

DISCLAIMER: This transcript was auto-generated with the assistance of Microsoft AI technology and may contain errors, omissions, or not reflect the original audio's nuances. Its intended purpose is to provide general information only. The official record is the video recording of the hearing, which is posted to the **OCD's** YouTube channel, which can be viewed here: [OCD Pecos Hall - YouTube](#)

OCD Regular Hearing February 5, 2026-20260205_153637UTC-Meeting Recording

February 5, 2026, 3:36PM

4h 0m 0s

PH Pecos Hall 15:32

Although we do have a few other issues on the docket today, I'm going to start a few minutes early since I see a lot of people here. We're going to start with the oil conservation divisions, case number 25871.

It is a notice of violation interest of appearance please.

Good morning, Mr. hearing Officer Michael Hall, on behalf of OCD.

Good morning, Mr. Hall.

Do we have?

What is the name of the respondent?

Smith and Mars Inc.

Thank you.

Is there anyone from Smith and Mars?

With us.

I'm not hearing anyone.

Mr. Hall, would you explain the nature of this case and your contact with the respondent? Absolutely. The nature of this case is an inactive well Nov. The operator respondent is out of compliance with the inactive well rules.

In fact, they have 7 inactive wells out of 11 wells and those other four are plugged but not released.

The address provided the OCD as required by 191598 of Emacs I guess is not good. Our certified mail was returned to OCD, sent to that address as evidenced by.

SS Shaheen, Sharon 16:56

That he drove us evidence.

And I think it's really.

37

PH Pecos Hall 17:00

39 What's happening here?

40 I think Freya will find the microphone that's open.

41 Thanks, Freya.

42 As required by Mac that that address is no good. However, Mr. Joshua Eugene was
43 an e-mail contact provided. I did speak to him and he said that he thought the
44 principal who he described as Ricky Smith.

45 Was had notice of the Nov and he said he thought he was looking to get a lawyer.
46 I have heard nothing since.

47 So.

48 So in our opinion, this is a a default situation and.

49 We would ask for, well, first May I proceed?

50 Sure. Let me let me let me ask again. Do we have any ones?

51 Because I saw some different people admitted.

52 Do we have anyone from Smith and Mars incorporated or Mr. Oguin with us?

53 I'm not hearing anyone go right ahead.

54 Thank you. OCD would offer exhibits 123 and four.

55 Attached to our pre hearing statement admitted without exception.

56 Thank you.

57 Based upon that, we would ask for an order, a plugging order.

58 For all seven wells and in fact, based upon their noncompliance with the operator
59 registration.

60 Provisions.

61 As well as their inability to communicate with OCD regarding the four wheels that
62 haven't been released but have been plugged, we would like the ability to to
63 remediate those. So we're asking for for an order regarding all 11 wells operated by
64 Smith and Mars.

65 Additionally, we are seeking.

66 Civil penalties of \$29,700.

67 OK. Are you gonna draft the order?

68 I would be happy to, Mr. Hang, officer. One other thing. As a platinum, we would ask
69 that their authorization to transport be terminated.

70 However, I don't think they have any production but an abundance of caution. We
71 would ask for that relief as well.

72 All right, Mr. Hall, your exhibits have been admitted into evidence.
73 No one from Smith and Mars has appeared.
74 On their behalf.
75 So is there anything else?
76 Not from OCD.
77 Alright, then. We're off the record in this case. Let's move on to case number two on
78 our docket.
79 This is Burnette oil 25778.

80

81 **BH Benjamin Holliday 19:46**

82 Good morning, Mr. Examiner.
83 Ben Holiday, appearing on behalf of the applicant Burnett Oil Company.

84

85 **PH Pecos Hall 19:50**

86 Thank you, Mr. Holiday.
87 I believe this is a redo from another docket and have you submitted the additional
88 information?

89

90 **BH Benjamin Holliday 20:00**

91 Yes, Sir. We submitted our admitted exhibit packet with the cover page.
92 You're right at the at the request of the division to fix some matters with the CPAC,
93 we refiled our exhibits.

94

95 **PH Pecos Hall 20:13**

96 Perfect. And they've been reviewed and the case is taken under advisement.
97 Thank you, Mr. Holiday.

98

99 **BH Benjamin Holliday 20:18**

100 Thank you, Sir.

101

102 **PH Pecos Hall 20:19**

103 All right, we're off the record in that case, number three on our docket 2580.
104 Sharon Shaheen, on behalf of Longfellow Energy.
105 Jackie MacLean, on behalf of XTO Energy.
106 Please.

107 Thank you, Mr. Harris.
108 And we actually reasserted our objection to this case yesterday.
109 Yes. And so we would like this case to be set for a status conference on February
110 26th.
111 I did know that.
112 I think that it's impermissibly late. They had previously objected and withdrew their
113 objection. This case has already been heard.
114 All we did was fix a few mistakes in the exhibit package.
115 And I believe that this case should be taken under advisement. OK, I'll come back to
116 you.
117 Ms. McLean, in just a moment.
118 Ms. Shaheen.
119 Is there authority for that statement that the objection is is untimely?
120 I have not had time to look for authority, but it seems to me they waived their right
121 to object after the hearing had already been held on this matter and I'm happy to
122 look for authority if that would be helpful.
123 For you. OK. And and what we'll do is we'll recess this case.
124 We'll come back to it at the end of our docket or before you leave. If you find
125 something in the meantime.
126 But Miss McLean, based on, is there any authority for you to enter an objection at
127 this time?
128 Yes, any part of well case is pending.
129 Any party can enter an appearance and object we had already previously entered
130 and objected, then withdrew our objection and then now.
131 You know the issues are not resolved.
132 So we are objecting again 'cause. The case is still pending and that is permitted
133 under the rules.
134 Why are you reasserting your objection?
135 Well, apparently the negotiations went South this week, so we were not objecting to
136 the them proceeding by affidavit. But then now at this point it is contested and we
137 would like to move that route instead.
138 And and not that this is.
139 Fatal to your objection at all. But when you withdrew your why did you withdraw
140 your objection? If the negotiations hadn't been completed?
141 Well, it was in good faith to to continue the negotiations and allow them to proceed

142 by affidavit.
143 But their case is still pending.
144 It was not taken under advisement.
145 And you know, we had entered an appeals.
146 Hearing after this case, the order was issued in this case, if we wanted to.
147 Because we had entered and maintained our appearance.
148 So at this point, you know, I think it's permitted.
149 And the rules for us to reassert our objection.
150 I'm just reading.
151 I'm I'm on 19/15 4:10.
152 Obviously you're an affected party.
153 Who deserve notice.
154 May enter an appearance at any time by filing written notice of appearance.
155 This is under B Michigan, so I'll let you look at this further, but right now I'm on 1954.
156 Ten BA person entitled to notice may enter an appearance at any time by filing a
157 written notice of appearance with the division.
158 Or subject to the sub provisions of subsection C of this rule by oral appearance on
159 the record at the hearing, now michiheen.
160 We are still adhering because the hearing was continued for you to fix some issues
161 with the case.
162 So we're still adhering.
163 That's as far as the analysis goes so far, and if I may. Yeah, of course. This is about
164 entering an appearance.
165 They entered an appearance prior to the original hearing, so we're not objecting to
166 them having an entry of appearance, but there's nothing here that says and they can
167 object.
168 After the case has already been heard.
169 In fact, if you take a look at subsection 12 or section 12, it says that.
170 When the applicant has given notice and those owners the applicant has located do
171 not oppose the application and I'm looking at.
172 12 dot A dot 1B.
173 The applicant may file under the following alternative procedure a statement that the
174 applicant.
175 Expects no opposition, including the reasons why.
176 And then it goes on to allow that that case be heard by affidavit, and that case has

177 been heard by affidavit.
178 I agree with you.
179 You know, machine I think at this point without something more clear about.
180 Their entry being improper at this point, it seems to me that even if I didn't allow
181 them to reassert their objection, because negotiations have gone S they have other
182 legal remedies.
183 To interfere with your order, whether that be to reopen it later that the rules allow
184 reopening orders later under certain circumstances, or they can file a de Novo appei
185 don't see how it helps you.
186 Well, it helps us because we could drill.
187 The problem is there are expiring leases and and this includes QO leases that will be
188 expiring if we do not drill and and so I I'm not sure why QO is shooting itself in the
189 foot here.
190 They've if they didn't want to withdraw their objection and expected some sort of
191 settlement that they didn't get in the future.
192 I mean, that's their bad business decision, frankly.
193 They should have kept their objection.
194 We would have gotten a contested hearing by now.
195 We would be able, you know, ideally get an order to allow us to drill before the
196 leases expire, but.
197 I'll stop there and let M's McLean speak. I don't think I need to hear from M's McLean
198 at this at this time. It seems to me that what I can do for you is set a contested
199 hearing as quickly as you want and I'll bend over.
200 Backward to give you a contested hearing as soon as you're available.
201 And I'll Miss McLean will just have to be available.
202 For that hearing.
203 So when do you want to contested hearing?
204 As soon as possible.
205 As soon as well, I don't what that means to you.
206 So why don't you communicate with your client while we go off the record?
207 In your case, find out when your client's available.
208 I'll talk to Freya when you come back, and then we'll we'll let Miss McLean know
209 when the contested hearing is OK. I I do know that the client is available on February
210 26th.
211 Because I think that's already a scheduled contested hearing docket.

212 But if there were a sooner available date, we would take it.
213 So I will check with them about that. OK, but why don't you do that?
214 And I know February 26 is fine.
215 It's gonna be virtual.
216 I'll let you know now.
217 We don't have this room and I might as well let everyone know we don't have this
218 room from February 23rd until March 6th. The Environment Department's doing a
219 rulemaking here, and they've already noticed it, so.
220 We're stuck with.
221 With that schedule, that affects two of our dates so far, the February 26th and the
222 March 4 hearing by affidavit docket, Miss McLean.
223 Anything further from you?
224 All right, so should I get set February 26th aside. OK.
225 I would.
226 And and in the meantime, Miss Mishahen, we'll find out if she can do it sooner.
227 Now I'm not available.
228 Miss Shaheen, from the 18th to the 25th.
229 So it would have to be before the 18th if we're gonna do it sooner. 'cause the 26th is
230 the first day that I'm back.
231 OK.
232 Thank you.
233 So we'll come back.
234 Let me know when you're ready to discuss this date and firm it up.
235 I will thank you and we'll and we'll fry how many cases do we have on the February
236 26th docket.
237 I don't have it pulled up, but I don't think there's that many status conferences,
238 maybe less than 20.
239 We also talked about, yes and then aren't there two novs that day, correct?
240 And then there's the.
241 Then we have a contested hearing as well, yes.
242 Which case is that?
243 Oh, you know what it is? Are you involved in it? Yes, McLean.
244 Oh, you are.
245 What's name of the case?
246 Roscoe Estates and you're involved in it too.

