I were to ask you to amend this exhibit.

3129 To show the.

3130 Hmm.

3131 I guess to show the equivalent of where the deepest points of those wells exist.

3132 What is your thought process there?

3133

3134  **Liz Olson** 2:53:29

3135 Um...

3136 I think that would be would be fair on the like government L2 and the Bell Lake 7
3137 one. But I think again, because it's not a stratigraphic equivalent, it's a TBD. I'm not
3138 sure I'd want to take it.

3139 I mean, I think I think it's fine as as drawn, um, but again, it's just a it's a...

3140 I kind of, I kind of focus on the government L2 probably.

3141

3142  **McClure, Dean, EMNRD** 2:54:01

3143 Okay, where was the, where was the TBD? How was the TBD of the deepest point of
3144 those wells derived?

3145

3146  **Liz Olson** 2:54:09

3147 It was derived from looking at the deepest depth through the directional surveys.

3148 Wish I had for all of those fashion federal wells.

3149

3150  **McClure, Dean, EMNRD** 2:54:17

3151 And would you agree that the TVD listed on that directional survey is the total
3152 vertical depth as it relates to the surface location of the well, or in other words, the
3153 origin of the directional survey?

3154

3155  **Liz Olson** 2:54:33

3156 That'd be correct for how the survey was taken, yes.

3157

3158  **McClure, Dean, EMNRD** 2:54:38

3159 So are you in agreement that...

3160 Are you in agreement that the best way to display?

3161 Even if it's a flat area.

3162

3163  **Liz Olson** 2:54:59

3164 I mean, would you like me to display the what I think is the path, the well more path
3165 of the Sebastian Federal Wells against the type log of the government L2? Is that
3166 what you would be looking for?

3167

3168  **McClure, Dean, EMNRD** 2:55:13

3169 I mean.

3170 You know, actually, maybe that would be the best way to go about it, because I don't
3171 think it would be a flat line across here is what I'm trying to get at. I think it's going
3172 to be something similar in nature to, you know, the inclination that we have in the
3173 formation.

3174 Do you see what I'm referring to?

3175

3176  **Liz Olson** 2:55:33

3177 Okay.

3178 Yes, sir. I mean, if I if my it's been it's been a little bit since I've looked at this, but I
3179 believe it's a it's quite a quite a flat while we're in the TBD change over the course of
3180 the lateral is quite small.

3181

3182  **McClure, Dean, EMNRD** 2:55:54

3183 I guess let me ask you this in a different way. Do you believe that the Sebastian

3184 Wells...

3185 or within the same bench across the entirety of their completed lateral.

3186

3187  **Liz Olson** 2:56:06

3188 Yes, I do.

3189

3190  **McClure, Dean, EMNRD** 2:56:08

3191 Now, when I'm looking at this cross section, do you think that that's going to be a

3192 flat line across that cross section if the well bore is following one of these benches?

3193

3194  **Liz Olson** 2:56:19

3195 I'd actually, I'd point you to the exhibits from the 210H case. I think that's the same

3196 target that is proposed here that was drilled by both the Sebastian Federal Wolf

3197 Camp Wells. And so I think that would be the most representative of that interval on

3198 the titles that we've shown here.

3199

3200  **McClure, Dean, EMNRD** 2:56:39

3201 Okay, could we go ahead and...

3202

3203  **Liz Olson** 2:56:40

3204 I do, I do think they stayed at, they stayed in that in within that yellow shaded box. I

3205 would, I think they stayed probably within the top 100 feet of that yellow shaded

3206 box.

3207 On on town calls.

3208

3209  **McClure, Dean, EMNRD** 2:56:54

3210 I miss.

3211 Miss Olson, are we looking at, are you, are we looking at the exhibit that Miss Vance

3212 has pulled up right now? Looks like exhibit D3 from case 26296. Is that correct?

3213

3214  **Liz Olson** 2:57:08

3215 Yes, sir. Sorry, sorry to jump there. I just think that's kind of showing what you're

3216 what you're asking for formation.

3217

3218  **McClure, Dean, EMNRD** 2:57:10

3219 Okay.

3220 Mm.

3221 Yep. Oh yeah, you're perfectly fine with that. Okay, so then...

3222 Something, okay, so then do you think that death severance, where would the death

3223 severance land within this cross-section? Could you say that one more time?

3224

3225  **Liz Olson** 2:57:32

3226 Yeah, it's the same typos that are shown in this cross section as the typos that were

3227 shown for the mark in 229 case. So it still would be at that 12,242 feet.

3228

3229  **McClure, Dean, EMNRD** 2:57:50

3230 Okay, so if that...

3231

3232  **Liz Olson** 2:57:51

3233 What should be?

3234 Go ahead.

3235

3236  **McClure, Dean, EMNRD** 2:57:55

3237 If that red dashed line was to be put into this cross section.

3238 What would it look like?

3239

3240  **Liz Olson** 2:58:06

3241 It would it would look the same as it does on the cross section and the exhibits from

3242 the 229 case. It would just be on the like the lower half of that, the very lowest part of

3243 that yellow box.

3244

3245  **McClure, Dean, EMNRD** 2:58:29

3246 Miss Vance, can you scroll up just a little bit so I can look at that map of where this is
3247 derived? Yeah.

3248 So the Ms. Olson, are these different wells? Is this a different cross-section between

3249 these two cases? Ms. France, could you go back down to one more? I'm sorry.

3250

3251  **Liz Olson** 2:58:46

3252 But.

3253 No, sir, they're the exact same type walls in the cross section from 8A prime in both
3254 cases, and they're disoriented the same way also.

3255

3256  **McClure, Dean, EMNRD** 2:58:49

3257 I was just looking at that.

3258 Okay, well.

3259 In your cross section, that's in the other case for the east half, you have a line that is
3260 depicted and it's quite literally like where that wolf camp top is. Yeah, like quite
3261 literally right there. Are you saying that you're deaf, that this is a representation of
3262 the deaf severance on this cross section?

3263

3264  **Liz Olson** 2:59:14

3265 Mhm.

3266 I do think it's probably a little bit confusing the way...

3267 That have it have it annotated there.

3268

3269  **McClure, Dean, EMNRD** 2:59:31

3270 Would you agree that if this was a depiction of it, that it quite literally cuts right
3271 through the middle of your proposed unit in the case 26296?

3272

3273  **Liz Olson** 2:59:51

3274 In 29296 is the 229 case, yeah.

3275

3276  **McClure, Dean, EMNRD** 2:59:54

3277 That's the upper wolf camp portion.

3278

3279  **Liz Olson** 3:00:02

3280 Can you rephrase your question there, please?

3281

3282  **McClure, Dean, EMNRD** 3:00:05

3283 Yeah, Ms. Vance, can we go back to the other case that shows the Upper Wolf Camp?

3284 OK, Miss Olson, would you?

3285 I mean, I don't know if it's relevant for me to get you to say the depth, the depth

3286 seven goes across, but clearly it's not depicted correctly in the other one. So let me

3287 try to figure out what the correct depiction is.

3288 Is it correct to think that the depth severance would be towards the bottom of that
3289 yellow area across this cross-section?

3290

3291  **Liz Olson** 3:00:40

3292 That's correct.

3293

3294  **McClure, Dean, EMNRD** 3:00:42

3295 Okay, so would it be accurate to show a dashed line which is not flat?
3296 but is going to change within these different wells.

3297

3298  **Liz Olson** 3:00:54

3299 Yeah, I mean, there, there's...

3300 Just with the thickness change, I would probably draw it a little bit lower on the
3301 Madera Ridge 24A or 24 1 on the A side of the cross section.

3302 But again...

3303

3304  **McClure, Dean, EMNRD** 3:01:10

3305 And would you...

3306

3307  **Liz Olson** 3:01:12

3308 Go ahead.

3309

3310  **McClure, Dean, EMNRD** 3:01:14

3311 Would you agree that that is in agreement with the depth severance being 100 foot
3312 below the depth of the deepest point of those drilled wells?

3313

3314  **Liz Olson** 3:01:30

3315 I mean, if I was, if I was picking it for like a stratigraphic equivalent, yes, that would be
3316 how you would, how you would correlate it.

3317 It's just not a stratigraphic equivalent. And so that's why it's drilled at. That's why the
3318 dotted line is dashed at that that same 12,242 feet and not correlated the way that
3319 the Wolf Camp A top is or the or the shaded box are.

3320

3321  **McClure, Dean, EMNRD** 3:02:08

3322 Do you agree that the total vertical depth depicted in each of these cross sections is
3323 based upon the elevation of wherever those wells are located?

3324

3325  **Liz Olson** 3:02:22

3326 Yes.

3327

3328  **McClure, Dean, EMNRD** 3:02:25

3329 As such.

3330 Could.

3331 If these cross sections are not flattened on like a formation top or something like
3332 that, would you agree that it may be flat underground, but not be depicted flat
3333 within the cross section?

3334

3335  **Liz Olson** 3:02:32

3336 And.

3337 And maybe the cross-section is telling you the opposite of that.

3338 If I'm understanding your correct your question correctly.

3339

3340  **McClure, Dean, EMNRD** 3:02:58

3341 Do you know what the where I guess what do you know what these this cross section
3342 is flattened on? Is it just from the surface of the ground of the? Go ahead.

3343

3344  **Liz Olson** 3:03:06

3345 It's.

3346 Yes, it's not it's not flattened on the information top, it's a structural cross-section.

3347

3348  **McClure, Dean, EMNRD** 3:03:14

3349 Okay, and without...

3350 Without flattening it. Well, okay, let me back up.

3351

3352  **Liz Olson** 3:03:27

3353 I...

3354

3355  **McClure, Dean, EMNRD** 3:03:28

3356 With the, I mean, okay.

3357 I was going to say, I don't know if we need to bring Mr. Johns back, but my
3358 interpretation of what Mr. Johns said is that the depth severance is located at 100
3359 foot below the deepest point of the drilled wells. Is that also your understanding, Ms.
3360 Olson?

3361

3362  **Liz Olson** 3:03:56

3363 That's my understanding, yes, sir.

3364

3365  **McClure, Dean, EMNRD** 3:04:09

3366 And do you believe that that total vertical depth?

3367 Would apply based upon.

3368 I guess if there's a if there's a hill there.

3369 Do you think that total vertical depth is based upon?

3370 Trying to see how to approach this. I think the best way may be for Matador to

3371 review the area and try to figure out where the depth severance is, because the

3372 depth severance should be depicted upon this cross section as well. And if you were

3373 to take it off the last cross section,

3374

3375  **Liz Olson** 3:04:30

3376 I...

3377 But.

3378

3379  **McClure, Dean, EMNRD** 3:04:46

3380 It's quite literally going to chop right through the middle of your of your target there.

3381 Are you in agreement with that, Miss Olson?

3382

3383  **Liz Olson** 3:04:51

3384 But.

3385 Yeah, I think, I think, can I just, can I try phrasing using this cross section that what I

3386 think you're getting at? I just want to, I think it's pretty easy just to see the depth

3387 severance being pretty equivalent to the strike rapid equivalence, even though it's

3388 not what the depth severance is based on on the government L2 and Bell Lake.

3389

3390  **McClure, Dean, EMNRD** 3:04:57

3391 Mm-hmm.

3392

3393  **Liz Olson** 3:05:14

3394 One, I think if you were to drill the same targets on the Madeira Ridge 24, they would
3395 in fact be would be lower. But but that wasn't the type well that was where these
3396 wells were drilled. So like this type well is showing you like how that formation
3397 changes from A to A prime, but it's not showing you what's representative of the
3398 lease. So I think.

3399 Maybe that's part of the confusion here is that the TBD drill for the same target on
3400 the Madeira Ridge 24 lease would not be the same TBD as it is on the government L2
3401 lease, which is what we're talking about here. Does that help your understanding?

3402

3403  **McClure, Dean, EMNRD** 3:05:51

3404 Yes, Ms. Olson. I mean, I think we're getting there, I guess. If I were to ask you or for
3405 Matador at least to amend these exhibit packets to try to show where that death
3406 severance occurs across this entire death, where it would occur
3407 Across this cross-section, I guess. Do you understand what I'm asking for?

3408

3409  **Liz Olson** 3:06:16

3410 I think I could represent in this cross section where those wells would be drilled on
3411 this cross section. But again, it's not a stratigraphic equivalent depth severance. And
3412 so that would just be what the depth severance would be of a proposed well on that
3413 section, but not necessarily

3414 What's in reality? I can draw an arrow of the formation that was targeted with each of
3415 these world wars, if that would help your, if that would help.

3416

3417  **McClure, Dean, EMNRD** 3:06:46

3418 Well, perhaps what might be the easiest is...

3419 If I were to ask for like a gun barrel diagram.

3420 That is going to show us where each of your proposed wells are going to be placed.

3421 And then on that gun barrel diagram, depict for the division where the death
3422 severance occurs. Would that, do you understand what I'm asking for there?

3423

3424  **Liz Olson** 3:07:14

3425 Yes, sir, I could absolutely get that for you.

3426

3427  **McClure, Dean, EMNRD** 3:07:18

3428 Okay.

3429 And that may actually be the easiest rather than worrying about the cross-section.

3430 In regards to that, if I were to ask you then to...

3431 remove this, where you have like the death severance depicted in your exhibit D3

3432 case. If I were to ask you to remove that from the cross section, you understand what

3433 I'm asking for?

3434

3435  **Liz Olson** 3:07:47

3436 Yes, sir.

3437

3438  **McClure, Dean, EMNRD** 3:07:50

3439 And then Ms. Vance looks like she's showing us the bone spring case. If we could do

3440 something similar in this bone spring case where we provide a gun barrel diagram

3441 with the death severance on that instead, do you understand what I'm asking for?

3442

3443  **Liz Olson** 3:08:06

3444 Yes, sir.

3445

3446  **McClure, Dean, EMNRD** 3:08:08

3447 Okay.

3448 No.

3449 to the far easier and more in your wheelhouse, I guess. On the Miss Vance, if we

3450 could go back to one of the Wolf Camp.