247 You've objected, correct and and you don't have.
248 We haven't called this case, but you don't have a competing application not right
249 now.
250 No, I mean we're not hearing.
251 I understand that, but that's where I'm at.
252 OK.
253 So Michiheen, we'll we'll make it a priority to get your case heard.
254 Thank you.
255 I appreciate that of course.
256 So we're not continuing, we're not taking this case under advisement at this time.
257 But thank you for the additional information.
258 So Longfellow energy not taken under advisement, Mr. Herring examiner. I have
259 already gotten. OK, a response from the client.
260 She's listening in. Great.
261 She says they are available on February 11.
262 I don't know.
263 You know what?
264 The February 11 is hold on a minute a week from yesterday.
265 That's I we're totally unavailable that week.
266 But yeah, it's next week and that's no.
267 Alright, I can.
268 You know 26 is is is making it quick for you machine.
269 The 11th is not gonna work because I can't force them to be there.
270 I understand.
271 So let's say the 26th.
272 Thank you. OK, excellent.
273 So then we are off the record in that case and we're gonna move on to a few more
274 cases that we're hearing yet again this is.
275 #4 on the docket kotera energy 25826.
276 Good morning, Mr. Examiner.
277 Deena Bennett, on behalf of Kotera Energy operating.
278 Thank you, miss Bennett.
279 I don't believe there's any other parties.
280 There are no other parties.
281 I know that you've submitted the requested information.

282 It's been reviewed and taken under advisement.
283 Thank you very much.
284 All right.
285 Thank you.
286 Let's move on to five on our docket.
287 I guess there's a few cases here 25773.
288 74 and 75.
289 Jackie McLean, on behalf of Permian Resources and Miss McLean, I don't believe
290 there are any other parties entered on these three cases.
291 I know that you have submitted the information requested.
292 It's been reviewed.
293 They'll take another advise. Thank you.
294 So we're off the record in those cases.
295 Let's now go on to Mubaran oil 25663.
296 Good morning, Mr. hearing examiner and technical examiner Paula Vance with the
297 Santa Fe Office of Holland and Heart. On behalf of the applicant, Mubaran Oil
298 company.

299

300 **DK David Kirmse** 31:47

301 Good morning, Mr. Examiner.
302 David Kermsey of Bradford Sayre representing PBX.
303 We're just making an entry of appearance.
304 No objections.

305

306 **PH Pecos Hall** 31:55

307 OK.
308 Thank you and good morning, Mr. hearing Zeminar Yaditza Pena, on behalf of
309 Conoco Oil, Phillips, Cog, Concha, oil and gas and Marathon Oil Permian. And we do
310 not object in this case. OK, thank you.
311 I'll go right ahead.
312 It's Vance.
313 Thank you.
314 Excuse me.
315 So this case has been around for a while.
316 As you know, we previously filed an application and then we filed and amended.

317 Application that corrected just one little piece of the illegal land description.
318 But sorry, it's been a long week.
319 I know Miss McLean feels like that as well.
320 So in this case, Mubar is requesting pooling and approval of an overlap and the and
321 it's pulling the uncommitted interest in a 962.45 acre more or less non standard
322 horizontal well spacing unit.
323 So and I can't.
324 Honestly, I can't remember.
325 I think that we they.
326 Filed separately for the NSP, but I'd have to double check.
327 Anyway, so this is pulling the Bone Spring formation underlying the Northeast
328 quarter of section 35, the north half of section 36, Township 18 S, range 31 E and
329 that's in Eddy County, New Mexico, along with lots one and two and the east half
330 that was.
331 The corrected part of the Northwest Quarter and the Northeast Quarter and that is
332 the north half equivalent.
333 Of irregular section 31 and the northwest quarter of Section 32 and that is Township
334 18 S range 32 E and that's in Lee County.
335 So we've got two counties there and you burn seeks to initially dedicate this spacing
336 unit to the initial lead belly 3532 federal Comm 521H622H523H and 624-H.
337 And we have included all of the.
338 Typical exhibits for our land man and our geologists, our land man is Ariana
339 Rodriguez and our geologist is Charles Crosby, both of whom have previously
340 testified before the division, and their credentials have been accepted as a matter of
341 record.
342 Following that is myself affirmed statement of notice along with a sample copy of the
343 notice letter. The amended application included in there that went out on November
344 18th, 2025.
345 Along with our affidavits of notice of publication which were timely.
346 And were published on November 23rd and then 29th, 2025. Between those two
347 different counties, and unless there are any questions, I would ask that this case be
348 this case, and the exhibits be taken under advisement at this time admitted without
349 exception, Mr. McClure.

350

351  **McClure, Dean, EMNRD** 34:46

352 Mr. Herring examined.

353 I just have a quick question for Miss Vance.

354

355  **Pecos Hall** 34:50

356 Go right ahead.

357

358  **McClure, Dean, EMNRD** 34:51

359 Thank you, miss.

360 Hearing examiner Miss Vance was there going to be additional documents that you
361 need to file in this case?

362

363  **Pecos Hall** 34:58

364 Not right now.

365 We will, I and I can just expand on that briefly. Is they the parties are working
366 towards a JOA or Mubarak working towards signing a JOA with several of the parties.

367

368  **McClure, Dean, EMNRD** 35:01

369 OK so.

370 The.

371

372  **Pecos Hall** 35:16

373 So we want to move forward as is, but once an agreement is reached later on down
374 the road, we of course would file a notice of.

375 Removal of pulled parties as is.

376 Required to inform the division.

377

378  **McClure, Dean, EMNRD** 35:35

379 OK, but mubar is still asking the division to force pull conical cog, Concho and
380 marathon at this point.

381 OK. And your understanding of their withdrawal of objection was not dependent
382 upon them being dropped as a pulled party?

383

384  **Pecos Hall** 35:55

385 It was not.

386 That's a letter agreement between the parties, which is a private contract matter. And

387 right now we're here for the pooling. And so as of right now, what's in the exhibits is
388 how we would like to proceed.

389

390  **McClure, Dean, EMNRD** 36:10

391 Hey, no more questions, Mr. Herring. Examiner. Thank you, Miss Vance.

392

393  **Pecos Hall** 36:14

394 All right, Mr.

395 McClure can this case be taken under advisement?

396

397  **McClure, Dean, EMNRD** 36:21

398 I believe so, yes. Yes we can.

399

400  **Pecos Hall** 36:22

401 All right.

402 Thank you, miss Miss Vance. OK.

403 Let's move on.

404 We're off the record.

405 In that case, we are now on to #9 on the docket.

406 This is Admiral Permian 25709 and it looks like, well, there's another case joined with
407 it, but I don't think it's on today's docket.

408 Yes, Jackie McLean, on behalf of Admiral Permian and for hates number 25709 in
409 case number 25708 is actually the one that is set for a contested hearing on February
410 26th.

411 Thank you. And I think we have one entry of apparent as well.

412 Good morning, Mr. hearing examiner Paul advance with the Santa Fe Office of
413 Holland and Hart and we are making an entry of appearance on behalf of Matador
414 and we are just monitoring.

415 Thank you.

416 Thank you. In this case, Admiral Permian seeks an artery playing all uncommitted
417 interest in the Wolf Wolf Camp formation underlying a 480 acre more or less non
418 standard horizontal spacing unit.

419 Comprised of the West half W half of section 17.

420 And the east half of section 18, Township 23 S range 28 E in Eddy County and this
421 unit will be dedicated to the Cross Tio Estates Fee unit wells.

422 Exhibits were timely submitted for this case last week and include the land testimony
423 and corresponding exhibits of Hunter Hall, who has been previously testified before
424 the division and has been recognized as an expert in petroleum land matters.
425 And the geology testimony and corresponding exhibits of William Carroll.
426 Who has not previously testified before the division, and if there are any questions,
427 we'd ask that he be admitted as an expert in petroleum geology matters and he
428 would be available for any questions on the call.
429 Finally, we included our notice testimony along with copies of the notice letter, which
430 was sent to all parties on October 22nd and December 31st, 2025, along with an
431 affidavit of publication from October.
432 30th, 2025.
433 With that, I set the exhibits to be admitted for case number 25709 and the case be
434 taken under advisement, admitted without exception, Mr. McClure.

435
436  **McClure, Dean, EMNRD** 38:30

437 Thank Mr. Examiner.
438 I'll have questions for the land man in this case.

439
440  **Pecos Hall** 38:34

441 OK, Hunter hall.
442 Yes, and he has already been admitted as an expert. Perfect.
443 OK, Mr. Hall, please raise your right hand.
444 You swear? A firm under penalty of perjury, that the testimony you're about to give is
445 the truth, the whole truth, and nothing but the truth.

446
447  **Hunter Hall** 38:51

448 I do.

449
450  **Pecos Hall** 38:51

451 Alright, thank you Sir.
452 You have previously been admitted before this division as an expert in what field?

453
454  **Hunter Hall** 39:00

455 Petroleum land matters.

456

457  **Pecos Hall** 39:01

458 Perfect, Mr. McClure.

459

460  **McClure, Dean, EMNRD** 39:04

461 Thank you, Mr. Herring. Examiner, Mr. Hall, it appears that.

462 Admiral is asking the division for an NSP in this case. Is that correct?

463

464  **Hunter Hall** 39:16

465 Yes.

466

467  **McClure, Dean, EMNRD** 39:18

468 And there's reference in your self affirmed statement to the reason for that being
469 common facilities or to make a common facility. Is that correct?

470

471  **Hunter Hall** 39:28

472 Yes.

473

474  **McClure, Dean, EMNRD** 39:30

475 OK, looking at your.

476 401 H well, looks like it's a U.

477 Well, that's in both Section 7 and Section 8.

478 Are you familiar with what I'm referring to?

479

480  **Hunter Hall** 39:44

481 Correct.

482 I am.

483

484  **McClure, Dean, EMNRD** 39:49

485 The standard spacing unit for that well would be the east half of Section 7 and the
486 West half of Section 8.

487 Do you agree with that?

488

489  **Hunter Hall** 40:00

490 I believe so, yes.

491

492  **McClure, Dean, EMNRD** 40:02

493 OK so.

494 When you reference common facilities, can you elaborate a little bit more on what

495 you mean by that then?

496 Mm-hmm.

497 Mm-hmm.

498

499  **Hunter Hall** 40:26

500 Because the orientation of EU turn wells, the surface locations are both in the

501 southeast of the southeast, so.

502 Separate spacing units would imply extra facility costs, and so we're asking for the
503 exception due to the orientation of the wells.

504 Because I think if you independently looked at the 421, you would say the spacing
505 unit should be the east half of 18 alone.

506

507  **McClure, Dean, EMNRD** 41:08

508 Are you aware that?

509 There's a existence of defining wells and then infill wells for the spacing units
510 established by that defining well.

511

512  **Hunter Hall** 41:18

513 I am and I think I think that the defining well would be well. I believe that both of the
514 wells would be within 330 of the Section 7 and eight or at least one of the sides of
515 EU turn would be within 330 of the.

516 Seven and eight line.

517 If I'm looking at them correctly.

518 And so that would allow for us to pull both tracks into the 480 acre space unit.

519

520  **McClure, Dean, EMNRD** 41:47

521 I guess if maybe I can find a little bit more context.

522

523  **Hunter Hall** 41:52

524 Sure.

525

527  **McClure, Dean, EMNRD** 41:52

527 If you were to use the.

528 401 H as a defining. Well, then your NSP is essentially reducing the acreage of that

529 standard Hsu, because you're now removing the east half of the West half of section.

530 Of section.

531

532  **Hunter Hall** 42:14

533 2nd.

534

535  **McClure, Dean, EMNRD** 42:15

536 Yeah, Section 7. OK, I'm with you.

537 So I guess my question is you reference common facilities, but I'm not sure how.

538 The difference in the NSP versus not having NSP would make a difference to your

539 facilities.

540 So if you could elaborate on that or maybe provide reasoning for why you want to

541 reduce the acreage and take out that E half of the West half?

542

543  **Hunter Hall** 42:43

544 I guess I I guess I'm not fully understanding the question since the spacing unit

545 consists of.

546 The entire 480 acres.

547 Are you saying that one of the wells if the 401 H was the defining well?

548 That since it does not include the West half of the east half of section 18 is, is that

549 what you're referencing?

550

551  **McClure, Dean, EMNRD** 43:07

552 Yeah, you you kind of.

553

554  **Hunter Hall** 43:10

555 I'm just.

556 I'm just making sure I understand correctly.

557

558  **McClure, Dean, EMNRD** 43:14

559 Yeah, that that's fine. I was gonna say essentially the NSP has submitted to us is not

560 really correct.
561 And as you're not expanding the acreage, you're reducing the acreage. And so I'm
562 trying to figure out what the reason is for the request to reduce the acreage. Your
563 current standard Hsu is the east staff of the one section and the West half of the
564 other section and.
565 You want to reduce that by 160 acres.
566 Why is that?

567

568 **HH Hunter Hall** 43:45

569 If I'm understanding you, I guess I'm still not quite understanding your request.
570 If sure.

571

572 **PH Pecos Hall** 43:54

573 Can I ask a question, Mr. McClure?
574 Hold on one second.
575 Can I just ask to to better understand where was? I guess it's non standard because
576 we just want to have one spacing unit.
577 Not two separate proximity TRAC spacing unit because they want that centralized
578 facility and everything is is that what you're asking?
579 I guess.
580 Am I confused?
581 Well, you're putting Mr. McLean in a difficult spot because he's not gonna answer
582 questions.
583 He can ask questions.

584

585 **HH Hunter Hall** 44:33

586 Well.

587

588 **PH Pecos Hall** 44:34

589 Can you refresh?
590 I guess can you OK, can Mr. McClure?
591 I guess.
592 I guess that's a question about why we would not want to approximately track CCG.
593 Maybe just humafloor and I can talk offline for a minute, OK, and figure out what his
594 concerns are. And then maybe I can help in some way. OK.

595 So let's take Al.
596 Don't know 5 minute recess, OK?
597 Thank you.
598 All right, it is 9:26 AM.
599 We're back on the record, Mr. McClure.
600 Your questions for Mr. Hall.

601

602  **McClure, Dean, EMNRD** 49:45

603 Thank you, Mr. Herring examiner.

604 Mr. Hall, is there a relationship in the facilities planned for these wells and the case
605 that is contested?

606 Or similarly their bone spring wells I guess.

607

608  **Hunter Hall** 50:01

609 Umm.

610 Potential if, if Admiral were to be the operator of the Bone Spring in in a similar
611 spacing unit, yes, that that is possible.

612 However, one of the things that Miss McLean and I were discussing as to your
613 original question is if you look at the offset operator exhibit.

614

615  **Pecos Hall** 50:24

616 Tonight, should I share the we're gonna share?

617

618  **Hunter Hall** 50:28

619 Again.

620

621  **Pecos Hall** 50:29

622 OK.

623 Yeah, that's fine.

624 Few months I can share.

625 Give me one second.

626 Oh, looks like you did it.

627

628  **Hunter Hall** 50:40

629 Points of emphasis we were discussing is that.

630 If if two spacing units were created, being two 320 acre spacing units.
631 We we do not own east of the West half of the West, half 17, nor do we own West
632 and the West half of 18. And so the original intent of putting on the application that
633 we will have combined facilities and that's why we're asking for an N.
634 Is that?
635 We are deviating the lands, be it it's 160 less acres.
636 Like you specified, but that they would be in a common facility in the southeast of
637 the southeast of 18.
638 And that's why only you know one of EU turn wells technically only includes 160
639 more acres, not 320 more acres.

640

641  **McClure, Dean, EMNRD** 51:29

642 What is the standard spacing unit for the 4018?

643

644  **Hunter Hall** 51:37

645 I believe the four O1 H is the one that's independently just in the East Alpha section
646 18 or no. The four O1 H is the well that deviates the east half of the east half of 18
647 and the West half of the West half of Sevent.

648 So, absent another well, the standard spacing unit would be those 320 acres.

649 But our request is based off the 421 H deviating the West half.

650 Of the east, half of 18, in addition to the east half of the east half of 18.

651 And then the common facility being in the southeast of the southeast of 18th.

652

653  **McClure, Dean, EMNRD** 52:22

654 OK.

655 Moving on, I guess from the comment from the reason for NSP question topic.

656 Referenced in the table or the map that you were just showing, the one that has the
657 affected persons for the NSP request.

658 I believe it's the exhibit A2, page 14 of 78.

659

660  **Hunter Hall** 52:37

661 Yes.

662 Correct.

663

664  **McClure, Dean, EMNRD** 52:46

665 The operator in the east half of the West half, who is that?

666

667  **Hunter Hall** 52:52

668 It is oxy.

669

670  **McClure, Dean, EMNRD** 52:54

671 Was.

672

673  **Hunter Hall** 52:54

674 Of 17.

675

676  **McClure, Dean, EMNRD** 52:57

677 Of of 17.

678

679  **Hunter Hall** 52:59

680 Yes, that is oxy.

681

682  **McClure, Dean, EMNRD** 53:01

683 Was Occidental provided notice of this application?

684

685  **Hunter Hall** 53:06

686 They were.

687

688  **McClure, Dean, EMNRD** 53:08

689 Can you direct me to where that's indicated?

690

691  **Hunter Hall** 53:13

692 Yes, I wanna Scroll down.

693 Jackie. Jackie, if you get to if you get to it first, yeah.

694

695  **Pecos Hall** 53:38

696 If they can provide the page.

697 The receipt.

698 Hold on. Hold on.

699 We can't have two people talking at once because the transcript won't pick it up so.

700 Mr. Hall, did you have before I go to Miss McLean?

701 Did you? What did you just say?

702

703  **Hunter Hall** 53:55

704 I was just indicating if Jackie finds it first in our notices.

705

706  **Pecos Hall** 54:00

707 OK, so M's McLean? Yes, we sent out the notices and there's a receipt on page 71 of
708 the application packet that shows that it was delivered to Oxy.

709

710  **Hunter Hall** 54:00

711 I was scrolling down.

712

713  **McClure, Dean, EMNRD** 54:15

714 As this is M's Mclean's a part of the exhibit, Mr. Han Examiner, do you want me to ask
715 her questions about it now? Or hold off till I'm finished asking questions of Mr. Hall?

716

717  **Pecos Hall** 54:27

718 Let's let's hold off until you finish with Mr. Hall.

719

720  **McClure, Dean, EMNRD** 54:36

721 Mr. Hall, what is the address?

722 The mailing address that you have listed for Occidental.

723

724  **Hunter Hall** 54:45

725 I think on the pulled party list it's PO Box 4294.

726 But the I think the proposal letters and communications we've had with OXY have
727 been an address in Houston and then the correspondence that we've had with them.

728

729  **McClure, Dean, EMNRD** 55:04

730 Do you know if the operational Staffs of Occidental Petroleum Corporation and Oxy
731 are the same people?

732

733  **Hunter Hall** 55:13

734 I would assume so, yes.

735 We we've had conversations with Oxy as to potentially signing a JOA and plans of
736 the development and the hearing.

737

738  **McClure, Dean, EMNRD** 55:25

739 Do you believe that Occidental Petroleum Corporation was provided notice at this
740 address that you have listed in regards to the NSP?

741 If I can direct your attention to exhibit.

742 A3 I believe it's page 23 of 78.

743

744  **Hunter Hall** 56:03

745 OK.

746 I'm there.

747

748  **McClure, Dean, EMNRD** 56:10

749 Do you see the table that's at like the bottom of that page 23 that's titled?

750 Well, the Estates unit, Wolfcamp pool parties.

751

752  **Hunter Hall** 56:21

753 I do.

754

755  **McClure, Dean, EMNRD** 56:24

756 Do you see where only some of those persons are highlighted yellow and some of
757 those persons are not?

758 You see what I'm referring to?

759

760  **Hunter Hall** 56:31

761 I do.

762

763  **McClure, Dean, EMNRD** 56:33

764 Is Admiral asking the division to force Poole only to highlight it persons or all the
765 persons on that list?

766

767  **Hunter Hall** 56:43

768 A good clarifying question at the bottom of the table I I highlight as a separate cell
769 that says party seeking to pool.

770 We are seeking to pull only the parties highlighted in yellow.

771

772  **McClure, Dean, EMNRD** 56:54

773 OK.

774 So then the title of that table.

775 Is not not accurate then.

776 Is that correct?

777

778  **Hunter Hall** 57:06

779 Say it is. If you take into account the the end of the table being that party seeking to
780 pull are those that are highlighted on page 24 or.

781 Being that it's clear that we're only seeking to pool the highlighted parties, which I've
782 I've done on other exhibits before.

783

784  **McClure, Dean, EMNRD** 57:50

785 See, I'm looking at your exhibit A-7.

786 Page 42 of 78 let me get there myself.

787 This is your commitment table.

788 Are you there as well, Mr. Hall?

789

790  **Hunter Hall** 58:06

791 Yes, Sir, I'm there, I am.

792

793  **McClure, Dean, EMNRD** 58:10

794 OK, you reference towards the bottom of that you reference.

795 Anthracite Energy Partners.

796 And traverse expiration LC is being committed.

797 Do you see where I'm referring to?

798

799  **Hunter Hall** 58:26

800 I do.

801

802  **McClure, Dean, EMNRD** 58:28

803 Umm.

804 Under what agreement is amirill considering them to be being committed?

805

806  **Hunter Hall** 58:37

807 JOA in a well proposal election.

808

809  **McClure, Dean, EMNRD** 58:43

810 OK.

811 So then those persons have signed a Jo, is that correct?

812 So do you see on this table where you reference it says executed election?

813

814  **Hunter Hall** 58:59

815 I do.

816

817  **McClure, Dean, EMNRD** 59:01

818 Is that either not correct or not? The complete story then?

819

820  **Hunter Hall** 59:06

821 No, we we have executed elections and Jo as and then the difference being with say
822 marathon or cog is we are negotiating with them in good faith right now. And so we
823 put them as committed, but they're not on the pool party list for that reason.