3451 On this cross section, Ms. Olson, where would the base of the Wolf Camp A be?

3452 The Wolf Camp, the base of the Wolf Camp A, be located, might be the way to say it.

3453

3454  **Liz Olson** 3:08:44

3455 It would be right above the top of that yellow shaded box.

3456

3457  **McClure, Dean, EMNRD** 3:08:49

3458 Okay, and then in the other Wolf Camp case, if we go there, Miss Pants.

3459

3460  **Liz Olson** 3:08:58

3461 It would be below where that yellow-shaded box is.

3462

3463  **McClure, Dean, EMNRD** 3:09:01

3464 Okay, thank you, Miss Olson. And if I were to ask you to draw the base of the Wolf
3465 Camp A across this cross section, you'd understand what I'd be asking for.

3466

3467  **Liz Olson** 3:09:13

3468 Yes, sir.

3469

3470  **McClure, Dean, EMNRD** 3:09:17

3471 Okay, thank you, Miss Olson.

3472 Mmh.

3473 Yeah, so Ms. Olson, would it be accurate to say that your case 26297 is targeting the
3474 Wolf Camp B?

3475

3476  **Liz Olson** 3:09:45

3477 Yes, sir, that's correct.

3478 Okay.

3479

3480  **McClure, Dean, EMNRD** 3:10:03

3481 Thank you, Miss Olson. Mr. Hang, Examiner. I believe that concludes my questions,
3482 unless unless something comes up from Miss Vance crossing or anything.

3483

3484  **Pecos Hall** 3:10:14

3485 No, I don't have any cross, but two things. One, I just want to walk through all of the
3486 changes we're going to make so we're on the same page. And we would like to go
3487 ahead and continue these cases since it's a lot of changes. And we'd like to make
3488 sure we've got plenty of time and Mr. McClure has time to review. So

3489 **OCD Regular Docket August 6, 2026-**
3490 **20260806_171443UTC-Meeting Recording**

3491 August 6, 2026, 5:14PM

3492 1h 27m 57s

3493

3494  **Pecos Hall** 0:05

3495 We'd like to just put that out there that we'll go ahead and continue these. If you're
3496 ready to walk through. Oh.

3497

3498  **Clayton Pearson** 0:11

3499 And pardon my interruption. Oh, my name is Clayton Pearson. I'm an affected party. I
3500 didn't know if I could make a quick statement or if I should wait for a better time.

3501

3502  **Pecos Hall** 0:26

3503 Sorry, what did you say your name was?

3504

3505  **McClure, Dean, EMNRD** 0:26

3506 Yeah.

3507

3508  **Clayton Pearson** 0:27

3509 Clayton Pearson, Pearson.

3510

3511  **Pecos Hall** 0:29

3512 Pearson, Mr. Sure, Mr. Pearson, I'll give you an opportunity. Let's first get through
3513 what Ms. Vance is trying to understand with Mr. McClure while it's fresh in everyone's
3514 mind.

3515

3516  **Clayton Pearson** 0:40

3517 Yes, sir. Pardon my interruption.

3518

3519  **Pecos Hall** 0:44

3520 Okay, thank you. So we are, we've already discussed going through updating on the
3521 land side, Mr. Johns' paragraph 4 statement.

3522 Correct, Mr. McClure.

3523

3524  **McClure, Dean, EMNRD** 1:04

3525 Yes, Ms. Vanson, that would be a cross case 295 and 297 is what your notes has. Is
3526 that correct?

3527

3528  **Pecos Hall** 1:05

3529 Google.

3530 Yes.

3531 Yeah.

3532 Yes.

3533

3534  **McClure, Dean, EMNRD** 1:14

3535 Oh, actually, Miss Vance, sorry to do it up mid-flow.

3536 But it would it should actually is relevant for pretty much all the cases because it
3537 would it actually should be included in your case 26296 because that's across your
3538 wolf camp as well.

3539

3540  **Pecos Hall** 1:23

3541 What?

3542 Yeah.

3543

3544  **McClure, Dean, EMNRD** 1:36

3545 Do you agree, Miss Vance?

3546

3547  **Pecos Hall** 1:38

3548 Um...

3549 But there's.

3550 No.

3551 So you want a statement regard?

3552

3553  **McClure, Dean, EMNRD** 1:48

3554 Oh, I miss Miss Hans, Miss Hans. Hold on a second, I guess. Let me back up.

3555

3556  **Pecos Hall** 1:56

3557 The the death severance.

3558

3559  **McClure, Dean, EMNRD** 1:57

3560 No, not to have to bring Mr. John, not to bring Mr. John's back, but maybe we should

3561 real fast just to clarify because your case 26296 is in the west half rather than the east
3562 half.

3563

3564  **Pecos Hall** 2:04

3565 It was.

3566 80s.

3567 Hindi.

3568 It's in the west half and it's in the wolf camp and there, to my knowledge, or my
3569 knowledge in the application, we didn't include a death severance and I don't believe
3570 that there's any issue regarding a Pew clause with that. So I don't think we need to
3571 disturb his land statement in that case. It's just the two cases where there are the
3572 death severances.

3573 and the application of the Pew clauses in those cases.

3574

3575  **McClure, Dean, EMNRD** 2:38

3576 Okay, so when that was reviewed, it was reviewed, or when that application was
3577 submitted, it submitted as an entire wolf camp being requested. Therefore, that
3578 would have been reviewed across the entire wolf camp. Is that correct?

3579

3580  **Pecos Hall** 2:38

3581 Songs of Mumbai.

3582 That is correct. It should just be the, yeah, pulling the wolf camp in that case.

3583

3584  **McClure, Dean, EMNRD** 3:00

3585 Okay, and that does seem to, as I'm sitting here thinking it out, I guess I am in
3586 agreement with that thought process. And okay, so I'll take back what I was saying
3587 before. I think it is only in

3588

3589  **Pecos Hall** 3:01

3590 Play the song.

3591 Yes.

3592 Right.

3593

3594  **McClure, Dean, EMNRD** 3:15

3595 The 295 and 297, and that's what you have, Miss Vance.

3596

3597  **Pecos Hall** 3:15

3598 Two people.

3599 That's correct.

3600

3601  **McClure, Dean, EMNRD** 3:21

3602 Okay.

3603 95297.

3604 Did you want me to go on with changes, Miss Vance, or do you have a list you're
3605 working off of that you want to continue?

3606

3607  **Pecos Hall** 3:30

3608 Yeah.

3609 I've got, I've got a little list, so if I can go through that with you. And so, sure, and
3610 then we will update our exhibit C3.

3611

3612  **McClure, Dean, EMNRD** 3:35

3613 Okay.

3614 If you could, Miss Vance.

3615

3616  **Pecos Hall** 3:47

3617 and exhibit C5 and exhibit C6. And what we will do is we will note any parties that
3618 owned the enter. Well, we will note any of the parties that acquired the interest
3619 subsequent to

3620 The application being filed.

3621 Okay.

3622

3623  **McClure, Dean, EMNRD** 4:12

3624 Yeah, I got that added, Miss Ransom in agreement.

3625

3626  **Pecos Hall** 4:15

3627 And we'll make sure that we include the party that owned the interest at the time the
3628 application was filed so you can confirm that that party received notice.

3629

3630  **McClure, Dean, EMNRD** 4:29

3631 But you would also include some sort of note there that now it's owned by such,
3632 such, such. Okay.

3633

3634  **Pecos Hall** 4:34

3635 Yes. And Matador's been in contact with those parties who have acquired
3636 subsequent to the filing of the application. So that would be exhibit C3, C5, and C6,
3637 and that is for all of the cases. And then
3638 For case number.
3639 95.

3640 And 97, again, the cases with the depth severance for D3, we'll remove the, on the
3641 cross section here, we'll move the reference to the type law or the depth severance.
3642 So we'll remove that from D3.

3643 for both of those. And then Miss Olson will, or either Miss Olson or Mr. Herber will
3644 prepare a gun barrel diagram that shows the depth severance in relation to those, I
3645 forget the name of the wells,
3646 Um...

3647

3648  **McClure, Dean, EMNRD** 5:42

3649 Sebastian, I believe.

3650

3651  **Pecos Hall** 5:43

3652 Sebastian, yeah. We'll depict the gun barrel for the Sebastian and then the depth
3653 severance in relation to the Sebastian wells.

3654

3655  **McClure, Dean, EMNRD** 5:58

3656 And then there was no change to your notice, that's correct, Ms. Vance?

3657

3658  **Pecos Hall** 5:59

3659 Rajkum.

3660 No, there is no change to our notice.

3661

3662  **McClure, Dean, EMNRD** 6:08

3663 Hey, now on the compulsory pooling administrative checklist.

3664

3665  **Pecos Hall** 6:09

3666 You.

3667 Yes.

3668

3669  **McClure, Dean, EMNRD** 6:13

3670 This is an area in which the wolf camp is subdivided between the upper and lower
3671 wolf camp.

3672

3673  **Pecos Hall** 6:19

3674 Yeah.

3675

3676  **McClure, Dean, EMNRD** 6:22

3677 And that subdivision is located at the base of the Wolf Camp A.

3678

3679  **Pecos Hall** 6:23

3680 And.

3681 Okay.

3682

3683  **McClure, Dean, EMNRD** 6:35

3684 So, essentially, that means that your...

3685 Case 262926296.

3686

3687  **Pecos Hall** 6:42

3688 Be.

3689 Hold on, let me just get there to the CPAC. Okay, so this one is Wolf Camp. So, okay,

3690 so because this one has a specific upper and lower and we're not pooling a vertical

3691 extent, we need to include the description of the specific pool.

3692 that is encompassed here.

3693

3694  **McClure, Dean, EMNRD** 7:12

3695 Yes, and in this instance, it would be the upper Wolf Camp pool that would be

3696 included, and that would be from the top of the Wolf Camp to the base of the Wolf

3697 Camp A.

3698

3699  **Pecos Hall** 7:13

3700 Sing.

3701 Okay.

3702 Bing.

3703

3704  **McClure, Dean, EMNRD** 7:30

3705 And I can give you that.

3706 Pool code and I can e-mail it to you as well. Just to put it on the record though, it'd
3707 be pool code 98135.

3708

3709  **Pecos Hall** 7:38

3710 That would be great.

3711 Okay, so it is listed here on D2, so D2.

3712

3713  **McClure, Dean, EMNRD** 7:47

3714 Oh, yeah, okay, yeah, it's what you have on D2.

3715

3716  **Pecos Hall** 7:50

3717 Okay.

3718

3719  **McClure, Dean, EMNRD** 7:51

3720 Now, the only issue is I think your other case has that same pool listed too, I believe,
3721 there, which is incorrect.

3722

3723  **Pecos Hall** 7:52

3724 Yes.

3725 And this is going to be a lower.

3726

3727  **McClure, Dean, EMNRD** 8:04

3728 That's going to be a wildcat. Well, I mean, I guess all these are wildcats, but this one
3729 is a wildcat in as it's not been created yet.

3730

3731  **Pecos Hall** 8:07

3732 No.

3733 Yeah.

3734

3735  **McClure, Dean, EMNRD** 8:14

3736 So we can just put it on there if you want to include the pool, just put on there to
3737 simply Wildcat Lo Wolf Camp and not include a pool code.

3738

3739  **Pecos Hall** 8:17

3740 Bing.

3741

3742  **McClure, Dean, EMNRD** 8:25

3743 One will be assigned once the APDs are approved.

3744

3745  **Pecos Hall** 8:27

3746 Yes.

3747 And that is just for case 29297. So we can remove the pool here and just do the

3748 Wildcat Lower Wolf Camp with no pool code. Got it.

3749

3750  **McClure, Dean, EMNRD** 8:44

3751 Ohh, that's correct.

3752 That's correct, Miss Vance, but we will also need to.

3753 Mm.

3754 Yeah, because I'm just looking at your CPAC here. You already have it for the death

3755 severance, so you may be fine here provided that.

3756

3757  **Pecos Hall** 9:00

3758 Mm.

3759 Yeah.

3760 Yeah.

3761

3762  **McClure, Dean, EMNRD** 9:07

3763 You know, provided that we don't have a discrepancy there where the wolf camp,

3764 basically the wolf camp A would be below this at any point, I guess.

3765 Um...

3766 I'm just thinking about what our best way to go about this might be. Maybe it would

3767 be to add in addition to your dev severance listing you have here.

3768

3769  **Pecos Hall** 9:20

3770 Mhm.

3771

3772  **McClure, Dean, EMNRD** 9:34

3773 Maybe like started out as like Low Wolf Camp and then Limited 2. What is your
3774 thoughts there, Miss Vance?

3775

3776  **Pecos Hall** 9:35

3777 Play song.

3778 Okay.

3779 Hmm.

3780 I mean, that's fine with me if it satisfies the division. Just putting there that this is the
3781 lower Wolf Camp limited to the depth that we've described here.

3782

3783  **McClure, Dean, EMNRD** 9:59

3784 I'm thinking that might be the, I think I'm thinking from the division standpoint, that
3785 might be the ideal route. And then you recall.

3786

3787  **Pecos Hall** 10:00

3788 Yeah.

3789 Hindi.

3790 No.

3791

3792  **McClure, Dean, EMNRD** 10:09

3793 Or, you know...

3794 how within the land man statement, we're now tying this death severance to a well.