824

825  **McClure, Dean, EMNRD** 59:24

826 OK. Do you see towards the top of this table where you have several persons that's
827 executed election plus JLA?

828

829  **Hunter Hall** 59:32

830 I do.

831 It's just an error at the bottom, anthracite and traverse of have executed the JOA.

832

833  **McClure, Dean, EMNRD** 59:38

834 OK.

835 If I were to ask you to correct this table, do you understand what I'm asking for?

836

837  **Hunter Hall** 59:45

838 Hi Div.

839

840  **McClure, Dean, EMNRD** 59:48

841 Was marathon and COG provided notice of this application?

842

843  **Hunter Hall** 59:53

844 They were.

845

846  **McClure, Dean, EMNRD** 59:59

847 I guess if I match you may back up 'cause. I should have asked you this question in
848 regards to your Wolfcamp cool parties table in your exhibit A3.

849 Do you know what I'm referring to?

850

851  **Hunter Hall** 1:00:09

852 I do.

853

854  **McClure, Dean, EMNRD** 1:00:10

855 If I were to ask you to correct that or to change that title.

856 To be less.

857 Questionable as to whether it implies that the entire table is being pulled.

858 You understand what I'm asking for?

859

860  **Hunter Hall** 1:00:29

861 I do.

862 Yeah, we can make those corrections.

863

864  **McClure, Dean, EMNRD** 1:00:34

865 What would your proposed new title be?

866 For that table.

867

868  **Hunter Hall** 1:00:42

869 Frankly, to make it easier, we can only list the parties being pulled.

870 So the the parties not being pulled, we can just take off. And so it's it's very clear that

871 only the parties listed, it just won't.
872 Naturally, it won't add up to one since other working interest owners are have
873 elected and signed the JOA.
874
875 **PH Pecos Hall 1:01:00**
876 I think so.
877 I think we can do.
878 We need to commit to a name at this moment because I think part of it is that this is
879 the unit recapitulation, so we just can't.
880 Take everyone off on the top one and then the bottom one.
881 That's are are we talking about this bottom smaller table cross go estates unit, Dash
882 Wolfcamp fold parties that has all the tracked ownerships.

883
884 **HH Hunter Hall 1:01:25**
885 Yeah. Yep.

886
887 **PH Pecos Hall 1:01:29**
888 I think we can just call it Crossco Estates unit, Wolfcamp.
889 Period.
890 We'll take off parties.

891
892 **McClure, Dean, EMNRD 1:01:39**
893 Mr. Hall, I'm in agreement with Miss McLean that we need to leave them all in there
894 because I think that's what she was saying. But we just need to change the title to,
895 you know, get rid of pooled or get rid of pooled parties. Something along those
896 lines.

897
898 **HH Hunter Hall 1:01:48**
899 Sure.
900 OK, we can make that adjustment.
901 And then you would like the same adjustment made to the table, the committed
902 working interest centers table for those that have execute the JOA.

903
904 **McClure, Dean, EMNRD 1:02:14**
905 Yeah, I'm going to need the commitment table to be amended to now properly

906 reflect.

907 The commitment for every person.

908 Especially especially anthracite Energy Partners needs to be corrected.

909

910  **Hunter Hall** 1:02:32

911 OK.

912

913  **McClure, Dean, EMNRD** 1:02:35

914 Mr. Herring, examiner, I have no more questions for Mr. Hall, but I do have some
915 questions for Miss McLean.

916

917  **Pecos Hall** 1:02:42

918 OK.

919 Go right ahead.

920

921  **McClure, Dean, EMNRD** 1:02:44

922 Miss McLean, if I can draw your attention to your notice spreadsheet.

923 Page 57 maybe.

924 Let me get there.

925 Well, I don't think it's page 57, it's.

926

927  **Pecos Hall** 1:03:01

928 One that oxygen.

929

930  **McClure, Dean, EMNRD** 1:03:01

931 Looking. Yes, ma'am.

932

933  **Pecos Hall** 1:03:04

934 It's page 60 of the packet.

935

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

937 Oh, actually your address isn't there if you can direct my attention to the page with
938 the.

939

940  **Pecos Hall** 1:03:17

941 Oh, with the address.

942 Yes.

943

944  **McClure, Dean, EMNRD** 1:03:19

945 Yeah, I'm. I'm scrolling down through.

946

947  **Pecos Hall** 1:03:23

948 Which I think it was 70 something.

949 72.

950 7171.

951

952  **McClure, Dean, EMNRD** 1:03:32

953 OK, I'm with you as well.

954 Would you agree that this address is not the same as the address provided in the

955 NSP portion of this application for Occidental?

956

957  **Pecos Hall** 1:03:45

958 Yes, I think that they had APO box there, but we regularly send mail to Occidental
959 and oxy at this address in Houston, 5 Greenway Plaza, I have it memorized at this
960 point.

961 It's widely known as their address where they accept mail for all of these cases, so I
962 we could change it on his.

963 Exhibit to reflect this one. But we know for sure that this is the oxy slash Occidental.
964 Address.

965 And they sign.

966 And oftentimes we do change them because we know that there's a typo in
967 someone's address or whatever it is.

968 But I think that we could the the address on that exhibit with the NSP plot is not
969 really material to the fact that they've been named as the offset operator in that. We
970 provided them notice of this application.

971

972  **McClure, Dean, EMNRD** 1:04:46

973 Thank you, miss McLean.

974 Do you have a list of the amended exhibits that we're going to need to be
975 submitted?

976

977 **PH Pecos Hall 1:04:53**

978 Believe that changing the wolf camp pulled parties.

979 Table on exhibit A3 and then on exhibit A7. Adding plus JOA to those two committed
980 parties. And I'd ask that since these are essentially typos, we'd be allowed to submit
981 them today so that the case be taken under advisement.

982 I'm gonna leave that up to Mr. McClure.

983

984  **McClure, Dean, EMNRD 1:05:20**

985 Well.

986 Thank thank you M's McLean, Mr. Herring examiner. I would like them to continue
987 the case for me to review those changes.

988

989 **PH Pecos Hall 1:05:31**

990 OK, perfect.

991 Shreya, when is the next docket?

992 We could put this case on.

993 We could potentially add it to the February 26th docket so that it would pair up with
994 its companion case. That's up for contested hearing, OK.

995 Or we could do March 5th.

996 I'm OK with February 26 MITS McCall.

997 I think that sounds perfect.

998 Fine. OK.

999 We're off the record in this case. Thank you.

1000 OK.

1001 Let me just make some notes here.

1002 OK.

1003 Let's move on to case number 10. On our docket 25747, Avon operating.

1004 Good morning, Mr. Examiner.

1005 Deena Bennett, on behalf of Avant operating, and we'd like to consolidate this case
1006 with case number 25748.

1007 I know you would.

1008 I'm calling this case separately for a reason for a reason.

1009 And that is once we accept your exhibits into evidence, we can take it under
1010 advisement.

1011 The other we're going to have questions on. So let's just deal with this as quickly as
1012 we can.

1013 Yes, let's but go ahead.

1014 Go ahead, submit your hearing, examiner yoritza Pena. On behalf of Permian
1015 Resources operating just monitoring and also Paula Vance with the Santa Fe Office of
1016 Holland and hard, on behalf of MRC Permian. Just monitoring.

1017 And Caitlin Luck also entered an appearance in these cases on behalf of WR Nonop
1018 OK.

1019 I'm not sure if she's on today, but she did not have any objections to the cases.
1020 Proceeding back, David.

1021 Go right ahead.

1022 Thank you. In case 25747, Avon operating two seeks an order, pooling all
1023 uncommitted interests in a bone Spring spacing unit comprised of the West half of
1024 sections 10/15 and 22.

1025 And in support of this application, we've submitted the usual suite of exhibits,
1026 including the compulsory pooling checklist, self affirm, declaration of Tiffany
1027 Sarantinos, who's previously testified before the division, and her credentials have
1028 been accepted as a matter of record.

1029 Self affirm declaration of John Harper.

1030 Geologist Ferivant, who's already been accepted as an expert in geology by this
1031 division and my declaration regarding notice, which shows that notice was timely,
1032 mailed and timely published.

1033 And with that, I would ask that the exhibits in case number 25747 be admitted into
1034 the record in the case be taken under advisement, admitted and taken under
1035 advisement.

1036 Let's move on now to case number 11 on our docket that is 25748.

1037 Good morning, Mr. Examiner Dean.

1038 On behalf of Avant operating to LLC. Thank you.

1039 Good morning, Mr. herring. Examiner Paula Vance with the Santa Fe Office of
1040 Holland and Hart, on behalf of the MRC Permian.

1041 And we are just monitoring. Thank you.

1042 Good morning, Mr. hearing examiner, Yaditza Pena, on behalf of Parmian resources
1043 operating.

1044 And we are also just monitoring.

1045 Thank you. And I know Miss Luck entered an appearance, but she's not here. So go

1046 right ahead.
1047 Thank you.
1048 In this case, which is a companion case to the one I just presented.
1049 Avant operating to is seeking to pool uncommitted mineral interests in a
1050 Wolfcamp spacing unit comprised of the West half of sections 10/15 and 22
1051 Township 20 S, range 32 E in this case, AVONTA seeking approval of a non standard
1052 spacing unit and we've included information about that in Miss Sorrentino's
1053 declaration.
1054 And so we've included the usual suite of exhibits and as I just mentioned, both of the
1055 witnesses have previously been qualified and their credentials have been accepted.
1056 As a matter of record. So without any further ado, I would ask that the exhibits in
1057 case number 257.
1058 48 be into the record, and if there's any questions I can ask or answer for Mr.
1059 McClure, I'm happy to do so.
1060 But Miss Sarantinos and Mr. Harper, I believe, are both on the line.
1061 Perfect. Thank you. Admitted, without exception, Mr. McClure.

1062

1063  **McClure, Dean, EMNRD** 1:09:22

1064 Mr. Herring examined all have questions for the geologist.

1065

1066  **Pecos Hall** 1:09:25

1067 Very good.

1068 Would you call your geologist? Yes, John Harper.

1069 And Mr. Harper, if you don't mind turning your camera on, that would be fantastic.

1070 And his mic is muted as well.

1071 And Mr. Harper, your mic is muted as well.

1072 I'll give him another few seconds if he doesn't.

1073 Appear. Then we can come back to this case in in a few minutes. Once we get

1074 another case out of the way.

1075 All right, let's move on to EOG Resources 25760 and 25761.


1076 Good morning, Mr. Examiner.

1077 Deena Bennett, on behalf of the EOG Resources.

1078 There are no other parties that have entered into here in these companion cases.

1079 EOG seeks to pool uncommitted interests in the East tap of sections 13 and 24.

1080 Township 25 S, range 33 E and these are companion cases. One case seeks to pool

1081 interest in the upper Bone Spring and one in the lower Bone Spring in the mater.
1082 We've included the compulsory pooling checklist.
1083 And the self affirm declaration of James Barwas, who is a land professional for EOG.
1084 He's not previously testified before the division, and his credentials have not been
1085 accepted as a matter of record, and I know the division's preference is generally to
1086 not qualify experts if there's no questions for them.
1087 But Mr. Barwas is going to be appearing before the division rather routinely going
1088 forward, and so I would ask that if there if time permits that the division consider
1089 admitting him.
1090 The next exhibit is the Self Affirm declaration of Hannah Durkhee.
1091 A geologist for EOG and she has not previously testified before the division either,
1092 and so if the division does not have questions for her, I would ask the same latitude
1093 to have her qualified as an expert and then finally myself affirmed declaration
1094 regarding notice, showing that notice was.
1095 Timely mailed and published and also.
1096 My firm took this case over from Holland and Hart and Holland and Hart did some
1097 initial notice and so we've included that as well.
1098 So it I leave it up to the division's discretion, of course. In terms of timing about
1099 whether to qualify the two witnesses.
1100 But I would ask that the exhibits in case numbers 25760 and 25761 be admitted into
1101 the record and the cases be taken under advisement.
1102 Thank you.
1103 They're admitted without exception.
1104 You didn't mention whether the notice was timely.
1105 The notice was timely.
1106 My notice was timely mailed on January 12th and timely published on January 16th
1107 and Holland and Hartz notice was prepared.
1108 Well before then, perfect.
1109 Thank you, miss Bennett.
1110 OK, Mr. McClure.
1111 Do you have questions in this case?
1112
1113  **McClure, Dean, EMNRD** 1:12:37
1114 Mr. Henning. Examiner, I'll have questions for both witnesses in this case.

1115
1116 **PH Pecos Hall** 1:12:41
1117 OK.
1118 Let's get them both on the screen.
1119 Thank you. And would you like to swear them in at the same time?
1120 So Mr. Barwis and Miss Durkhe, if you can both turn your cameras on and your mics
1121 on.
1122
1123 **HD Hannah Durkee** 1:13:01
1124 We're here.
1125
1126 **JB James Barwis** 1:13:08
1127 Can you hear me?
1128
1129 **PH Pecos Hall** 1:13:10
1130 Yes, thank you.
1131
1132 **HD Hannah Durkee** 1:13:17
1133 I'm also here.
1134
1135 **PH Pecos Hall** 1:13:17
1136 Thank you.
1137 Would you both?
1138 Would you both raise your right hand?
1139 Do you swear or affirm under penalty of perjury that the testimony you're about to
1140 give is the truth, the whole truth, and nothing but the truth?
1141
1142 **HD Hannah Durkee** 1:13:28
1143 I do.
1144
1145 **JB James Barwis** 1:13:28
1146 Yes.
1147
1148 **PH Pecos Hall** 1:13:29
1149 OK, I heard. Yes from both you can put your hands down.

1150 Let's start with you, Mr. Barwis.

1151 Spell your name please.

1152

1153 **JB James Barwis** 1:13:35

1154 J AM ES.

1155 Last name BARWIS.

1156

1157 **PH Pecos Hall** 1:13:42

1158 OK, and what did?

1159 What expertise do you want us to recognize you as an expert?

1160

1161 **JB James Barwis** 1:13:49

1162 Well, I started my career.

1163 I've got a degree in professional resource management and that that degree covers

1164 everything from the basic principles of land, work, oil and gas law, water law, surface

1165 rights, mental rights mapping, GIS, environmental and oil and gas economics. And

1166 then when I started my career, I worked for a.

1167 Couple land brokers.

1168 And that work consisted of negotiating right away surface agreements in North

1169 Dakota and Texas.

1170 I also did some mineral work for these land brokers that was running title in various

1171 courthouses that's preparing run sheets and mineral ownership reports for different

1172 clients.

1173 And then I've been with the OG since 2014, and during that time I've worked all over

1174 Lee and Eddy County for, you know, where EOG has leasehold in those those areas

1175 and everything I've done for EOG.

1176 Thus far has been a lot of different things right away.

1177 A.

1178 Surface applications approval procedures with the BLM and state lands as far as

1179 doing pipeline right of ways.

1180 Roads well pads, sticking wells with the BLM.

1181 I've also negotiated right away surface use agreements with private land owners.

1182 Follow a drill schedule.

1183 Coordinate with the team members on lease and unit ownership for various well

1184 packages.

1185 Provide ownership and lease information to help with the planning of wells. So just
1186 providing working interest.

1187 Net revenue interest lease burdens lease critical dates, lease provisions. I also do well.
1188

1189 **PH Pecos Hall 1:15:21**

1190 All right, Mr. Barwis.

1191 I understand Mr. Barr was. I'm going to interpret that answer as meaning you want to
1192 be considered an expert in petroleum land matters. Is that right?

1193

1194 **JB James Barwis 1:15:31**

1195 Yes, Sir.

1196

1197 **PH Pecos Hall 1:15:32**

1198 OK, from here on in you are considered an expert in petroleum land matters.

1199 Let's get to you M's dirkie spell your name?

1200

1201 **HD Hannah Durkee 1:15:40**

1202 HANNAHD URKEE.

1203

1204 **PH Pecos Hall 1:15:45**

1205 OK. And what field of expertise do you want to be considered an expert?

1206

1207 **HD Hannah Durkee 1:15:50**

1208 I'd like to be considered an expert in petroleum geology.

1209 I've been at EOG for over 10 years with progressive.

1210

1211 **PH Pecos Hall 1:15:57**

1212 Can you start with your education?

1213 That goes toward that expertise.

1214

1215 **HD Hannah Durkee 1:15:59**

1216 Yeah. Yes, Sir.

1217 I have a master's of science petroleum geology from the Colorado School of Mines

1218 and then a Bachelor of Science in Geology and Geophysics with honors and a minor

1219 in business administration from University of Utah from 2013.

1220

1221 **PH Pecos Hall** 1:16:14

1222 OK, perfect. And since 2013, what what work have you done toward geology?

1223

1224 **HD Hannah Durkee** 1:16:20

1225 Yeah, since 2013. I've, like I said, done two and my master's at Colorado School of

1226 Mines. And two internships with EOG, one in Denver, one in Oklahoma City.

1227 And then I started full time with the OG in 2016.

1228

1229 **PH Pecos Hall** 1:16:33

1230 What's your title?

1231

1232 **HD Hannah Durkee** 1:16:36

1233 As geological specialists.

1234

1235 **PH Pecos Hall** 1:16:38

1236 What does that mean?

1237 What do you do?

1238

1239 **HD Hannah Durkee** 1:16:40

1240 So right now, so you start off as a Geo 1 Geo 2 senior and then geological specialist

1241 is the next level above that.

1242 Over time, I've worked in three different divisions.

1243 I've worked in Denver and Fort Worth and now here in Midland in the last couple of

1244 years I've been operating the Red Hills acreage development area, evaluating logs,

1245 tying core and subsurface data to production to determine our optimal development

1246 spacing.

1247 Drilled hundreds of wells out here, proposing packages to management and

1248 attended conferences to also discuss the depositional settings of a lot of our

1249 different targets in the Bone Spring and the Wolfcamp.

1250

1251 **PH Pecos Hall** 1:17:17

1252 All right.

1253 Thank you.

1254 Ms. Derkey, from here on, in your recognized as an expert in petroleum geology. Mr.
1255 McClure, who do you want to question first?

1256

1257  **McClure, Dean, EMNRD** 1:17:25

1258 Mr. Hearing examiner, Mr. Boris is fine.

1259

1260  **Pecos Hall** 1:17:30

1261 Great, go right ahead.

1262

1263  **McClure, Dean, EMNRD** 1:17:31

1264 Thank you, Mr. Examiner.

1265 Mr. Boris, is it correct that EOG is requesting?

1266 Operating supervision costs of \$2000 per month per well.

1267

1268  **James Barwis** 1:17:44

1269 Yes.

1270

1271  **McClure, Dean, EMNRD** 1:17:46

1272 What is the basis for EOG requesting that value?

1273

1274  **James Barwis** 1:17:51

1275 That is.

1276 That's just the that is the average cost that we use for.

1277 For all of our joint operating agreements that we do with with the non OP partners.

1278

1279  **McClure, Dean, EMNRD** 1:18:10

1280 The the JL as that were signed for this case, those were all at \$2000 per well per
1281 month.

1282 Is that correct?

1283

1284  **James Barwis** 1:18:22

1285 I'll have to double check that, but yes, I that should be correct.

1286

1287  **McClure, Dean, EMNRD** 1:18:30

1288 To other operators.
1289 Also charge \$2000 per well per month for operating.

1290

1291  **James Barwis** 1:18:38

1292 That I could not answer.

1293 I.

1294 I'm not sure what other operators do.

1295 This is just our standard that we use here at EOG.

1296

1297  **McClure, Dean, EMNRD** 1:18:48

1298 If I were to ask for.

1299 Additional supporting information, what would you propose to provide to the
1300 division to demonstrate that 2000 is a reasonable cost?

1301

1302  **James Barwis** 1:19:08

1303 Depends I guess.

1304 Depends on the additional information that you're you're seeking.

1305 As far as to provide you.

1306

1307  **McClure, Dean, EMNRD** 1:19:17

1308 If I were to ask for something beyond just a simple statement and as provide us with
1309 some additional data.

1310 What would you propose would be the most?

1311 Efficient manner of demonstrating \$2000 is reasonable.

1312

1313  **James Barwis** 1:19:36

1314 Guess it sounds to me like you want maybe some sort of like a breakdown of of what
1315 comes to that of how we get to that to that that particular cost.

1316 Is that that what you're wanting?

1317

1318  **McClure, Dean, EMNRD** 1:19:54

1319 Would you also have?

1320 Just some sort of not necessarily getting the nitty gritty of each separate proposed
1321 unit, but something along the lines that demonstrates that EOG is commonly

1322 requesting this and receiving this in their approved JL as.

1323 Executed JL as.

1324

1325  **James Barwis** 1:20:18

1326 OK. Just to see that that's like a yeah, like a showing the other joas that show the
1327 same, the same cost structure.