3795

3796  **Pecos Hall** 10:16

3797 Okay.

3798 Yeah.

3799 Mm.

3800

3801  **McClure, Dean, EMNRD** 10:28

3802 Yeah, hold on. Yeah, I'm thinking about that right now. Because it's...

3803

3804  **Pecos Hall** 10:29

3805 No.

3806 Yeah.

3807 I mean, yeah.

3808

3809  **McClure, Dean, EMNRD** 10:41

3810 I mean, that vertical death is going to have to be tied to something, I guess, and
3811 there should be some sort of descriptive there. And I believe in the land man
3812 statement, he was going, Mr. Johns was going to bring in the Sebastian well,
3813 however he plans on wording it. So whatever is most appropriate to translate that
3814

3815  **Pecos Hall** 10:47

3816 I think.

3817 No.

3818 No.

3819 Yes.

3820

3821  **McClure, Dean, EMNRD** 11:00

3822 into this is what I'd be looking for.

3823

3824  **Pecos Hall** 11:05

3825 Well, okay, so let me just step back. So my understanding and based off of the
3826 questioning and discussion with the land man, that he's going to address the
3827 description of the death severance in his statement, but do we necessarily need to
3828 change that?

3829

3830  **McClure, Dean, EMNRD** 11:08

3831 Okay, yeah.

3832

3833  **Pecos Hall** 11:26

3834 in this pulling the vertical extent because it seems to me that we are, you know, this
3835 description right here limits, it demonstrates the vertical extent or describes it, what
3836 Matador is pulling. So I don't.

3837

3838  **McClure, Dean, EMNRD** 11:43

3839 Yeah.

3840 Well, like how it's currently listed, that would be, I would interpret that as if there's a

3841 mountain there, you're following 12,242, wherever that mountain top is, deeper than
3842 that, which I don't think is the, was the intent of your, of Matador's death severance.

3843

3844  **Pecos Hall** 11:54

3845 Yeah.

3846 Yeah.

3847

3848  **McClure, Dean, EMNRD** 12:05

3849 So what I'm saying is you're basing this off the surface of the ground, but that 12,242
3850 was the deepest point, 100 foot more than the deepest point of a specific well, which
3851 has an origin that originates at the

3852

3853  **Pecos Hall** 12:10

3854 What?

3855 Yeah.

3856 Right.

3857

3858  **McClure, Dean, EMNRD** 12:21

3859 At the surface of the surface location of that well.

3860

3861  **Pecos Hall** 12:22

3862 Two.

3863 Right.

3864

3865  **McClure, Dean, EMNRD** 12:25

3866 Um...

3867 I don't know what the best way to go about wording that would be though.

3868

3869  **Pecos Hall** 12:27

3870 Yeah.

3871 Would it be, since we're going to continue the case and we're going to be making
3872 some changes, I'd prefer to discuss with Matador to see what they would like to
3873 propose, if that's okay. And I know that there's some other parties here, but I can
3874 certainly have a discussion with

3875

3876  **McClure, Dean, EMNRD** 12:40

3877 Mhm.

3878

3879  **Pecos Hall** 12:50

3880 Matador and then follow up via e-mail with a proposal of how we'd like to describe
3881 it, include the other parties so that they, you know, are part of the communications
3882 with the technical examiner. But I would prefer to talk with Matador before making a
3883 suggestion on the fly at the.
3884 at hearing right now, if that's okay. So, Miss Van.

3885

3886  **McClure, Dean, EMNRD** 13:11

3887 I mean, I'm in agreement with you.

3888

3889  **Pecos Hall** 13:14

3890 So Ms. Vance, at this point, you have a list of information that Mr. McClure needs to
3891 review. It sounds like you're not sure when you're going to bring these cases back. Is
3892 that what you're saying?
3893 Since I've got the last case and there's two cases that still need to go forward, I can
3894 just step out and do a quick call. But my thinking is if we could continue, yeah, let me
3895 just talk with them because if there is a special docket and we can get this done
3896 sooner, that might be the preference. Are there any special dockets?
3897 this month rather than going to. This sounds like a lot of information for Mr. McClure
3898 to deal with. So I'm not going to try to rush this case to a special docket. If Mr.
3899 McClure gets the information and tells me, yeah, we can hear this on a particular
3900 docket, I'll communicate with you. But let's say September 3rd right now would be
3901 the earliest we could hear.
3902 these cases. I would like to give this gentleman a chance to speak before you leave
3903 the room. You may want to hear what he has to say. Absolutely, and just to say that
3904 works for us. Okay, sounds good.

3905

3906  **McClure, Dean, EMNRD** 14:19

3907 Mr. Hearing Examiner, if I may add one extra point to Ms. Vance before we change
3908 topics.

3909

3910  **Pecos Hall** 14:21

3911 Yes.

3912 But I wasn't going to change the topic, but go right ahead, Mr. McClure.

3913

3914  **McClure, Dean, EMNRD** 14:27

3915 Ohh.

3916 Oh, I'm sorry. I thought we were going to, okay. Miss Vance, however, we decide to
3917 deal with the description of the death severance for these vertical extents.

3918 If we could also include that within the, like you notice down low on that CPAC where
3919 it has like depth severance.

3920 And then you say, see exhibit.

3921 Or, uh, you just had it, and can you...

3922 Grow up a little bit.

3923

3924  **Pecos Hall** 15:00

3925 He's gone.

3926

3927  **McClure, Dean, EMNRD** 15:03

3928 Show up a little bit more.

3929 Little more, isn't it right? Yeah, right there. If we could in that box there, instead of
3930 saying see exhibit C at 4, if we could include similar language to how we're
3931 describing the vertical limit.

3932

3933  **Pecos Hall** 15:07

3934 Yeah.

3935 Yeah.

3936 Absolutely, and I already heard from Matador that they're good with 9-3. Oh, okay.

3937 Does that work for you, Mr. McClure, September 3rd?

3938

3939  **McClure, Dean, EMNRD** 15:31

3940 Yeah, that's fine with me, Mr. Hang examiner. I mean.

3941

3942  **Pecos Hall** 15:34

3943 Okay. And Miss Vance, do you have an idea of when you'll be submitting all this

3944 information? I do not, not at this moment. You know, as long as it's at least four
3945 working days before the September 3rd docket, we'll be okay. Perfect. That works for
3946 us. All right.

3947 Was there anything else, Mr. McClure? Can I ask this gentleman to speak his piece?
3948

3949  **McClure, Dean, EMNRD** 15:57

3950 Oh, one last thing, Mister Hearing Examiner.

3951 The discussion that Miss Vance had about the...

3952

3953  **Pecos Hall** 16:01

3954 Go ahead.

3955

3956  **McClure, Dean, EMNRD** 16:05

3957 conceivably back and forth communications with the division between this hearing
3958 and the next by an e-mail with all the parties CC'd. Does that give you any heartburn
3959 or are we fine to allow her to provide a example language for the vertical extent by
3960 an e-mail?

3961

3962  **Pecos Hall** 16:17

3963 Yeah.

3964

3965  **McClure, Dean, EMNRD** 16:26

3966 In the meantime.

3967

3968  **Pecos Hall** 16:26

3969 Miss Miss Miss Vance. I would like to do that and as long as that is okay with the
3970 hearing examiner and the other parties.

3971 I don't know where the, okay, I don't know. They, they, they, I think Mr. Holiday might
3972 have, yeah, they might have left. As long as it's okay with them, then we will do that.

3973 All right, sounds good. That way we can avoid any further delay. Thank you, Mr.

3974 McClure, for bringing that up.

3975

3976  **Benjamin Holliday** 16:52

3977 Hey guys, no problem from Powderhorn.

3978

3979 **PH Pecos Hall** 16:55

3980 Thank you, Mr. Holiday. Well, you're there still. All right. Okay, sir, what is your name?

3981

3982 **CP Clayton Pearson** 17:06

3983 Are you referencing me, Clayton Pearson? Yes, Clayton Pearson. CLAYTON Pearson

3984 Pearson.

3985

3986 **PH Pecos Hall** 17:08

3987 Yes, I am, yes.

3988 Okay, and what is your status in this case?

3989

3990 **CP Clayton Pearson** 17:17

3991 We are an affected mineral interest party that was notified we are subject to this

3992 forced pooling case.

3993

3994 **PH Pecos Hall** 17:22

3995 Oh, I see. Okay. And you said we, who is we?

3996

3997 **CP Clayton Pearson** 17:23

3998 I.

3999 myself individually, and my wife, Carla Pearson, C-A-R-L-A, same spelling, last name.

4000 But actually, I'd like to put a note in on behalf of the Clayton C. and Carla J. Pearson

4001 Trust under trust agreement dated December 15th, 2025. That is our trust that we've

4002 created that owns the mineral interest.

4003

4004 **PH Pecos Hall** 17:27

4005 Yes.

4006 I think.

4007 Yeah.

4008 And.

4009 One.

4010

4011 **CP Clayton Pearson** 17:46

4012 All of the well proposals and communication have been sent to my name individually

4013 for these two cases. And so we just like to make an appearance and let you know
4014 that we don't necessarily contest this case as long as we hear on the record from
4015 Matador or MRC Permian Company that our interest is voluntarily committed and is
4016 not subject to force pooling under these cases.

4017

4018  **Pecos Hall** 17:50

4019 Please.

4020 The.

4021 Thanks.

4022 Yeah.

4023 Hello.

4024 OK, Miss Vance.

4025 I will have to defer to the land man. I'm looking at the pooling. Well, we're going to
4026 come back to this case after you speak with your client. Why don't you ask that
4027 question to your client and then we can come back on the record and you can tell
4028 Mr. Pearson whatever you want to tell him. Perfect. Thank you. All right, Mr. Pearson,
4029 we're going to be in recess on this case.

4030

4031  **McClure, Dean, EMNRD** 18:30

4032 Yeah.

4033

4034  **Pecos Hall** 18:32

4035 But hang tight, because we'll come back to it.

4036

4037  **McClure, Dean, EMNRD** 18:35

4038 Mr. Hearing Examiner, may I ask Mr. Pearson a quick question?

4039

4040  **Clayton Pearson** 18:35

4041 Thank you.

4042

4043  **Pecos Hall** 18:36

4044 Yes, Mister.

4045 Sure.

4046

4047  **McClure, Dean, EMNRD** 18:39

4048 Mr. Pearson, what was the case numbers that you're referencing?

4049

4050  **Clayton Pearson** 18:43

4051 Yes.

4052 The 2 cases are case number 26296 and case number 26297.

4053

4054  **McClure, Dean, EMNRD** 18:52

4055 Yeah, thank you, Mister Pearson. That was the only thing I had, Mister Examiner.

4056

4057  **Pecos Hall** 18:55

4058 All right, thank you, Mr. McClure. All right, we're going to be in recess on these three
4059 cases for a bit. Let's go on to Devon Energy. This is case 38 on the docket, 26306.

4060

4061  **Olivia Atkins** 19:09

4062 Good morning, Mr. Hearing Examiner and Mr. Technical Examiner. Olivia Atkins with
4063 Abidy and Schill on behalf of Devon Energy Production Company, and there are no
4064 other parties on this case.

4065

4066  **Pecos Hall** 19:17

4067 Yeah.

4068 Good morning, Miss Atkins. Go right ahead.

4069

4070  **Olivia Atkins** 19:23

4071 Thank you. In this case, Devin is seeking an order pooling all uncommitted interest in
4072 the Bone Spring formation underlying A 960 acre, more or less horizontal spacing
4073 unit comprised of the east half of sections 23, 26 and 35 Township, 23 South, range
4074 35 East and

4075

4076  **Pecos Hall** 19:39

4077 Yeah.

4078 No.

4079

4080  **Olivia Atkins** 19:44

4081 Lee County. This unit will be dedicated to the Sea Snake 3523 Fedcom 26H Well.
4082 Exhibits were timely filed and include land and geology testimony as well as
4083 corresponding exhibits of Mr. Ryan Floor and Mr. Derek Wall, both of whom have
4084 previously testified before the division.

4085

4086 **PH Pecos Hall** 19:44

4087 Okay.

4088

4089 **OA Olivia Atkins** 20:04

4090 and both of their credentials have been accepted as a matter of record. We also
4091 included notice testimony and copies of the notice letter, which were timely sent out
4092 on June 22nd and have the affidavit of production, which was published on June
4093 26th.

4094

4095 **PH Pecos Hall** 20:08

4096 Yeah.

4097 Yes.

4098

4099 **OA Olivia Atkins** 20:23

4100 And with that, I ask that the exhibits be admitted for case number 26306 and that
4101 this case be taken under advisement.

4102

4103 **PH Pecos Hall** 20:31

4104 The exhibits are admitted without exception. Miss Atkins, I just wanted to say I
4105 appreciate your relevant and concise presentation. You hit all the points that I
4106 needed to hear to move this case along. I do believe that Mr. McClure does have
4107 questions for your witnesses. Are your witnesses available?

4108

4109 **OA Olivia Atkins** 20:40

4110 Yeah.

4111 They are.

4112

4113 **PH Pecos Hall** 20:52

4114 Okay, Mr. McClure, which witness do you have a question for?

4115

4116  **McClure, Dean, EMNRD** 20:56

4117 Mr. Examiner, the land man.

4118

4119  **Pecos Hall** 20:59

4120 Thank you. Miss Atkins, who is your land man?

4121

4122  **Olivia Atkins** 21:02

4123 Mr. Ryan Clore, are you there?

4124

4125  **Pecos Hall** 21:02

4126 So

4127 Okay, there we go.

4128

4129  **Cloer, Ryan** 21:06

4130 Yes, I am. Can you hear me?

4131

4132  **Pecos Hall** 21:08

4133 Good morning, Mr. Clore. Would you raise your right hand?

4134 Do you swear, affirm under penalty of perjury, the testimony about to give us the

4135 truth, the whole truth, nothing but the truth?

4136

4137  **Cloer, Ryan** 21:17

4138 Yes, Sir.

4139

4140  **Pecos Hall** 21:18

4141 Thank you. Spell your name, please.

4142

4143  **Cloer, Ryan** 21:21

4144 Ryan, Ryan, Cloer, CLOER.

4145

4146  **Pecos Hall** 21:26

4147 Okay, and you have previously been admitted as an expert by this division?

4148

4149  **Cloer, Ryan** 21:30

4150 Yes, sir.

4151

4152  **Pecos Hall** 21:31

4153 In what field?

4154

4155  **Cloer, Ryan** 21:33

4156 Petroleum Land Management.

4157

4158  **Pecos Hall** 21:34

4159 Perfect. Thank you, Mr. McClure.

4160

4161  **McClure, Dean, EMNRD** 21:37

4162 Thank you, Mr. Examiner. Mr. Coyer, I'm looking at the form C102.

4163 That's in your exhibit A1. I'm looking at page 19 of 51 that has the land plant
4164 depicted.

4165

4166  **Cloer, Ryan** 21:53

4167 Okay, yes.

4168

4169  **McClure, Dean, EMNRD** 21:56

4170 Okay, I'm looking specifically at your section 35 of that land plot. Do you see where
4171 I'm referring to?

4172

4173  **Cloer, Ryan** 22:03

4174 I do.

4175

4176  **McClure, Dean, EMNRD** 22:04

4177 What is the distance between that proposed lateral and that?
4178 dissecting line that's in the center of the proposed unit, that quarter quarter line is
4179 what I'm referring to, between the east half of the east half and the west half of the
4180 east half.

4181

4182  **Cloer, Ryan** 22:20

4183 Yeah, so you're asking what is the distance of the lateral from the midpoint of the
4184 east half?
4185 Essentially.

4186

4187  **McClure, Dean, EMNRD** 22:26

4188 Yeah, that's an accurate. That's an accurate way of what I'm looking. That's an
4189 accurate way of stating what I'm looking for, Mr. Coyer.

4190

4191  **Cloer, Ryan** 22:34

4192 My understanding of that would be that it is 1600 feet from the east line, so roughly

4193

4194  **Pecos Hall** 22:38

4195 We.

4196

4197  **Cloer, Ryan** 22:46

4198 1320.

4199

4200  **Pecos Hall** 22:47

4201 Yeah.

4202

4203  **Cloer, Ryan** 22:48

4204 Hold on, let me let me do the math for you.

4205

4206  **McClure, Dean, EMNRD** 22:52

4207 Well, Mr. Kloyer, if I could pause you, I guess, can you say one more time what you
4208 believe the distance is from it to the East Line?

4209

4210  **Pecos Hall** 22:53

4211 Just.

4212

4213  **Cloer, Ryan** 23:01

4214 I believe it is 330 feet.

4215

4216  **Pecos Hall** 23:02

4217 In.

4218

4219  **McClure, Dean, EMNRD** 23:05

4220 Okay, so what is the distance from it to the east line? I thought you said 1600, but
4221 did you mean 1650?

4222

4223  **Cloer, Ryan** 23:08

4224 Oh, I'm sorry, from the East Line.

4225 I believe the lateral is 1650 feet from the east line of.

4226

4227  **McClure, Dean, EMNRD** 23:12

4228 Yeah.

4229 Okay, I may, I may miss the heard you.

4230

4231  **Cloer, Ryan** 23:17

4232 and 330 feet from the midpoint.

4233

4234  **McClure, Dean, EMNRD** 23:21

4235 Okay, Mr. Cloyer, I agree with your math in this instance. With that in mind,

4236

4237  **Pecos Hall** 23:25

4238 Yeah.

4239 Okay.

4240

4241  **McClure, Dean, EMNRD** 23:30

4242 Do you understand that this is not a standard horizontal spacing unit then?

4243

4244  **Pecos Hall** 23:31

4245 Yeah.

4246

4247  **Cloer, Ryan** 23:41

4248 I do not.

4249 My understanding is if it's 330 feet from the midpoint, it classifies as a proximity

4250 tracked well.

4251

4252  **McClure, Dean, EMNRD** 23:58

4253 Potentially.

4254

4255  **Cloer, Ryan** 23:58

4256 330 feet or less.

4257

4258  **McClure, Dean, EMNRD** 24:01

4259 It's less than 330 feet. The setback is 330 or greater. So my question to you, do you
4260 believe that the applicant would prefer to
4261 proposed to move this lateral 10 feet to the east, or do you believe the applicant
4262 would prefer to get an NSP?

4263

4264  **Pecos Hall** 24:16

4265 Yes.

4266

4267  **Cloer, Ryan** 24:25

4268 I believe we can adjust the lateral 10 feet to the east.

4269

4270  **McClure, Dean, EMNRD** 24:29

4271 Okay, so if I were to ask you to amend this form C102 to make that adjustment, do
4272 you understand what I'm asking for?

4273

4274  **Cloer, Ryan** 24:43

4275 I do.

4276

4277  **McClure, Dean, EMNRD** 24:44

4278 Okay, and then in regards to being able to provide Ms. Atkins a correction to the
4279 CPAC for the first take point, you would understand what you would be providing to
4280 her?

4281

4282  **Cloer, Ryan** 24:56

4283 Yes.

4284

4285  **McClure, Dean, EMNRD** 24:57

4286 Okay.

4287 Um...

4288 Mister.

4289

4290  **Pecos Hall** 25:06

4291 Just.

4292

4293  **McClure, Dean, EMNRD** 25:08

4294 Hearing examiner. I didn't mention it before, but I do have a very quick question for
4295 the geologist for him just to respond on the record for me.

4296

4297  **Pecos Hall** 25:15

4298 Okay.

4299 All right, would you call your geologist, Miss Atkins?

4300

4301  **Olivia Atkins** 25:21

4302 Yes, Mr. Derek Ohl, are you there? Yep, present.

4303

4304  **Pecos Hall** 25:24

4305 I see him. Mr. Old, please raise your right hand. Do you swear or affirm under penalty
4306 of perjury that the testimony you're about to give is the truth, the whole truth,
4307 nothing but the truth?

4308

4309  **Ohl, Derek** 25:33

4310 Yes, Sir.

4311

4312  **Pecos Hall** 25:34

4313 Thank you. Will you spell your name?

4314

4315  **Ohl, Derek** 25:36

4316 Derek, DEREK, OHL.

4317

4318  **Pecos Hall** 25:42

4319 And you've been previously qualified as an expert before this division?

4320

4321  **Ohl, Derek** 25:46

4322 Yes, Sir.

4323

4324  **Pecos Hall** 25:47

4325 In what field?

4326

4327  **Ohl, Derek** 25:49

4328 Petroleum geology.

4329

4330  **Pecos Hall** 25:50

4331 All right, thank you, sir. Mr. McClark.

4332

4333  **McClure, Dean, EMNRD** 25:52

4334 Thank you, Mr. Examiner. Mr. Ohl, looking at your self-affirmed statement and
4335 throughout the entirety of your self-affirmed statement, you're referencing the Wolf
4336 Camp formation.

4337

4338  **Pecos Hall** 26:03

4339 The.

4340

4341  **McClure, Dean, EMNRD** 26:05

4342 Is it your intent that you meant to say bone spring in each and every instance that
4343 Wolf Camp is mentioned here?

4344

4345  **Pecos Hall** 26:07

4346 In.

4347

4348  **McClure, Dean, EMNRD** 26:18

4349 I guess I do have your statement in front of you, Mr. Ol.

4350

4351  **Pecos Hall** 26:20

4352 Yeah.

4353

4354  **Ohl, Derek** 26:21

4355 I do, I'm looking at it.

4356

4357  **McClure, Dean, EMNRD** 26:24

4358 Do you see where I'm referring to where it references Wolfcamp numerous times
4359 throughout?

4360

4361  **Pecos Hall** 26:26

4362 Okay.

4363

4364  **McClure, Dean, EMNRD** 26:36

4365 Yes, yes, that should say Bone Spring. Okay, so then in every instance of your self-
4366 infirm statement where it says Wolf Camp, it should say Bone Spring. Is that correct,
4367 Ms. Tull?

4368

4369  **Pecos Hall** 26:47

4370 The.

4371

4372  **Ohl, Derek** 26:49

4373 Correct.

4374

4375  **Pecos Hall** 26:50

4376 Yeah.

4377

4378  **McClure, Dean, EMNRD** 26:51

4379 Okay.

4380

4381  **Pecos Hall** 26:54

4382 But.

4383

4384  **McClure, Dean, EMNRD** 26:57

4385 And if I were to ask you to amend this, you to properly reference the bone spring
4386 within your statement, you'd understand what I'm asking for, Mr. O?

4387

4388  **Pecos Hall** 26:57

4389 Yeah.

4390 Hindi.

4391

4392  **Ohl, Derek** 27:07

4393 Yes, sir.

4394

4395  **McClure, Dean, EMNRD** 27:09

4396 Okay.

4397 Mr. Hearing Exam, I don't have any further questions, but just a discussion with Miss
4398 Atkins in regards to the CPAC.

4399

4400  **Pecos Hall** 27:18

4401 Ms.

4402 Go ahead.

4403

4404  **McClure, Dean, EMNRD** 27:27

4405 Miss Atkins, I'm looking at.

4406

4407  **Pecos Hall** 27:28

4408 Yeah.

4409 No.

4410

4411  **McClure, Dean, EMNRD** 27:33

4412 Specifically, I guess, well, I guess it's just one well, so I'm looking at the well one is
4413 that I'm looking at.

4414

4415  **Pecos Hall** 27:35

4416 I.

4417

4418  **McClure, Dean, EMNRD** 27:40

4419 Okay. And do you see right where it says like horizontal well first and last take points
4420 that field and to the right it has like the sea snake blah blah and have a first and last
4421 take point there? Yes.

4422

4423  **Pecos Hall** 27:43

4424 I.

4425 Yeah.

4426 Yeah.

4427

4428  **McClure, Dean, EMNRD** 27:54

4429 Okay, once Mr. Coyer provides you with that first take point, instead of 1650 from
4430 the east line, I believe he plans on changing it to 1640 from the east line. Do you, I
4431 guess, do you see where I'm referring to and understand what we would be changing
4432 there?

4433

4434  **Pecos Hall** 27:55

4435 Oh.

4436 Hey.

4437

4438  **Olivia Atkins** 28:14

4439 I do, yes.

4440

4441  **McClure, Dean, EMNRD** 28:15

4442 OK, and then.

4443 Yeah, actually everything and then with that change it would be standard. So I think...

4444 Yeah, I think the rest should be...

4445 Find there.

4446 Um...

4447 I guess, excuse me, on the CPAC, I do need to bring up that there are in fact two
4448 separate pools in this area. So we will need to add an additional pool to the CPAC.
4449 Do you have your pen and paper handy for me to give you that other pool code?

4450

4451  **Olivia Atkins** 28:56

4452 Okay.

4453

4454  **McClure, Dean, EMNRD** 29:00

4455 I do, I'm ready. Okay, in addition to the one you already have.

4456 There is also pool code 5150.

4457 And by oh, I mean zero, I guess.

4458

4459  **Olivia Atkins** 29:15

4460 Okay.

4461

4462  **McClure, Dean, EMNRD** 29:15

4463 And that's going to be the Bell Lake Bone Spring North is what that pool is. We'll
4464 need to make that correction. We'll need to add that to your pool name and pool
4465 code entry in the CPAC. Okay.

4466

4467  **Pecos Hall** 29:27

4468 Yeah.

4469

4470  **McClure, Dean, EMNRD** 29:30

4471 And then on the form C102s or that singular form, well at the moment singular form
4472 C102 will need the pool corrected on there as well. The sections 26 and 35 are
4473 correct. It's section 23 in which there's a separate pool.

4474

4475  **Olivia Atkins** 29:38

4476 Okay.

4477

4478  **Pecos Hall** 29:44

4479 Yeah.

4480

4481  **Olivia Atkins** 29:48

4482 Okay.

4483

4484  **McClure, Dean, EMNRD** 29:51

4485 And do you understand what we'll be submitting, I guess, as far as on those form
4486 C102s? Or we could bring back your land man real fast to see if he understands.

4487

4488  **Pecos Hall** 29:53

4489 Okay.

4490

4491  **Olivia Atkins** 30:01

4492 Yes, I do.

4493

4494  **Pecos Hall** 30:02

4495 Yeah.

4496

4497  **McClure, Dean, EMNRD** 30:03

4498 Okay, very good.

4499 Mr. Hearing Examiner, I have nothing further on this. Originally, I was...

4500

4501  **Pecos Hall** 30:12

4502 The.

4503

4504  **McClure, Dean, EMNRD** 30:19

4505 And we probably should continue it, Mr. Hearing Examiner, just so I have a chance to
4506 see the form C102 once they change it actually.

4507

4508  **Pecos Hall** 30:27

4509 Okay. So, Miss Atkins, would you continue this case to September 3rd?

4510

4511  **Olivia Atkins** 30:32

4512 Yes, I will.

4513

4514  **Pecos Hall** 30:33

4515 All right, thank you. And please, whenever you file additional information with the
4516 division, include a cover letter.

4517

4518  **Olivia Atkins** 30:42

4519 Yes, I will do that.

4520

4521  **Pecos Hall** 30:43

4522 All right, thank you, Miss Atkins. All right, we're off the record in this case. Let's move
4523 on to WPX Energy 36, excuse me, number 39 on the docket, 26318.

4524

4525 **WZ William Zimsky** 30:58

4526 Yes, your Honor, William Zimski with Abbey and Shill on behalf of WPX Energy

4527 Permian LLC. Good morning. There are no other parties to this case.

4528

4529 **PH Pecos Hall** 30:59

4530 Yes.

4531 Good morning.

4532 OK, go right ahead, Mister Zinski.

4533

4534 **WZ William Zimsky** 31:13

4535 Okay, WPX is seeking to pull all uncommitted interest in the Bone Spring formation

4536 in the west half of sections 23, 26, and 35, Township 26 South, Range 30 East.

4537

4538 **PH Pecos Hall** 31:27

4539 Yeah.

4540 Mhm.

4541

4542 **WZ William Zimsky** 31:30

4543 in Eddy County, New Mexico in a standard 769.91 acre more or less spacing unit with

4544 the Ross Draw 352623 bedcom wells.