1328

1329  **McClure, Dean, EMNRD** 1:20:29

1330 Tumbling along those lines, essentially to provide a little bit more context.

1331 To my knowledge, I think \$1400 per well per month has been kind of the highest of
1332 what the divisions meant commonly approving.

1333 And we're jumping drastically from \$1400 to 2000 and a single jump here.

1334

1335  **James Barwis** 1:20:46

1336 OK.

1337

1338  **McClure, Dean, EMNRD** 1:20:54

1339 I need some sort of indication to demonstrate that that is in fact reasonable cost,
1340 despite the fact that numerous other cases being heard before today is asking for
1341 1000 dollars, 1200 dollars, \$1400.

1342 Do you understand?

1343 I guess what I'm looking for.

1344

1345  **James Barwis** 1:21:13

1346 Yes, I do.

1347

1348  **McClure, Dean, EMNRD** 1:21:16

1349 OK. Thank thank you, Mr. Boris.

1350 Miss durkhe.

1351 Im pronouncing your last name correct.

1352 Is that correct?

1353

1354  **Hannah Durkee** 1:21:34

1355 That's correct, yes.

1356

1357  **McClure, Dean, EMNRD** 1:21:35

1358 OK, thank thank you, Miss Durky.

1359 Oh, thank you, Mr. Barris. By the way, I don't have no more questions for you.

1360

1361  **James Barwis** 1:21:41

1362 OK.

1363

1364  **McClure, Dean, EMNRD** 1:21:42

1365 Miss Durkhe, if I can draw your attention to your.

1366 Maybe start the gun barrel exhibit B4, page 51 of 94, I think.

1367 OK.

1368 I'm seeing all your 200 series of wells and your 300 series of wells.

1369 They're kind of towards the top of your gun barrel.

1370 Are you seeing where I'm looking at?

1371

1372  **Hannah Durkee** 1:22:14

1373 Yes, Sir.

1374

1375  **McClure, Dean, EMNRD** 1:22:19

1376 Now I see like indication on the left on your I guess DEF.

1377 Scale where you have like the Leonard A and the Leonard B and then the first Bone

1378 Spring. I assume sand. Do you see where I'm referring to?

1379

1380  **Hannah Durkee** 1:22:34

1381 Yes.

1382

1383  **McClure, Dean, EMNRD** 1:22:36

1384 OK.

1385 Where does the first Bone Spring sand the top of it? Hit out across this table? Or this
1386 gun barrel diagram?

1387

1388  **Hannah Durkee** 1:22:47

1389 It would be at about 10,200.

1390 50 TB ish.

1391 Kinda right in the middle.

1392 Where those 311 wells are right above the 311 wells.

1393

1394  **McClure, Dean, EMNRD** 1:23:02

1395 OK.

1396 So then is it accurate to say that the 200 series wells are above the top of the first

1397 Bone Spring sand?

1398

1399  **Hannah Durkee** 1:23:11

1400 Correct, yes.

1401

1402  **McClure, Dean, EMNRD** 1:23:14

1403 OK, if I were to ask.

1404 For you to like draw some sort of line across there where the first Bone Spring sand
1405 top is.

1406 Do you understand what I'm asking for?

1407

1408  **Hannah Durkee** 1:23:28

1409 Yes.

1410 I would put it between the two of like the 221 and the 311 just right in between
1411 there.

1412

1413  **McClure, Dean, EMNRD** 1:23:41

1414 I guess I don't even see your 221.

1415 Where are you referring to by 2:21?

1416

1417  **Hannah Durkee** 1:23:48

1418 The gun barrel diagram correct.

1419

1420  **McClure, Dean, EMNRD** 1:23:50

1421 Yes, ma'am.

1422

1423  **Hannah Durkee** 1:23:52


1424 There's the 200.

1425 Just the 200 wells and the 300 wells, it'd be just right in between those lower 200

1426 wells.


1427 Are you looking at a car?

1428

1429  **McClure, Dean, EMNRD** 1:24:03


1430 Yeah, yeah.

1431

1432  **Hannah Durkee** 1:24:06

1433 Sorry, go ahead.

1434


1435  **McClure, Dean, EMNRD** 1:24:08

1436 I guess what I'm looking at is.

1437 Some sort of like this horizontal line across the gun barrel diagram that depicts the

1438 top of the first Bone Spring sand. You understand what I'm referring to?


1439

1440  **Hannah Durkee** 1:24:24

1441 Yes, you'd like that. As a follow up.

1442 Or just to specialize where it is.

1443


1444  **McClure, Dean, EMNRD** 1:24:30

1445 Yeah, I'll be asking for an amended exhibit packet and my question to you is, do you,

1446 do you understand if I ask for that to be depicted there?


1447 Do you understand what I'm asking for? Yes. OK.

1448

1449  **Hannah Durkee** 1:24:38

1450 Yes.

1451

1452  **McClure, Dean, EMNRD** 1:24:43

1453 I'm just looking at your.

1454 Cross section here.

1455 Hmm.

1456 No, I think I think the gun barrel should be enough.

1457 Thank you, miss Durky.

1458 Thank you, Mr. Herring.

1459 Examine I don't have any more questions for the witness, but perhaps guidance for

1460 Miss Bennett.

1461

1462  **Pecos Hall** 1:25:28

1463 OK.

1464 Go ahead.

1465

1466  **McClure, Dean, EMNRD** 1:25:30

1467 M's Bennett, do you have a list of what I'm looking for?

1468

1469  **Pecos Hall** 1:25:33

1470 I do.

1471 And just as an update, Mr. McClure, I've coordinated with.

1472 EOG.

1473 And they're willing to change the exhibits to reflect a \$1400 per month supervision
1474 fee. If that's in line with what the division is seeing, that may be easier.

1475 Than submitting an another exhibit so that that's what they're, if that's agreeable to
1476 the division, I would update the compulsory pooling checklist.

1477 To reflect \$1400 a month and I would also get amended cross sections that add a
1478 line between the 200 series wells and the 300 series wells to provide as a revised
1479 exhibit packet.

1480

1481  **McClure, Dean, EMNRD** 1:26:19

1482 I miss being at that should be sufficient in all realities considering the amount of
1483 interest that's being pulled. I could definitely see where that might be the desirable
1484 outcome, I guess. And as is the minute amount being pulled here.

1485 Is your thoughts I'm wondering about the land man self affirm statement. Whether
1486 you believe that should also be amended to reference the \$1400?

1487

1488  **Pecos Hall** 1:26:43

1489 I can amend that as well.

1490

1491  **McClure, Dean, EMNRD** 1:26:46

1492 OK.

1493 So then you're submitting me a new CPAC and Landman statement, changing the
1494 operating supervision costs and a gun barrel diagram, is that correct?

1495

1496  **Pecos Hall** 1:26:57

1497 Yes, for each case.

1498

1499  **McClure, Dean, EMNRD** 1:26:59

1500 OK. And when you resubmit, oh, yes. For each case, when you resubmit, are you
1501 gonna give me a digital exhibit packet rather than a scanned 1?

1502

1503  **Pecos Hall** 1:27:11

1504 Umm.

1505 You mean prepared as APDF rather than scan it?

1506 Yes, and it was difficult.

1507

1508  **McClure, Dean, EMNRD** 1:27:20

1509 That would be.

1510

1511  **Pecos Hall** 1:27:20

1512 Cream it was difficult for him to reveal.

1513 I will try to do that.

1514 I'll do my best at least every bit that I can just compile into APDF. I will as opposed to
1515 scanning it.

1516 Perfect. Thank you.

1517

1518  **McClure, Dean, EMNRD** 1:27:33

1519 Thank you, miss Bennett.

1520 Thank you, Mr. hearing examiner.

1521 I have nothing further for either of these cases.

1522

1523  **Pecos Hall** 1:27:38

1524 Alright, thank you, Mr. McClure.

1525 Oh, Mr. herring. Examiner, can we come back on February 26th for this?

1526 I am.

1527 I was thinking about that before you said it.

1528 The docket on the 26 is starting to get large, especially with Michiheen's contested
1529 case.

1530 We have another contested case. We have two lengthy novels for environmental and
1531 non compliance.
1532 I'd rather not put anything more on that dock at this point.
1533 I only allowed Miss McClain.
1534 To put her case on there, because it's a companion case to another case, we actually
1535 are hearing that day. So I'd prefer to have anything that we're going to continue and
1536 there's going to be more to go to the March 6 because if I start saying yes, we.
1537 Going to have 20 cases added.
1538 So I I'd rather have it on the March 4 docket, March 5th.
1539 Oh, I thought it was March 4th.
1540 Freya, what is it?
1541 March four or five five. Thank you.
1542 Yes, Miss Bennett, March 5th.
1543 Thank you.
1544 Thank you.
1545 All right.
1546 Thank you.
1547 We're off the record in those two cases.
1548 Let's move on to newborn oil, 2 cases, 257-762-5777.
1549 Good morning, Mr. Dana Hardy with Hardy McClain on behalf of Mubar.
1550 There are no other parties.
1551 Go right ahead. Thank you.
1552 In case number 25776, MUBARAN seeks an order pulling uncommitted interest in the
1553 Bone Spring underlying a 400 acre standard horizontal unit comprised of the South
1554 half of the South half of sections 33 and 34, and the South half SW quarter of.
1555 Section 35.
1556 Township 21 S, range 26 E and Eddy County and that unit will be dedicated to the
1557 Buffalo Nickel 3335 state comp. 527 H well.
1558 In case number 25777, Newborn seeks an order pulling uncommitted interest in the
1559 wolf camp underlying an 800 acre standard horizontal unit comprised of the South
1560 half of sections 33 and 34 and the Southwest quarter of section 35, Township 21.
1561 South Range 26 E and county. That unit will be dedicated to the Buffalo Nickel 3335
1562 state Comm.
1563 716 and 17718 H wells.
1564 Our exhibits include.

1565 The land testimony and exhibits of Braxton Blandford, who has previously testified
1566 before the division and been recognized as an expert in petroleum land matters.
1567 Our exhibits also include the geology, testimony and exhibits of Charles Crosby, who
1568 has previously testified before the division as an expert in geology.
1569 Finally, our notice information is included and shows we timely provided notice to all
1570 interested parties on September 10th of 2025 and then again.
1571 Certain parties on January 9th, 2026.
1572 And we did not publish notice in these cases because the party we notified actually
1573 just received the certified mail.
1574 So with that.
1575 I asked the exhibits be admitted for these cases and that they be taken under
1576 advisement.
1577 Thank you, the admitted. Without exception I didn't catch. Were both of your
1578 witnesses previously qualified? Yes, they were both. Yes. OK, thank you.
1579 Alright, Mr. McClure, questions.