4545

4546 **PH Pecos Hall** 31:32

4547 But.

4548

4549 **WZ William Zimsky** 31:45

4550 The hearing packet contains the land man statement of Brian Clore with the standard

4551 land man exhibits and the statement of Mr. Russell Goodwin.

4552

4553 **PH Pecos Hall** 31:49

4554 No.

4555 Play.

4556

4557 **WZ William Zimsky** 32:00

4558 for the geology statements with the standard geology exhibits. Both witnesses have

4559 testified before the division before and has been and Mr. Clore has been recognized
4560 as an expert witness in petroleum land matters. And his credentials have been
4561 accepted by the division as a matter of record.

4562

4563 **PH Pecos Hall** 32:04

4564 It's.

4565 Mm.

4566 Play.

4567

4568 **WZ William Zimsky** 32:22

4569 Similarly, Mr. Goodwin has also previously testified for the division as an expert
4570 petroleum geologist. His credentials have been accepted by the division as a matter
4571 of record.

4572

4573 **PH Pecos Hall** 32:27

4574 You.

4575 Thank you.

4576

4577 **WZ William Zimsky** 32:34

4578 Finally, the hearing packet includes my statement of notice with the standard notice
4579 exhibits. A timely notice was mailed on July 8th, 2026 and affidavit of the publication
4580 is attached is exhibit C3 showing a publication date of July 15th.

4581

4582 **PH Pecos Hall** 32:35

4583 Okay.

4584 Yeah.

4585 English.

4586 The.

4587 And.

4588

4589 **WZ William Zimsky** 32:56

4590 2026, the notices have been timely provided. I do want to point out a couple errors
4591 that we're going to have to do a revised hearing packet. In the land man exhibit,
4592 exhibit A2, the unit capital

4593

4594 **PH** Pecos Hall 33:11

4595 Okay.

4596 Bing.

4597

4598 **WZ** William Zimsky 33:16

4599 recapitulation or capitulation. They're expressed in percentages. The decimal points

4600 are off. And the it's also showing the trainer interest is a 12.988 not 8889.

4601

4602 **PH** Pecos Hall 33:18

4603 And.

4604

4605 **WZ** William Zimsky 33:36

4606 percent, it should be 1.2989. So we're going to resubmit. We're going to.

4607

4608 **PH** Pecos Hall 33:36

4609 Yes.

4610

4611 **WZ** William Zimsky 33:44

4612 submit a revised hearing packet with the correct capitulation, recapitulation, and also

4613 we do show on that same exhibit that we're pulling the BLM and ONRR, which we are

4614 not doing so. So we'll take that reference out of that exhibit.

4615

4616 **PH** Pecos Hall 33:46

4617 You.

4618 Yeah.

4619 And.

4620

4621 **WZ** William Zimsky 34:05

4622 A2.

4623

4624 **PH** Pecos Hall 34:09

4625 Thanks.

4626 And.

4627

4628  **William Zimsky** 34:18

4629 With that, I request the admission of all the exhibits and submit the application for
4630 consideration.

4631

4632  **Pecos Hall** 34:22

4633 Thanks.

4634 Thank you. You're admitted without exception. Mr. McClure, do you have any
4635 questions for the witnesses?

4636

4637  **McClure, Dean, EMNRD** 34:31

4638 Mister, I will have questions for the land man in this case.

4639

4640  **Pecos Hall** 34:32

4641 Oh

4642 Okay, Mr. Mr. Zinski, would you call your land man?

4643

4644  **William Zimsky** 34:39

4645 Yes, Mr. Ryan Clore.

4646

4647  **Pecos Hall** 34:39

4648 Play song.

4649 Mr. Clore, I remind you that you're still under oath. Go right ahead, Mr. McClure.

4650

4651  **William Zimsky** 34:42

4652 And Ryan, I think.

4653

4654  **McClure, Dean, EMNRD** 34:47

4655 I think Mr. Hearing examiner, Mr. Kloyer. Maybe the easiest way to look at it would
4656 be your form C102 again for the.

4657

4658  **Pecos Hall** 34:48

4659 Play the song.

4660 Yeah.

4661

4662  **McClure, Dean, EMNRD** 34:57

4663 The 322H well, which I believe is on page.

4664 22 of 111.

4665

4666  **Pecos Hall** 35:04

4667 Bing.

4668

4669  **McClure, Dean, EMNRD** 35:09

4670 And I'm looking at the land plot.

4671

4672  **Pecos Hall** 35:12

4673 Yeah.

4674

4675  **McClure, Dean, EMNRD** 35:13

4676 Again.

4677

4678  **Cloer, Ryan** 35:14

4679 Three, two, two, okay. I'm there.

4680

4681  **Pecos Hall** 35:17

4682 Yeah.

4683

4684  **McClure, Dean, EMNRD** 35:17

4685 Okay, I guess...

4686

4687  **Pecos Hall** 35:19

4688 Baba.

4689

4690  **McClure, Dean, EMNRD** 35:21

4691 When this HSU was being proposed as a standard HSU, was the concept there that

4692 you would be bringing in as a proxy track?

4693

4694  **Pecos Hall** 35:22

4695 Bing.

4696 The.

4697

4698  **Cloer, Ryan** 35:33

4699 Yes, that's my understanding.

4700

4701  **McClure, Dean, EMNRD** 35:36

4702 And where is it correct that this?

4703 This 322H well is the closest well that there is to that center line.

4704

4705  **Pecos Hall** 35:44

4706 No.

4707

4708  **Cloer, Ryan** 35:51

4709 I believe the closest is the 331.

4710

4711  **Pecos Hall** 35:53

4712 Which is?

4713 Yeah.

4714

4715  **Cloer, Ryan** 35:57

4716 It's 990 from the center, from the west line, which puts it about 330 from the center
4717 line.

4718

4719  **Pecos Hall** 35:59

4720 Sing.

4721 Play song.

4722

4723  **McClure, Dean, EMNRD** 36:06

4724 I guess they're actually equivalent then. It's just the 322H is on the east side and the
4725 331H is on the west side. I guess similar question as to the last case. Do you think
4726 that WPX would be more interested in pursuing an NSP?
4727 or would they be more interested in offsetting?
4728 Either the 331H, 10 feet to the east.
4729 or the 322H 10 feet to the west.

4730

4731  **Cloer, Ryan** 36:42

4732 one or the other? Yes, sir. It was a misinterpretation of the rule. We'll adjust 331 10
4733 feet to the east to make it a...

4734

4735  **McClure, Dean, EMNRD** 36:50

4736 331 OK.

4737

4738  **Cloer, Ryan** 36:52

4739 proximity tracked.

4740

4741  **McClure, Dean, EMNRD** 37:09

4742 Hey, Mr. Claire, I'm looking at your...

4743 A summary of communication, or maybe the best way just to confirm, start off, I'm
4744 looking at page 29 of...

4745 One and 111 - this is kind of your this is your unit recapitiation table.

4746

4747  **Cloer, Ryan** 37:31

4748 Yes, Sir.

4749

4750  **McClure, Dean, EMNRD** 37:33

4751 And you noticed on there where there is reference to trainer partners and below that
4752 national XP company.

4753

4754  **Cloer, Ryan** 37:40

4755 Uh-huh, yes.

4756

4757  **McClure, Dean, EMNRD** 37:42

4758 These 2 are these two persons being requested to being forced pulled in this case?

4759

4760  **Cloer, Ryan** 37:50

4761 Yes.

4762

4763  **McClure, Dean, EMNRD** 37:52

4764 Okay, now I'm looking at your summary of communications on page 44 of 111.

4765 Is there any reference to the communications between WPX and these two entities,
4766 that being trainer and national?

4767

4768  **Cloer, Ryan** 38:18

4769 I do not see Trainer listed on there, nor National XP, although it is my understanding
4770 that National XP, the interest has been conveyed to Titus Oil and Gas, who is listed
4771 on there.

4772

4773  **McClure, Dean, EMNRD** 38:33

4774 Okay, so then...

4775 And that was trainer partners? Is that what you said, Mr. Coyer?

4776

4777  **Cloer, Ryan** 38:39

4778 National XP.

4779

4780  **McClure, Dean, EMNRD** 38:40

4781 Oh, I might dismiss her do natural XP.

4782 Their in, they now no longer own an interest in the unit, is that correct?

4783

4784  **Cloer, Ryan** 38:50

4785 That is correct.

4786

4787  **McClure, Dean, EMNRD** 38:51

4788 And their interest is now owned by Titus Oil and Gas.

4789

4790  **Cloer, Ryan** 38:56

4791 Yes, sir.

4792

4793  **McClure, Dean, EMNRD** 39:00

4794 Now, we have it in mind that you...

4795 I guess so are you is WPX still requesting to force pull national XP company then?

4796

4797  **Cloer, Ryan** 39:14

4798 No. If they've conveyed their interest, we would need to update the exhibit to reflect
4799 that.

4800

4801  **McClure, Dean, EMNRD** 39:16

4802 Okay.

4803

4804  **Cloer, Ryan** 39:23

4805 To be Titus.

4806

4807  **McClure, Dean, EMNRD** 39:23

4808 Okay, and...

4809 Okay, so if I would ask you to include...

4810 That is a part of the amendment that Mr. Zimski was already referring to. Do you
4811 understand what I'm asking for?

4812

4813  **Cloer, Ryan** 39:34

4814 I do.

4815

4816  **McClure, Dean, EMNRD** 39:36

4817 Okay, and then in addition to that, because...

4818 If I would ask you to add a note saying that at the time of when the application gets,
4819 okay, let me backtrack. At the time that the application was submitted to the division,
4820 would it be accurate to say that National XP Company did own an interest in the
4821 unit?

4822

4823  **Cloer, Ryan** 40:01

4824 That is my understanding. I want to be clear. I'm filling in for a layman today who was
4825 out, so I don't want to speak out of turn, but that is my understanding from his notes
4826 to me.

4827

4828  **McClure, Dean, EMNRD** 40:06

4829 Oh.

4830 Okay, well, if that is correct, I guess what I would ask for you to include is maybe a
4831 third note just saying that originally owned by National XP Company, but it's since
4832 been obtained by Titus Oil and Gas.

4833

4834  **Pecos Hall** 40:15

4835 And.

4836

4837  **Cloer, Ryan** 40:28

4838 Nice.

4839 Yes, sir. I understand what you're asking.

4840

4841  **McClure, Dean, EMNRD** 40:32

4842 Okay, now backing up to a trainer partners LTD, is the applicant still requesting the
4843 division to force pool them?

4844

4845  **Cloer, Ryan** 40:43

4846 Yes.

4847

4848  **McClure, Dean, EMNRD** 40:45

4849 Okay, do you, I guess, do you believe that the applicant had entered a good faith
4850 negotiations with them prior to this case coming before today?

4851

4852  **Cloer, Ryan** 41:00

4853 It is my understanding that they had received a well election.

4854 and we have not received any communication from them on this proposal.

4855

4856  **McClure, Dean, EMNRD** 41:13

4857 Okay, so if I were to ask you to...

4858 add that or add a summary of your contacts with them to your contact table here. Do
4859 you understand what I'm asking for?

4860

4861  **Cloer, Ryan** 41:28

4862 I do.

4863

4864  **McClure, Dean, EMNRD** 41:29

4865 Okay.

4866 Thank you, Mr. Klore. Mr. Herringsham, I have no further questions, but for Mr. Zinski,
4867 there is going to be a correction that needs made to the CPAC.

4868

4869  **Pecos Hall** 41:57

4870 OK, go ahead.

4871

4872  **McClure, Dean, EMNRD** 41:59

4873 Mr. Zinski, this is the incorrect pool that is listed on your CPAC. I don't know if you
4874 have it in front of you, but like where it says pool name and pool code. Are you
4875 familiar with where I'm referring to?

4876

4877  **William Zimsky** 42:12

4878 Let me get there.

4879

4880  **McClure, Dean, EMNRD** 42:14

4881 Yes, Sir.

4882

4883  **William Zimsky** 42:27

4884 Yes, I'm there.

4885

4886  **McClure, Dean, EMNRD** 42:29

4887 Okay, the correct pool for that is going to be pool code 98319.
4888 And do you know where to get that pool name from? Yes. Okay. So we need to make
4889 a correction there and then the form C102s are going to also need to be corrected to
4890 reflect the correct pool.

4891

4892  **Pecos Hall** 42:45

4893 So...

4894

4895  **McClure, Dean, EMNRD** 43:00

4896 In addition to that, do you see where it has like an area for like the proximity defining
4897 well under the like other situations?

4898 Yes. Okay, we'll just need to reference the...

4899 I believe Mr. Coy had referenced the 331H that the applicant's going to move 10 feet
4900 to the east. So we'll just need to reference it there.

4901 I understand. And in addition to that, the first and last take, or the first take, or both
4902 the 1st and last take points in this instance will need to be corrected under your.

4903 Well, #3, because Mr. Coyle will be providing you with a different first and last take
4904 points. Do you see what I'm referring to, Mr. Zinski?

4905

4906  **William Zimsky** 43:51

4907 Yes.

4908

4909  **McClure, Dean, EMNRD** 43:52

4910 Okay, very good.

4911 Mr. Hearing Examiner, I don't believe I have anything further, but I think this is
4912 probably another case that we should probably continue to give me a chance to
4913 review their submissions.

4914

4915  **Pecos Hall** 44:04

4916 The.

4917 Of course, thank you. Mrs. Zimke, please continue your case to September 3rd for
4918 further review.

4919

4920  **William Zimsky** 44:12

4921 Yes, yes, Sir.

4922 Will do.

4923

4924  **Pecos Hall** 44:22

4925 All right, thank you. We're off the record in this case. Let's move on to our last case.

4926 This is Oxy USA 26298, excuse me. Before we get to that, can we revisit the Mark M? I
4927 can provide you an answer on Mr. Clayton. So which case am I recalling? 26297 and
4928 96? It should be all, the two that he's in, yes.

4929

4930  **William Zimsky** 44:37

4931 Yeah.

4932

4933  **Pecos Hall** 44:46

4934 Just to confirm for Mr. Pearson, I did speak with Matador and it's my understanding
4935 that the interests he referred to have been leased by Matador and they are not being
4936 pooled. Perfect. Thank you, Ms. Vance.

4937

4938 **CP Clayton Pearson** 45:00

4939 Thank you for the update.

4940

4941 **PH Pecos Hall** 45:01

4942 Something.

4943 Great. Now, did you have any other information about those two cases?

4944 I thought you were also going to, no, you do not. We're good. We're good. Okay.

4945 Yeah. So probably September 3rd then, Ms. Vance? That's correct. Okay, very good.

4946 All right, let's call this last case in our docket, Oxy USA 26298. Good afternoon. Just
4947 hit 12 o'clock. Paula Vance with the Santa Fe office of Holland and Hart on behalf of
4948 the applicant, Oxy USA, Inc. And I

4949 I don't believe there are any other parties. So if we're good to start moving forward.

4950 Yes. I will go ahead and do that. If you give me just one second, because I want to
4951 bring, I know we're going to be referring to the hearing packet, so I just wanted to
4952 get it up there. So I'm going to just open up with a little bit of a

4953 background and then go through Oxy's proposed plan. And then we do have our
4954 witnesses and I'll introduce them. So just to give a little bit of background, in this
4955 case, Oxy is requesting to reauthorize certain wells.

4956 that were previously approved under the original order for this project. That order
4957 was superseded by the order that you see here, which is order number R, TAC 24146.
4958 And I'll get to the piece why we're requesting to reauthorize. But the second piece to
4959 the requested relief is that Oxy is asking also to extend the pilot project and all
4960 deadlines under the order that I just gave for an additional two years from the
4961 issuance of any order in the case that we're here.

4962 for today. And then, so to again, the background piece. So when order R TAC 24146
4963 was issued, part of the part of that order stated that it read the approval rescinded,
4964 well,

4965 that the order rescinded approval of the west half of the Avalon wells because the
4966 Mule Deer 36 state number four, which I'll just identify right here in the blue, was
4967 PNA'd, so plug and abandoned. And so Oxy has come back today to request
4968 two of those West half wells referred to in the order for reauthorization for injection
4969 in their closed loop gas capture project. And those wells are the Avogado 3031
4970 Statecom 12H and Avogado 3031
4971 Statecom 13H and and.

4972 Oxy's proposed plan in this case is to use the Avogado 3031 Statecom 11H, which is,
4973 and just to back up, the two wells that we're asking for reauthorization for are in the
4974 green here. And our expert, Mr. Janicek, will go into more detail with this.
4975 But just walking through as I am, I wanted to have a visual. But. And Miss Vance, I
4976 just want to mention that we have the room until 1:00. Okay. I've got my, I'll be like 5
4977 minutes. Okay. In Oxy proposes to use the Avogado 3031 Statecom 11H, which is this
4978 black well right here.

4979 I don't know why it's doing that. As a pressure sink between the injection wells and
4980 these PNA wells over here that the division has pointed out as substandard PNA and
4981 a concern for potential migration of
4982 gas injection. So I just, this proposed plan, I just want to walk through a couple of
4983 points to emphasize why we believe this proposed plan should be adopted. One, the
4984 gas injection into these gas, closed loop gas injection wells,
4985 is low volume and low pressure. And #2, the wells that are chosen for these projects
4986 are within tight rock formation, meaning you take in consideration the low volume,
4987 low pressure, and the tight formations that it's going into means that it's going to
4988 have limited horizontal and vertical migration.

4989 The whole point of these temporary storages into these chosen wells with these type
4990 formations is the gas will not travel far because it can't.

4991 Number 3, and the injection shown, the injected gas is shown to not leave the
4992 wellbore or the simulated rock volume area, and that was all a part of the original
4993 approval process and the exhibits and testimony provided by the reservoir engineer.
4994 which again was approved because we have an order. Four and five kind of go
4995 together here. Oxy has, per the orders that have been issued in these cases,
4996 submitted data to the division for all of its closed loop, approved closed loop gas
4997 capture cases.

4998 demonstrating that the volumes are being recovered. The gas being injected is being
4999 recovered in its entirety. And also to that point, the data is also showing that that gas
5000 injected is not reaching any offsetting vertical wells.

5001 So these are two very strong data points to support Oxy's proposed plan in this case.
5002 And then lastly,

5003 You bear in mind those two points I just made. This pressure sink really, and our
5004 expert, Mr. Janicek, will talk about this, is really a backup to provide that monitoring
5005 and ally any concerns that the division may have about migration of gas injection.
5006 So with that said, we would like to set up as a panel, we have our two technical

5007 experts who have previously testified before, Mr. Stephen Janacek, who is our
5008 engineer, and then we have Mr. Jared Rountree, who is our geologist. And I have the
5009 starting PowerPoint
5010 up. Mr. Janicek is going to talk about the AOR map that I have up, along with the
5011 following gun barrel diagram, and then he will get into the other slides that offer an
5012 offsetting observation and discuss in more detail and answer any questions about
5013 the proposal. And again, Mr. Rountree will go over the cross-section.
5014 But one other thing, last thing here.
5015 If we obviously ask that today that what we present will be accepted, that the exhibits
5016 will be accepted and that the case will be taken under advisement and approved.
5017 However, if there are any questions or the division has, would like supplemental
5018 exhibits presented,
5019 We would ask that we are able to set up a technical meeting offline to discuss with
5020 the technical examiner any questions that they may have so we can address those
5021 and then continue the case to then come back. But we would request that we're able
5022 to do a technical meeting
5023 offline and discuss any specific concerns that the technical examiner may have. So
5024 with that, we have Mr. Janicek and we have Mr. Rountree and we're ready to move
5025 forward with any questions that the technical examiner have. Thank you. Do you
5026 want me to admit your exhibits? Yes, please.
5027 Okay, so without exception, your exhibits are admitted into evidence. Now, I have a
5028 question.
5029 Did you, did your witnesses provide any self-affirmed statements?
5030 No.
5031 Was there a reason why?
5032 We didn't feel it was necessary because we, and I think in my, I believe, in my pre-
5033 hearing statement, I'm sorry, in my pre-hearing statement, I actually explained that,
5034 that we would just present our exhibits and have offer our technical experts
5035 as being available for discussion and explanation. They can walk through their
5036 exhibits, so that'll be a part of the record. But we would also rely on their statements
5037 that were previously submitted during the initial application process as well.
5038 I see. And when was the initial application process? That's a, I don't have, I don't have
5039 the date. Okay, not a problem. I just wondered what the rationale was behind that.
5040 What I'd like to do is, instead of having the witnesses run the show, I'd rather have
5041 Mr. McClure run the show. And so I think since we do have a time constraint here,

5042 of about 50 more minutes or less. What I'd like to do is I'd like to turn to Mr. McClure
5043 and say, Mr. McClure, have you had a chance to review the exhibits in this case?

5044

5045  **McClure, Dean, EMNRD** 55:02

5046 Yes, I have, Mr. Hearing Examiner.

5047

5048  **Pecos Hall** 55:04

5049 All right. Now, what is the best way to get the answers you need to move this case
5050 forward? Would you like to ask questions to the panel, or do you want them to make
5051 presentations to you?

5052

5053  **McClure, Dean, EMNRD** 55:20

5054 I'm more than happy to ask questions of the panel.

5055

5056  **Pecos Hall** 55:21

5057 Ms.

5058 Okay, Miss Vance, is that okay with you?

5059 That is fine with me. All right. Okay. So let me start this way. We have two witnesses.

5060 Let's get them both sworn in. Would you please both raise your right hands? Do you
5061 swear or affirm under penalty of perjury that the testimony you're about to give is
5062 the truth, the whole truth, nothing but the truth?

5063

5064  **Rountree, Jared K** 55:46

5065 Yes.

5066

5067  **Pecos Hall** 55:46

5068 Yes.

5069

5070  **Janacek, Stephen C** 55:47

5071 I do.

5072

5073  **Pecos Hall** 55:48

5074 Very good. I don't see your name at the bottom of either of your screens, so I don't
5075 know who to start with, but would someone state and spell your name?

5076

5077 **JC Janacek, Stephen C** 55:49

5078 Thanks.

5079 Yes, I'll go first. My name is Steven Janacek. That is spelled STEPHENJANACEK.

5080

5081 **PH Pecos Hall** 56:00

5082 Yes.

5083 OK, and Mister Jan, check your name is familiar to me, so I know you've been
5084 qualified as a expert by this division, but in what in what field?

5085

5086 **JC Janacek, Stephen C** 56:21

5087 Petroleum engineering.

5088

5089 **PH Pecos Hall** 56:22

5090 Petroleum engineering. That's what you said, right?

5091

5092 **JC Janacek, Stephen C** 56:26

5093 Correct.

5094

5095 **PH Pecos Hall** 56:27

5096 All right. Okay. And the other gentleman, would you state and spell your name?

5097

5098 **RK Rountree, Jared K** 56:32

5099 Yes, my name is Jared Roundtree. JAREDROUNTREE.

5100

5101 **PH Pecos Hall** 56:33

5102 Yes.

5103 Okay, and have you previously been qualified as an expert by this division?

5104

5105 **RK Rountree, Jared K** 56:44

5106 Yes, I have.

5107

5108 **PH Pecos Hall** 56:45

5109 In what field?

5110

5111 **RK** **Rountree, Jared K** 56:46

5112 in geology.

5113

5114 **PH** **Pecos Hall** 56:48

5115 Geology. Okay, very good. Let me ask both of you to take one minute, just one
5116 minute each, and tell the technical examiner and myself, what is your expert opinion
5117 about this case? I'll start with you, Mr. Janicek.

5118

5119 **JC** **Janacek, Stephen C** 57:08

5120 Sure, if I was to summarize in a minute, maybe a minute and a half, let me start with
5121 this. Based on the reservoir evaluation, the geologic evaluation, the four-year
5122 operating record, and the well configuration, Oxy proposes the solution that Miss
5123 Vance had previously
5124 mentioned. The Avogadro 11H would remain out of CLG service. It would continue
5125 operating as a producing well and would provide an observation and pressure
5126 management function. Its producing drawdown would create a pressure sink
5127 between the two proposed CLGC wells and the three plug and abandonment.
5128 wells of concern. Oxy requests that the OCD reauthorize the Avogadro 12H and 13H.
5129 And I would like to add on and talk about the layer of assurances that Ms. Vance
5130 alluded to. The 11H pressure sink configuration is just one additional backstop.
5131 with a layered system of assurances. Oxy's request does not rely on any single
5132 assumption or line of evidence. First, prior reservoir engineering testimony showed
5133 that CLGC event volumes are only a fraction of the gas volume required to fill the
5134 simulated rock volume created during the initial completion.
5135 Second, the reservoir simulation indicated that the temporarily stored gas remained
5136 within the stimulated fractured system under the model conditions. Third, CLGC is a
5137 controlled, intermittent, relatively low rate and low pressure operation. It is not
5138 intended to create the sustained reservoir pressure or displacement response
5139 associated with EOR.
5140 Fourth, and Jared will speak to this, we have approximately 370 feet of low porosity
5141 limestone and 475 feet of total vertical separation provides a stantial geologic layer.
5142 And 5th, the two-year project summary report shows substantial recovery of stored
5143 gas through the same storage wells and no identified storage-related impacts on the
5144 evaluation.

5145

5146 **PH Pecos Hall** 59:00

5147 Yeah.

5148 Yeah.

5149

5150 **JC Janacek, Stephen C** 59:18

5151 evaluated offset well. This was in the Taco Cat and Avogado project summary report
5152 submitted in 2024. And one more point, the CLGC was designed as a low capital
5153 waste prevention solution using existing producing wells and existing centralized gas
5154 lift infrastructure.

5155

5156 **RK Rountree, Jared K** 59:28

5157 Play.

5158

5159 **JC Janacek, Stephen C** 59:39

5160 The 2024 reports indicate rapid implementation and low capital expenditure as
5161 important characteristics of these projects. Re-entering and re-plugging multiple
5162 offset wellbores would fundamentally change the scope and economics of this type
5163 of temporary gas capture project.

5164

5165 **PH Pecos Hall** 59:41

5166 Stuff.

5167

5168 **JC Janacek, Stephen C** 59:58

5169 and would likely eliminate its economic basis. However, that economic limitation is
5170 not the basis for Oxy's technical conclusion. Oxy's technical position is that re-entry is
5171 not necessary because the layered evidence and proposing operating configuration
5172 adequately address the potential for communication.

5173

5174 **PH Pecos Hall** 1:00:00

5175 Yes.

5176

5177 **JC Janacek, Stephen C** 1:00:18

5178 And for those reasons, we respectfully request that the OCD reauthorize CLGC for the
5179 Avogado 12 and 13H.

5180

5181  **Pecos Hall** 1:00:28

5182 Okay. Mr. McClure, did you find any of that helpful?

5183

5184  **McClure, Dean, EMNRD** 1:00:36

5185 I mean, I mean, it was helpful to hear their, I mean, his opening statement sort of, I
5186 guess.

5187

5188  **Pecos Hall** 1:00:36

5189 The.

5190 Okay. All right. Sounds good. Is it Mr. Roundtree?

5191

5192  **McClure, Dean, EMNRD** 1:00:44

5193 Yeah.

5194

5195  **Rountree, Jared K** 1:00:46

5196 Yes.

5197

5198  **Pecos Hall** 1:00:47

5199 All right, Mr. Roundtree, in one minute, because I'm going to time you. You have one
5200 minute to make your make.

5201

5202  **Rountree, Jared K** 1:00:51

5203 Yes, I can go less than that. I can speak just to the geology information that Stephen
5204 referenced on this cross section here. It's showing a cross section from the
5205 substandard PNA wells on the left side of the cross section over to the

5206

5207  **Pecos Hall** 1:00:54

5208 Good, go right ahead.

5209 Yeah.

5210

5211  **Rountree, Jared K** 1:01:10

5212 the D issue that the avogadro wells are in, showing where that interval in question,
5213 that sand interval where those wells are perforated, shown in the red box versus
5214 where the horizontal injector wells are landed, shown by the red and green arrows

5215 before, below, I'm sorry. And basically just trying to show that between where those
5216 wells are injecting in the Avalon and that

5217

5218  **Pecos Hall** 1:01:18

5219 Fox.

5220

5221  **Rountree, Jared K** 1:01:31

5222 sand interval above, we have nearly 500 feet of total rock separating those two
5223 intervals, with the vast majority of that being tight rock. About 370 feet of it is
5224 limestone, the rest of it is low permeability shale. And so we believe that the rock in
5225 between these two zones provides adequate barrier to contain the gas within the
5226 zone that it's being injected into.