1580

1581  **McClure, Dean, EMNRD** 1:30:49

1582 Mr. examine, I have questions for the land man.

1583

1584  **Pecos Hall** 1:30:53

1585 It's called the land Mr. Blandford.

1586 See if he is.

1587

1588  **Braxton Blandford** 1:31:02

1589 Can you hear me?

1590 Can you hear me?

1591

1592  **Pecos Hall** 1:31:07

1593 Yes, we can hear you.

1594 We can see you now as well. Thank you.

1595

1596  **Braxton Blandford** 1:31:08

1597 OK.


1598

1599  **Pecos Hall** 1:31:10

1600 All right.


1601 Would you raise your right hand?

1602

1603  **Braxton Blandford** 1:31:11

1604 Good.

1605

1606  **Pecos Hall** 1:31:12


1607 You swear affirm under penalty of perjury, that the testimony you're about to give is

1608 the truth.

1609 The whole truth.


1610 Nothing but the truth.

1611

1612  **Braxton Blandford** 1:31:18


1613 Yes.

1614

1615  **Pecos Hall** 1:31:19


1616 All right. Spell your name for the record.

1617

1618  **Braxton Blandford** 1:31:21

1619 Braxton Braxton. Blandford Blandford.

1620

1621  **Pecos Hall** 1:31:29


1622 OK and I've worked with with you before.

1623 I recognize you, so I don't have to ask you the questions I normally would, Mr.

1624 McClure.

1625 Go right ahead.

1626

1627  **McClure, Dean, EMNRD** 1:31:36

1628 I think M's hearing examiner, Mr. Bland Blandford, if I can direct your attention to

1629 your ownership commitment exhibit, should be exhibit A.

1630 Dash 6 on page 21 of 32.

1631 You see kind of towards the top of that table where you have Civitas DE Basin

1632 Resources LLC does not commit it.

1633

1634  **Braxton Blandford** 1:32:03

1635 Yes.

1636

1637  **McClure, Dean, EMNRD** 1:32:05

1638 Is this still accurate?

1639

1640  **Braxton Blandford** 1:32:08

1641 At this time it is.

1642 As it says in the type of commitment in the next, the next column over, we're working
1643 on a JOA together, you know, still at this time, but that is accurate at this time.

1644

1645  **McClure, Dean, EMNRD** 1:32:26

1646 Do you believe that Civitas was provided notice of this application?

1647

1648  **Braxton Blandford** 1:32:34

1649 I.

1650 I believe they were.

1651 But they're not listed as a party that were pooling on this application.

1652 Partially just because.

1653 I believe.

1654 We're believe they were apprised of the proposals a little later.

1655 So.

1656

1657  **McClure, Dean, EMNRD** 1:32:59

1658 I think I think you, Mr. Blandford. Mr. Han, examine.

1659 I have no more questions for the land man, but I do have some questions for Miss
1660 Hardy in regards to notice.

1661

1662  **Pecos Hall** 1:33:07

1663 I had.

1664

1665  **McClure, Dean, EMNRD** 1:33:09

1666 M's Hardy do you believe Civitas was provided notice of this application?

1667

1668  **Pecos Hall** 1:33:15

1669 I don't believe they were provided notice. They were in communication with Mr.

1670 Blandford and they have been, but they're not being pooled so.

1671 Don't believe we had to notify a party that's not being pulled.

1672

1673  **McClure, Dean, EMNRD** 1:33:36

1674 Now, Mr. hearing examiner, do you?

1675 Do you want us to have a discussion about the required noticed parties for couples

1676 by pulling or what's your thoughts here, I guess?

1677

1678  **Pecos Hall** 1:33:48

1679 I think at this point being that we need to break around 11:30 today and then come

1680 back on the record after lunch. I'd rather keep the discussions to a minimum if you if

1681 there's something that you want from Miss Hardy, please just tell her and we'll come.

1682

1683  **McClure, Dean, EMNRD** 1:34:04

1684 Mm-hmm.

1685

1686  **Pecos Hall** 1:34:04

1687 Back on the record at a future time and and deal with that notice.

1688

1689  **McClure, Dean, EMNRD** 1:34:09

1690 OK, sounds good, M's Hardy.

1691 Before the division could approve this case, Civitas will need to be provided notice of
1692 the case.

1693 As to whether we dismiss the case and require you to refile or continue it to allow
1694 notice to be cured.

1695 Is in our hearing examiner's discretion there, I guess, but one way or the other, they
1696 will need to be provided.

1697 Notice.

1698

1699  **Pecos Hall** 1:34:40

1700 I think we're happy to provide notice.

1701 I would respectfully request the case not be dismissed.

1702 That seems like a costly and time intensive waste of resources for everyone involved.
1703 OK, so so Miss Hardy, have you had you plan on proceeding?
1704 I would expect that.
1705 Well, I would ask that we continue this case to the March 5th docket and then we will
1706 have time to send submit, toss notice and it's possible possible that they've signed a
1707 JOA by then. And so we just remove them as a whole party perfect, OK and if?
1708 You do remove them as a pool party, but then you didn't.
1709 You'd amend one of your exhibits as well, correct?
1710 Alright, perfect.
1711 Yes, that sounds fine with me.
1712 Miss Hardy, anything else?
1713 Mr. McClure, in this case.

1714

1715  **McClure, Dean, EMNRD** 1:35:17

1716 Yes, Mr. examine. I do have some further guidance for M's Hardy.

1717

1718  **Pecos Hall** 1:35:21

1719 OK.

1720 Go ahead.

1721

1722  **McClure, Dean, EMNRD** 1:35:23

1723 M's Hardy if if I can draw your attention to your CPAC 4 case 25776.

1724

1725  **Pecos Hall** 1:35:33

1726 Yes.

1727

1728  **McClure, Dean, EMNRD** 1:35:35

1729 Can we get there my own self?

1730 The pool that you have listed here is incorrect.

1731 Do you have a pen and paper or something handy?

1732 I give you the new pool or the correct pool code.

1733

1734  **Pecos Hall** 1:35:52

1735 I do.

1736

1737  **McClure, Dean, EMNRD** 1:35:54

1738 The correct pool is the Esperanza Bone Spring pool number 97755.

1739 It's.

1740

1741  **Pecos Hall** 1:36:06

1742 97755.

1743

1744  **McClure, Dean, EMNRD** 1:36:09

1745 That is correct.

1746 Ms. Hardy, let me look at your form C-102 real fast.

1747

1748  **Pecos Hall** 1:36:10

1749 OK.

1750

1751  **McClure, Dean, EMNRD** 1:36:16

1752 I don't know if I wrote a note about whether we need one of those or not.

1753 Yeah, M's Hardy appears the form C-102 also has the incorrect pull.

1754 So if we can provide an amended CPAC and an amended form C-102 to show the
1755 correct pool.

1756

1757  **Pecos Hall** 1:36:35

1758 We will do that. Thank you.

1759

1760  **McClure, Dean, EMNRD** 1:36:38

1761 Yeah. Thank.

1762 Thank you, M's Hardy. Thank you.

1763 M's hearing examiner. Nothing further for these cases.

1764

1765  **Pecos Hall** 1:36:42








1766 All right, we're off the record in these cases. We'll come back on March the 5th, and

1767 Mr. hearing examiner of the avant witness. Perfect is ready to ask you to come back.

1768 Thank you. OK.

1769 Let's recall 25748 and who is your witness? Thank you.

1770 It's Mr. John Harper and he is in the office with Sophia Guerra, so it might show up as

1771 SG perfect. And remind me, Mr. Harper has been qualified previously. He has.
1772 Yes, in what field in the field of geology. OK, perfect.
1773 As soon as we there we go.
1774 Mr. Harper, please raise your right hand.
1775 You swear affirm under penalty of perjury, that the testimony you're about to give is
1776 the truth.
1777 The whole truth.
1778 Nothing but the truth.
1779
1780  **Sophia Guerra** 1:37:25
1781 Yes, I do.
1782
1783  **Pecos Hall** 1:37:26
1784 OK, you can lower your hand. Would you spell your name?
1785
1786  **Sophia Guerra** 1:37:29
1787 John Harper, John. Last name. Harper. Harper.
1788
1789  **Pecos Hall** 1:37:35
1790 OK, Mr. McClure.
1791
1792  **McClure, Dean, EMNRD** 1:37:38
1793 Thank you, Mr. Herring examiner.
1794 Mr. Harper, I'm getting your exhibit. Packets opened up again.
1795 Now I'm looking at your exhibit B6.
1796 Page 77 of 94 this should be showing your cross section for what you're dubbing the
1797 Wolfcamp D wells.
1798
1799  **Sophia Guerra** 1:38:06
1800 That's it.
1801
1802  **McClure, Dean, EMNRD** 1:38:08
1803 OK, on this cross section you see where the top of the Strawn is depicted.

1804

1805  **Sophia Guerra** 1:38:13

1806 Yes, Sir.

1807

1808  **McClure, Dean, EMNRD** 1:38:15

1809 Where is the top of the Cisco Canyon.

1810 Formations.

1811

1812  **Sophia Guerra** 1:38:22

1813 You know, that's a great question. You know, the Cisco Canon is more of a shuffle.

1814 Northwest Shuffle nomenclature is least historically speaking, whereas in the basin

1815 the Wolf Campion is more of this. The section that sits directly upon the strong. It's

1816 just kind of a nomenclature dispute.

1817 Between base and shuffle.

1818

1819  **McClure, Dean, EMNRD** 1:38:44

1820 What is the age of disposition for the Wolfcamp D as you're dubbing them?

1821

1822  **Sophia Guerra** 1:38:51

1823 Lower lower Wolfcamp without any kind of you know bio strap markers, any kind of

1824 data range, it's hard for me to give an exact age, but it's.

1825 It's.

1826 Younger than the strong.

1827

1828  **McClure, Dean, EMNRD** 1:39:07

1829 Would it be accurate to say that it was?

1830 Laid during the Pennsylvanian era.

1831

1832  **Sophia Guerra** 1:39:15

1833 You could.

1834 You could argue that.

1835

1836  **McClure, Dean, EMNRD** 1:39:18

1837 Where on this cross section?

1838 Would the top of the Wolfcamp D or Pennsylvanian occur?

1839

1840  **Sophia Guerra** 1:39:35

1841 Again, it's a little it's a little convoluted as the lower Wolfcamp, the Wolfcamp BC and

1842 D is hard to define up in this neck of the woods up in this northern part of the basin.

1843 A lot of geologists would pick the top of the Wolfcamp D different than I would pick

1844 the top of the Wolfcamp D and vice versa.

1845 But it'd be hard for me to put a Wolfcamp D top.

1846 But I would say.

1847 Maybe somewhere around?

1848 11/7 on the middle? Well or the Laguna 16 state or 11/8 TBD on the Sam snotty well

1849 Wolfcamp D.

1850

1851  **McClure, Dean, EMNRD** 1:40:25

1852 So are you in agreement that the 800 series of wells is below that top?

1853

1854  **Sophia Guerra** 1:40:36

1855 Sorry, can you repeat that question?

1856

1857  **McClure, Dean, EMNRD** 1:40:40

1858 OK. Do you see your dotted line there where you're referencing your 801 two 804 H

1859 wells?