5227

5228  **Janacek, Stephen C** 1:01:47

5229 Yeah.

5230

5231  **Rountree, Jared K** 1:01:54

5232 and not migrating upwards out of zone into that shower or sand.

5233

5234  **Pecos Hall** 1:01:58

5235 All right, thank you. Mr. McClure, do you want to ask your questions to the panel or
5236 do you prefer to direct your questions?

5237

5238  **McClure, Dean, EMNRD** 1:02:06

5239 I mean, I think my questions would be adequate to direct to individual persons, and I
5240 guess they could just tell me if they're not the right people. Thank, thank, thank you,
5241 Mister Hearing Examiner. Mister Janicek, is it correct that Oxy currently has approval
5242 to inject into 12 wells?

5243

5244  **Pecos Hall** 1:02:13

5245 Go right ahead.

5246 Go right ahead.

5247

5248  **Janacek, Stephen C** 1:02:21

5249 Yes.

5250

5251  **McClure, Dean, EMNRD** 1:02:27

5252 Within this project.

5253

5254  **Janacek, Stephen C** 1:02:29

5255 That sounds correct, yes.

5256

5257  **McClure, Dean, EMNRD** 1:02:33

5258 I guess, does why does Oxy feel that it needs two additional wells?

5259

5260  **Janacek, Stephen C** 1:02:40

5261 These two additional wells are the most depleted, and my understanding is that the
5262 other, some of the other 12 wells are not yet ready for CLGC service, because they're
5263 still not depleted enough to get adequate injection rates.

5264

5265  **Pecos Hall** 1:02:46

5266 The.

5267

5268  **McClure, Dean, EMNRD** 1:02:59

5269 When did Oxy cease injection into these two wells?

5270

5271  **Pecos Hall** 1:03:01

5272 The.

5273

5274  **Janacek, Stephen C** 1:03:07

5275 I believe it was somewhere around late 2025.

5276

5277  **Pecos Hall** 1:03:09

5278 So.

5279

5280  **McClure, Dean, EMNRD** 1:03:14

5281 Wait, so what is Oxy been doing in the meantime without these two wells then?

5282

5283  **Pecos Hall** 1:03:15

5284 Yeah.

5285

5286  **Janacek, Stephen C** 1:03:19

5287 It's been using the other CLGC wells that are approved in the project.

5288

5289  **McClure, Dean, EMNRD** 1:03:26

5290 And has Oxy had any instances in which they were not sufficient to take its injection?

5291

5292  **Janacek, Stephen C** 1:03:34

5293 These we are using, to be clear to answer your question, we are using the previously
5294 approved wells and those are able to take the injection. So wells that we have
5295 previously approved and have actively been using for gas storage, those are taking
5296 injection.

5297 But the other some odd wells, I want to say 6 or so that we're not using, those six
5298 wells are not yet ready for gas storage. And based off of our analysis, they're not
5299 ready for to be able to take CLGC injection rates.

5300

5301  **McClure, Dean, EMNRD** 1:04:13

5302 Now, it would be accurate to say, or Ms. Jancik, it would be accurate to say then that
5303 these two wells that Oxy is asking to add back into the project already to start
5304 receiving injection. Is that correct?

5305

5306  **Janacek, Stephen C** 1:04:27

5307 That's correct.

5308

5309  **McClure, Dean, EMNRD** 1:04:30

5310 Okay, Mr. Janicek, I'm looking at.

5311 Um...

5312 I guess it's a part of Exhibit D. I'm looking at page 84 of 95.

5313 Yeah, here we go. Looks like Miss Vance has it for us. You with us, Mr. Janicek?

5314

5315  **Janacek, Stephen C** 1:04:53

5316 Yes, I can see that.

5317

5318  **McClure, Dean, EMNRD** 1:04:55

5319 Okay, what is it that, very briefly, what is the big take away that Oxy wants to the
5320 division to get from this table, this exhibit here?

5321

5322  **Janacek, Stephen C** 1:05:10

5323 Yeah, so.

5324 The main take away here is that...

5325 Based on this comparison, there is the their communication between wells is is
5326 theoretically impossible. The conclusion is that no consistent CLGC related
5327 production response was identified in the available offset well data.

5328

5329  **Rountree, Jared K** 1:05:21

5330 The.

5331

5332  **Janacek, Stephen C** 1:05:39

5333 So we don't see a correlation between the production of this well, the offset well, and
5334 the injection of the CLGC well. It's not shown on this plot, but we've looked back at
5335 production data of the offset well back to 20.

5336

5337  **Pecos Hall** 1:05:45

5338 Okay.

5339

5340  **Janacek, Stephen C** 1:05:59

5341 15, which was much higher than this production. And it looks like it's on trend. And
5342 so therefore we think this is just native gas production and no impact from CLGC
5343 operations.

5344

5345  **McClure, Dean, EMNRD** 1:06:17

5346 Is it accurate to say that? Go ahead, Mister Jan, did you have something else to add?

5347

5348  **Janacek, Stephen C** 1:06:17

5349 So.

5350 Yeah, so as to where that this data fits into the larger picture of things, we're showing
5351 that.

5352 If we did not set up this pressure sink well, we don't anticipate and we haven't seen
5353 any offset impact between CLGC wells and offset wells. So this is just more data

5354 showing that we don't see
5355 We don't see consistent or we see a lack of communication between CLGC wells and
5356 offset producing wells.

5357

5358  **McClure, Dean, EMNRD** 1:07:05

5359 And Mr. Janicek, I guess from where was your...
5360 Like your red bars, that's the gas that was allocated to the mule deer 36 state 4. Is
5361 that correct?

5362

5363  **Janacek, Stephen C** 1:07:21

5364 That's correct. That's monthly allocated based off OCD records.

5365

5366  **McClure, Dean, EMNRD** 1:07:29

5367 Okay, but from where did Oxy derive the original production? Because it was Oxy
5368 that was reporting this production, correct?

5369

5370  **Janacek, Stephen C** 1:07:38

5371 So Oxy acquired this well sometime in 2022. So all of this production data is based
5372 off of what was reported to the OCD.

5373

5374  **McClure, Dean, EMNRD** 1:07:49

5375 Well, is it accurate to say that I guess the more relevant information here is in 2023
5376 and the start of 2024?

5377

5378  **Janacek, Stephen C** 1:07:58

5379 That is relevant and also the previous production data that's not shown on here
5380 going back to 2015. I have that pulled up on my computer here if we want to look at
5381 that if you have questions.

5382

5383  **McClure, Dean, EMNRD** 1:08:15

5384 Well, I guess, would it be accurate to say that during the years of 23 and 24 that all
5385 reported production was derived from what Oxy reported to the division?

5386

5387  **Janacek, Stephen C** 1:08:25

5388 That's correct, yes.

5389

5390  **McClure, Dean, EMNRD** 1:08:28

5391 Okay, and...

5392 How was that data?

5393 or excuse me, how was that production determined in as monthly well test,
5394 something along those lines is what I'm trying to ask you.

5395

5396  **Janacek, Stephen C** 1:08:44

5397 Yeah, it would have been based on our standard operating, which is well test data.

5398

5399  **McClure, Dean, EMNRD** 1:08:51

5400 Okay, so then would it be accurate to say that?

5401 The reason it's in like a monthly format here is because you don't have the day-to-
5402 day records, is that correct?

5403

5404  **Janacek, Stephen C** 1:09:01

5405 Okay.

5406 We should have the day-to-day records in starting in after the acquisition.

5407 We, I just.

5408

5409  **McClure, Dean, EMNRD** 1:09:14

5410 I guess let me answer a better question, Mr. Janicek. Sorry to cut you off, but just in
5411 the interest of time, I guess maybe a better question is,

5412

5413  **Janacek, Stephen C** 1:09:23

5414 Mhm.

5415

5416  **McClure, Dean, EMNRD** 1:09:26

5417 Any day-to-day, any production records you have is based upon monthly well tests.

5418 Is that accurate to say?

5419

5420  **Janacek, Stephen C** 1:09:35

5421 Yes.

5422

5423  **McClure, Dean, EMNRD** 1:09:37

5424 Is it also accurate to say that a closed loop gas capture event may only last a couple
5425 days rather than something on a monthly scale?

5426

5427  **Janacek, Stephen C** 1:09:47

5428 That's correct.

5429

5430  **McClure, Dean, EMNRD** 1:09:50

5431 So I guess if there was to be a spike in your like GOR or just gas production period
5432 that lasts only a few days during the injection, would you be able to make that
5433 determination here?

5434

5435  **Janacek, Stephen C** 1:10:01

5436 You.

5437 Based off of this plot, no, but based off of the reports that we filed in 2024 with all of
5438 the CLGC event data before, during, and after CLGC events, and looking at the offset
5439 well data, and that data, as you know, is a lot higher frequency than what's shown on
5440 the screen.

5441 We didn't see any impacts on offset well production.

5442

5443  **McClure, Dean, EMNRD** 1:10:40

5444 Given that data that isn't included in this case, but is included in a prior report, given
5445 that is determined using a monthly well test and then your overall production for
5446 whatever train or facility, is that correct?

5447

5448  **Janacek, Stephen C** 1:10:57

5449 It's depending upon the well, we'll have one to higher frequency well tests
5450 depending upon what's going on operationally. So there might be more than one
5451 monthly well test.

5452

5453  **McClure, Dean, EMNRD** 1:11:24

5454 Okay, extremely quickly. I'm looking at your next page. What was it that?

5455 Oxy is wanting the division to take from this table.

5456

5457  **Janacek, Stephen C** 1:11:37

5458 This table is the same data as the first one. We just have two y-axes, so you can zoom

5459 in and look at the data. What we're looking for here is any correlation between the
5460 injection and production. And as you can see, there's a period of shut-in time in 2020
5461 and 2021.

5462

5463  **McClure, Dean, EMNRD** 1:11:45

5464 Mm.

5465

5466  **Janacek, Stephen C** 1:12:01

5467 So that's why there's a lack of production. But when you look at the red data, none of
5468 the production in red tracks with the injection in black. So overall, at a high level, we
5469 don't see any
5470 correlation between injection and production.

5471

5472  **McClure, Dean, EMNRD** 1:12:24

5473 During this period in time, was there ever any GOR calculations made for that well?
5474 And that well-being the mule deer, 36 state number four?

5475

5476  **Janacek, Stephen C** 1:12:37

5477 No, but we, there's actually no oil production during this time, so there's no GOR to
5478 analyze.

5479

5480  **McClure, Dean, EMNRD** 1:12:43

5481 The.

5482 Mr. Janicek, is the facility at which the 11H's production would be going to? Is it
5483 adequate enough that Oxy would be able to

5484 Give that well its own separator for measurement following closed loop gas capture
5485 events.

5486

5487  **Janacek, Stephen C** 1:13:16

5488 Um, possibly, um, that's something I could...
5489 I can look into and provide.

5490

5491  **McClure, Dean, EMNRD** 1:13:27

5492 Mr. Janicek.

5493 Do you know when the last status update was submitted for this product project?

5494

5495  **Janacek, Stephen C** 1:13:41

5496 Probably six months ago, roughly.

5497

5498  **McClure, Dean, EMNRD** 1:13:47

5499 Do you know what the requirement is under the order for status updates?

5500

5501  **Janacek, Stephen C** 1:13:53

5502 I think it might be quarterly.

5503

5504  **McClure, Dean, EMNRD** 1:13:58

5505 Is it Oxy's intent to?

5506 Provide quarterly reports for this project.

5507

5508  **Janacek, Stephen C** 1:14:05

5509 Yes, that would be something that we missed at the last quarterly update.

5510

5511  **McClure, Dean, EMNRD** 1:14:22

5512 And Mr. Janicek, this may be a question for Miss Vance, but if you happen to know,

5513 do you know, I don't know if you provided the notice information, Miss Vance, or

5514 not. My question is, do you know which interest owners were provided notice?

5515 And what I mean by that is like classification, like is it like the like SWD requirements

5516 talking about like around the injection wells? Is it like all the interest donors? That

5517 sort of response is what I'm looking for, I guess.

5518

5519  **Janacek, Stephen C** 1:14:44

5520 That would be.

5521 I would have to defer to Ms. Vance. I can't recall the notice at this moment.

5522

5523  **McClure, Dean, EMNRD** 1:15:02

5524 Yeah.

5525 Right.

5526 Oh, that's perfectly fine, Mr. Janicek.

5527

5528  **Janacek, Stephen C** 1:15:11

5529 I wanna say.
5530 Yeah, I would have to look at it and see if it's similar to the previous notice that we
5531 sent out. It would be similar to SWDs. And then I think we also did additional
5532 coverage to everybody who had an interest in all the wells that were in that.
5533 commingled gas system. So it was additionally sent out to all those parties as well.
5534

5535  **Pecos Hall** 1:15:36

5536 Stop.

5537

5538  **McClure, Dean, EMNRD** 1:15:42

5539 Yeah, and I know some of Oxy's cases are that, I mean, it seemed like it's a little bit
5540 back and forth. It seemed like a lot of Oxy's and was everybody in the commingling
5541 gas gathering system. And then I think there might have been one or two that
5542 wasn't, and I wasn't sure what went on here, Mr. Jana checked, but regardless, I'll just
5543 Touch base with Miss Vance here here in a bit in regards to that, see if she knows.
5544 Thank you, Mr. Janicek. Mr. Roundtree.

5545

5546  **Rountree, Jared K** 1:16:31

5547 Yes.

5548

5549  **McClure, Dean, EMNRD** 1:16:31

5550 Not sure if I put the page. Oh, I did put the page in there. It looks like...
5551 looking at like page 45 of 95 is the first one I'm looking at. Where this looks like this
5552 is a statement that was included in maybe the original application in regards to a
5553 review of the hydraulic conditions, I guess.
5554 You see why I'm referring to Mister Roundtree?

5555

5556  **Rountree, Jared K** 1:17:02

5557 Yes, I do see that, yes.

5558

5559  **McClure, Dean, EMNRD** 1:17:07

5560 Has anything, have you conducted a review to confirm that nothing changed?
5561 from March 1st of 2023 to today.

5562

5563  **Rountree, Jared K** 1:17:18

5564 I haven't done a review of this specific, looking to see if there's any hydraulic
5565 connection to any underground source of drinking water since 2023, but I'm not
5566 aware of anything that has changed since then.

5567

5568  **McClure, Dean, EMNRD** 1:17:44

5569 I guess we don't have our...

5570 Mmh.

5571 And you're not familiar with the Reservoir Engineers, Mr. Joshi's review, are you Mr.
5572 Roundtree?

5573

5574  **Rountree, Jared K** 1:17:59

5575 No, I'm not familiar with his review.

5576

5577  **Janacek, Stephen C** 1:18:12

5578 Mr. McClure, we do, we can see if Mr. Joshi is available to join us if you have some
5579 questions for him.

5580

5581  **McClure, Dean, EMNRD** 1:18:14

5582 Yeah.

5583 Well, I mean, if, is Mr. Joshi there or? Because I think he was in the pre-hearing
5584 statement, I thought, but maybe I'm wrong.

5585

5586  **Joshi, Rahul** 1:18:30

5587 Yeah, I'm available.

5588

5589  **Janacek, Stephen C** 1:18:32

5590 Yeah.

5591

5592  **Joshi, Rahul** 1:18:35

5593 I'm available.

5594

5595  **McClure, Dean, EMNRD** 1:18:36

5596 Oh, Mr. Joshi is there. Mr. Hang, I don't have any further questions for Mr. Roundtree.
5597 Mr. Hang Examiner, if we could, if I could ask some questions of Mr. Joshi or Joshi
5598 or...

5599

5600  **Pecos Hall** 1:18:48

5601 Are you finished? Are you finished with the other two witnesses?

5602

5603  **McClure, Dean, EMNRD** 1:18:51

5604 A Mr. Examiner, yes, I believe that I am, unless something additional comes up, I
5605 guess.

5606

5607  **Pecos Hall** 1:18:57

5608 OK, OK, let's get Mister Joshi on the camera.

5609 We're looking for you, sir. Are you going to turn your camera on?

5610

5611  **Joshi, Rahul** 1:19:15

5612 Yeah, um, yeah, I'm turned on. Can you see me?

5613

5614  **McClure, Dean, EMNRD** 1:19:20

5615 Okay.

5616

5617  **Pecos Hall** 1:19:28

5618 I don't see him.

5619

5620  **Joshi, Rahul** 1:19:32

5621 Ohh, my camera is on. Am I miss? Am I missing something here?

5622

5623  **Pecos Hall** 1:19:33

5624 I can't see it.

5625 Can you stop sharing your screen? Maybe that'll help.

5626 Okay, I see you, sir. Would you raise your right hand, Mr. Joshi? Do you swear or firm

5627 under penalty of perjury? The testimony you're about to give is the truth, whole

5628 truth, nothing but the truth?

5629

5630  **Joshi, Rahul** 1:19:42

5631 Yeah, that's me.

5632 Yeah.

5633 I do swear.

5634

5635  **Pecos Hall** 1:19:53

5636 Thank you. Would you spell your name, please?

5637

5638  **Joshi, Rahul** 1:19:55

5639 First name is Rahul. Rahul. Second name is Joshi. Joshi.

5640

5641  **Pecos Hall** 1:20:01

5642 Thank you. And have you been previously admitted as an expert before this division?

5643

5644  **Joshi, Rahul** 1:20:05

5645 Yes, I have been.

5646

5647  **Pecos Hall** 1:20:06

5648 Very good. In what field?

5649

5650  **Joshi, Rahul** 1:20:08

5651 Reservoir engineering.

5652

5653  **Pecos Hall** 1:20:10

5654 Very good. Mr. McClure, go ahead.

5655

5656  **McClure, Dean, EMNRD** 1:20:13

5657 Thank you, Mr. Harring Examiner. Mr. Joshi, I'm looking at your affirmative statement
5658 signature on page 45 of 95. This is in regards to reviewing geological and
5659 engineering data and evidence of open faults or other hydrologic connections
5660 between the disposal zone and underground sources of drinking water.

5661

5662  **Pecos Hall** 1:20:17

5663 The.

5664

5665  **Joshi, Rahul** 1:20:20

5666 Mm.

5667 Mmh.

5668 Mm.

5669 Yeah.

5670 Yes.

5671

5672  **McClure, Dean, EMNRD** 1:20:36

5673 Have you conducted a review to confirm that nothing has changed since this
5674 February 17th of 2023?

5675

5676  **Joshi, Rahul** 1:20:46

5677 No, we have not conducted any review after that, after making that statement, but
5678 we do not have any additional information from any source that we believe would
5679 lead to any change of conditions.

5680

5681  **McClure, Dean, EMNRD** 1:21:01

5682 And in addition to that, I'm looking at page 59 of 95. This is your other affirmative
5683 statement. Have you conducted a review to determine if anything here is
5684 has changed since February 17th of 2023.

5685

5686  **Joshi, Rahul** 1:21:20

5687 No, we have not done any review.

5688

5689  **McClure, Dean, EMNRD** 1:21:23

5690 OK. Mr. Hearing Examiner, I'm done asking questions of the expert witnesses, but I
5691 would ask Miss Vance a.

5692

5693  **Pecos Hall** 1:21:27

5694 Yes.

5695 Okay.

5696

5697  **McClure, Dean, EMNRD** 1:21:34

5698 Question in regards to the noticed.

5699

5700  **Pecos Hall** 1:21:38

5701 Okay, and then are you going to have requests from Ms. Vance?

5702

5703  **McClure, Dean, EMNRD** 1:21:42

5704 No, I well, I mean, I'm thinking not at this point.

5705

5706  **Pecos Hall** 1:21:45

5707 Oh, good. OK, go right ahead, Mister McClark.

5708

5709  **McClure, Dean, EMNRD** 1:21:48

5710 Miss Vance, do you know if the notice was conducted to all the interest owners in the
5711 gas gathering system, or was it more along the lines of like part 26 and SWD notice?

5712

5713  **Pecos Hall** 1:21:49

5714 Sing.

5715 Yes.

5716 It was, the notice was completed according to the closed loop gas capture guidance.

5717 So what is in there is the notice that we provided.

5718

5719  **McClure, Dean, EMNRD** 1:22:14

5720 Okay, so then the additional notice that Oxy sometimes provides, you don't believe it
5721 was provided in this instance?

5722

5723  **Pecos Hall** 1:22:14

5724 Play.

5725 The.

5726 I'm sorry, state that again.

5727

5728  **McClure, Dean, EMNRD** 1:22:24

5729 Oxy in some of its cases had been going above and beyond what the guidance is and
5730 providing interest or providing notice to all the interest owners in the gas gathering
5731 system. My question is, do you know if that was done in this case or do you think it
5732 was done based upon the guidance?

5733

5734  **Pecos Hall** 1:22:43

5735 It was done based upon the guidance. I confirmed that with Mr. Rankin. I do want to
5736 just quickly put a pin in. I've got two follow-up questions for Mr. Janicek, if I may.

5737

5738  **McClure, Dean, EMNRD** 1:22:45

5739 Okay.

5740

5741  **Pecos Hall** 1:22:59

5742 Follow-up questions.

5743 These are questions that Mr. McClure asked Mr. Janichick. Yes.

5744 and you feel like the answer needs to be revised in some way? Not revised, but there

5745 were questions asked about the exhibits. And so I'd just like to follow up with

5746 questions that may help with some clarification or just get additional color.

5747

5748  **Janacek, Stephen C** 1:23:26

5749 The.

5750

5751  **Pecos Hall** 1:23:27

5752 on the answers provided.

5753 If they're brief.

5754 If they're brief, Ms. Vance. So Mr. Janicek, we're talking about the, I just wanted to

5755 clarify the mule deer that was approved for monitoring, but that has been plugged. If

5756 that single point could serve as a monitoring well, obviously it was previously

5757 approved as such.

5758 Can the horizontal well that Oxy is proposing to use for monitoring as the pressure

5759 sink, can that, with all expanse of the length of the lateral, serve as a monitoring well

5760 equally equal to that

5761 mule deer that vertical well.

5762

5763  **Janacek, Stephen C** 1:24:18

5764 That's correct. It would be equally or probably a better candidate for observation

5765 than the mule deer.

5766

5767  **Pecos Hall** 1:24:22

5768 Yes.

5769 Okay. Great. And then the second question I had, one second here, was Mr. McClure

5770 asked you a series of questions related to the observation exhibits that you provided.

5771 and was discussing production reports on a monthly versus getting production on a

5772 day-to-day basis. Do you believe that there would be any, if there, is there any
5773 difference there that would be appreciable?
5774 to suggest that the observation Oxy provided wouldn't be accurate in showing an
5775 asynchronous asynchronous observation that injection does not
5776 increase production to the offsets or cause any impact to the offsetting wells.
5777

5778  **Janacek, Stephen C** 1:25:31

5779 I think we might see something similar. If we're looking at impact on injection at this
5780 lower pressure and this lower rate, that would probably be something on a larger
5781 time span, which looking at monthly data might be
5782

5783  **Pecos Hall** 1:25:34

5784 Yes.

5785

5786  **Janacek, Stephen C** 1:25:50

5787 be more accurate or show the same thing as what would well test data at a higher
5788 frequency.

5789

5790  **Pecos Hall** 1:25:58

5791 OK, those are my two questions. So, Mister McClure, can we take this case under
5792 advisement?

5793

5794  **McClure, Dean, EMNRD** 1:26:03

5795 Mr. and Zema, we can take the case under advisement.

5796

5797  **Pecos Hall** 1:26:06

5798 Okay, excellent. Thank you, Ms. Vance. Thank you, Mr. Janicek, Roundtree, and Rahul.
5799 We're off the record.

5800

5801  **+15*****35** 1:26:16

5802 Real quick here, Mr. Examiner. Excuse me, I apologize about that. Excuse me. Before
5803 adjournment, I did notice that the case number 26365 was supposed to be on the
5804 docket, not currently there.

5805

5806  **Pecos Hall** 1:26:24

5807 Who's speaking? Who's speaking?

5808

5809  **+15*****35** 1:26:30

5810 And it in the paperwork that I...

5811

5812  **Pecos Hall** 1:26:31

5813 Who, who is speaking?

5814

5815  **+15*****35** 1:26:33

5816 I apologize, sir. My name is Brandon White Whitley.

5817

5818  **Pecos Hall** 1:26:36

5819 Two.

5820 Okay, what case are you, what case are you addressing?

5821

5822  **+15*****35** 1:26:39

5823 And...

5824 Yes, sir. It's 26365. I didn't hear it call today, although it was supposed to be on the

5825 docket because I have stuff from Holland and Hart skating. It was going to be on

5826 August 6th. It's at 837. I've been on the call since 830, trying to wait.

5827

5828  **Pecos Hall** 1:26:55

5829 Did you say, did you say case number 26235?

5830

5831  **+15*****35** 1:27:00

5832 No, sir, 26365.

5833

5834  **Pecos Hall** 1:27:03

5835 I.

5836 Miss Vance, do you know what Casey's talking about?

5837

5838  **McClure, Dean, EMNRD** 1:27:07

5839 It's the enduring one. Mr. Hearing Examiner, it's the enduring federal exploratory
5840 expert. All right.

5841

5842  **Pecos Hall** 1:27:08

5843 Not off the top of my head. No. Oh.

5844 Is that on? Is that on our docket today, Mr. McClure?

5845

5846  **+15*****35** 1:27:14

5847 Correct. Yeah.

5848

5849  **McClure, Dean, EMNRD** 1:27:17

5850 Is continued.

5851

5852  **Pecos Hall** 1:27:19

5853 Ohh, OK. What do, what do you mean?

5854

5855  **McClure, Dean, EMNRD** 1:27:20

5856 I think it's the same one that somebody earlier was asking about it too. I thought it
5857 was this one. Maybe I'm wrong on that though.

5858

5859  **Pecos Hall** 1:27:26

5860 That's correct. Yes, it's on the August 20th docket. I believe I received an e-mail from
5861 Mr. Whitley and I responded to him this morning.

5862

5863  **+15*****35** 1:27:36

5864 Of this morning, okay.

5865

5866  **Pecos Hall** 1:27:37

5867 I will follow up with another e-mail after our hearing. Sir, that case is on the August
5868 20th docket, but Ms. Chance will communicate with you, okay?

5869

5870  **+15*****35** 1:27:47

5871 Copy. Thank you, sir. I appreciate that. I was just making sure we didn't miss. Thank
5872 you, sir.

5873

5874  **Pecos Hall** 1:27:49

5875 Thank you. We're off the record.

5876

5877  **Pecos Hall** stopped transcription

5878