1860

1861  **Sophia Guerra** 1:40:47

1862 Yes, Sir.

1863

1864  **McClure, Dean, EMNRD** 1:40:49

1865 Are you in agreement that that dotted line is below the top of the Wolfcamp D?

1866 D.

1867

1868  **Sophia Guerra** 1:40:54

1869 Yes, Sir.

1870 What I would call the wolf camp D.

1871

1872  **McClure, Dean, EMNRD** 1:41:15

1873 Are you aware of whether there's any upper pin wells in the vicinity?

1874

1875  **Sophia Guerra** 1:41:21

1876 I don't know of any horizontal upper pin wells within the specs we have seen.

1877 Well, proposals for Wolfcamp, lower Wolfcamp wells targeting the similar or same

1878 interval from other operators in this vicinity.

1879 There are vertical strong wells in this near vicinity, but the other well proposals we've

1880 seen from other operators would suggest these were they would agree with Wolf

1881 Campion.

1882 At least Wolfcamp horizontals.

1883

1884  **McClure, Dean, EMNRD** 1:42:16

1885 If I were to ask for this cross section to be amended to include your pick for the top

1886 of the Wolfcamp D, do you understand what I'm asking for?

1887

1888  **Sophia Guerra** 1:42:27

1889 Yes.

1890 I can I. Yeah. I can though on the sub members of the wolf camp on this cross

1891 section, that's what you're asking.

1892

1893  **McClure, Dean, EMNRD** 1:42:42

1894 Specifically, the Wolfcamp D is what I'm interested in, but you can include the others

1895 too. That's fine.

1896

1897  **Sophia Guerra** 1:42:48

1898 OK.

1899 Yes, Sir.

1900

1901  **McClure, Dean, EMNRD** 1:43:08

1902 Oh, thank.

1903 Thank you, Sir.

1904 No more questions for the land man, Mr. hearing examiner. But I do have some

1905 questions for Miss Bennett.

1906

1907  **Pecos Hall** 1:43:20

1908 Go right ahead.

1909

1910  **McClure, Dean, EMNRD** 1:43:23

1911 M's Bennett.

1912 I'm wondering if maybe you can take some time with your client.

1913 The Wolfcamp D is not a part of the Wolfcamp PULL.

1914 And so I don't know if they may wish to remove those wolf camp, the 800 series wells
1915 from this particular compulsory pooling case or if you'd like to add an additional
1916 pool, I guess and.

1917 We'll see what the approval process of that.

1918 It's going to be, I guess.

1919

1920  **Pecos Hall** 1:43:56

1921 What if you don't mind? What pool is the wolf Camp D part of?

1922

1923  **McClure, Dean, EMNRD** 1:44:02

1924 It would be part of an upper pen Wildcat.

1925

1926  **Pecos Hall** 1:44:07

1927 And is that a oil pool?

1928

1929  **McClure, Dean, EMNRD** 1:44:12

1930 That's a good question.

1931 I've talked to my district geologist on that.

1932 It could potentially be gas.

1933 We'd have to look.

1934 We would probably take feedback from the applicant though as to whether they
1935 believe their wells.

1936 With their GLR of their wells would be would be my assumption there.

1937

1938  **Pecos Hall** 1:44:27

1939 Mm-hmm.

1940 I think, I mean I'm I will definitely confer with.

1941 Avant about this, but I think my initial reaction is avant's preference would be to.

1942 Amend the compulsory pooling checklist and the C1O twos to reflect the upper Pen

1943 Wildcat pool and dismiss the wells out of this application that are not part of the

1944 upper Pen Wildcat pool.

1945 So we could dismiss the 700 series wells leaving the 800 series wells.

1946 And just.

1947 Amend the compulsory pooling checklist and the.

1948 C.

1949 One O twos to reflect the upper pen Wildcat pool.

1950

1951  **McClure, Dean, EMNRD** 1:45:14

1952 In Seattle's actually picturing it the other way in your application that went out.

1953

1954  **Pecos Hall** 1:45:17

1955 Mm-hmm.

1956

1957  **McClure, Dean, EMNRD** 1:45:23

1958 Do you think it's representative of showing these this upper pen production rather
1959 than Wolfcamp?

1960

1961  **Pecos Hall** 1:45:31

1962 The application does identify the.

1963 As it being Wolfcamp, but I think that that is.

1964 Consistent with it being perhaps Wolfcamp D formation, but Upper Pen Pool is what

1965 I hear you saying that I don't hear you saying that.

1966 You disagree that this is part of the Wolfcamp, but rather that it's not part of the
1967 Wolfcamp pool?

1968 And so I and we did not include the pool or pool.

1969 Well, we did include a pool and pool code in our application.

1970 But that happens often when we include a pool in Pool code.

1971 And it has to change at hearing.

1972 So that seems what I'm suggesting seems consistent with the divisions practice of
1973 allowing applicants to amend their compulsory pooling checklist and.

1974 Their C.

1975 One O twos to reflect the correct pool and pool code and I I seem to recall.

1976 And I can look for this a similar situation that occurred.

1977 With the twinkle, I believe it was twinkle wells where the division allowed the
1978 applicant to dismiss certain wells and maintain other wells. It wasn't twinkle.

1979 I'll remember the name later.

1980 And that's what we would be asking for here.

1981 But I can confer with the client and come back with you after.

1982 On a break or after a break or something like that.

1983

1984  **McClure, Dean, EMNRD** 1:47:00

1985 Yes, Miss Bennett. That may be the most ideal.

1986 And also confer with them as to whether.

1987 It'd be whether they would be amebolt I guess to including the.

1988 Whatever the series above, I don't.

1989 They were series 700 of what they were.

1990 Yeah, I believe it's series 700 on this and dismissing the 800 instead of what their
1991 thought process is there.

1992

1993  **Pecos Hall** 1:47:29

1994 Yes, I'll confirm with them and I'll get back to the division. If we were to dismiss the
1995 800 series, then the 700 series application could be taken under advisement.

1996 With the well. Yeah. Could the 700 series be taken under advisement and you're and I
1997 don't mean to ask you a question, but just want to make sure I'm understanding my
1998 options.

1999

2000  **McClure, Dean, EMNRD** 1:47:48

2001 Well, we're still gonna need the all our exhibits amended.

2002 So you're still gonna have your continuance, but yes, if the 700 series, I would, I
2003 would agree that would be fine to go with the 700 series once the exhibit packet is
2004 amended to reflect that.

2005

2006  **Pecos Hall** 1:48:08

2007 Thank you.

2008 I will confer with Yvonne.

2009

2010  **McClure, Dean, EMNRD** 1:48:10

2011 Thank you, Ms. Bennett, Mr. hearing examiner.

2012 I was in the wrong place.

2013 Yeah, we, we already took the companion case under advisement, I believe.

2014 Correct, miss Bennett.

2015

2016  **Pecos Hall** 1:48:37

2017 Yes.

2018

2019  **McClure, Dean, EMNRD** 1:48:38

2020 OK.

2021 Thank you, Mr. Harrington.

2022 I have.

2023 I have no no further questions for this case at this point I guess till we come back, if

2024 you're fine with us recessing, I guess.

2025

2026  **Pecos Hall** 1:48:46

2027 Exactly.

2028 Assure recess. Yes. Recess. Miss Bennett, March 5th.

2029 It may take longer.

2030 It I may have an suggestion that would mean that we may not have to come back.

2031 So I'd like to discuss that with Avon first. OK, before committing to March 5th.

2032 But if we have to come back, then yes, March 5th.

2033 How would talking to Yvonne alleviate March 5th?

2034 Well, if we're able to dismiss the 800 series cases, then any exhibits related to the 800
2035 series cases or 800 series walls are just irrelevant and would not need to. The exhibit
2036 packet would not need to be amended.

2037 We could just say on the record that it's dismissing those wells from its application
2038 and from the case and then we would not need to come back and the division has
2039 done that before where it's allowed operators.

2040 Applicants to dismiss wells at a hearing without requiring an amended exhibit packet.

2041 What about the geology?

2042 Yes. Exhibit that Mister McClure was talking to your witness about.

2043 Yes, Sir.

2044 That about that formation in the upper pen.

2045 Insula to the 800 series wells that would be dismissed I see.

2046 Mr. McClure.

2047 Well, why don't we wait for you to talk to your client 1st and then before the day is

2048 over?

2049 Because day seems.

2050 I'm sure it's gonna go into the afternoon. Why don't you let me know what your

2051 client wants?

2052 Do and then I'll find out for Mr. McClure if he does want any further review. Even if

2053 you just dismissed wells.

2054 Yes, I understand that. Thank you.

2055 Alright, so Mr. McCloy, that'll be a question that we we will still come back to decide.

2056 OK.

2057 So I'm gonna leave a note here to come back to this case.

2058 Thank you.

2059 Alright, let's move on to Permian resources, 257-932-5796.

2060 Jackie McClain, on behalf of Permian Resources. Thank you.

2061 Good morning, Mr. Examiner.

2062 Deena Bennett, on behalf of Kotera Energy operating and your petition, we are not

2063 objecting. Thank you.

2064 Good morning, Mr. hearing Officer Adam Rankin, appearing on behalf.

2065 Resources just appearing.

2066 Monitoring the case perfect. Thank you, Rankin. OK.

2067 Go right ahead, M's McLean.

2068 Thank you and case number's 25793 and 25796 Permian Resources seeks all

2069 uncommitted interest in the Bone Spring and Wolfcamp formations underlying a 640

2070 acre more or less standard horizontal spacing unit comprised of the east half of

2071 section.

2072 34 Township 19 S range 32 E and the east half of Section 3, Township 20.

2073 Range 32 E in Lee County.

2074 And this unit will be dedicated to Colonel Freckles.

2075 Bed come wells exhibits were timely submitted for this these cases last week and

2076 include the land testimony and corresponding exhibits of Mark Haddock who was

2077 previously testified before the division and has been recognized as an expert in

2078 petroleum land matters.

2079 We also have geology testimony exhibits from Christopher Canton, who was also

2080 previously testified as an expert geologist before the division.

2081 Finally, we include our notice, testimony and exhibits.

2082 Which shows that notice was timely sent to all interested parties on November 26,

2083 2025, and we have an affidavit publication for December 21st. And if there are
2084 questions, we're happy to answer those.
2085 But I ask that the exhibits be admitted for these cases and that the cases be taken
2086 under advisement, admitted without exception, Mr. McClure.

2087

2088  **McClure, Dean, EMNRD** 1:52:21

2089 Thank you.

2090 Ms. Harrington.

2091 I'll have questions for both witnesses.

2092

2093  **Pecos Hall** 1:52:25

2094 Did you call them?

2095 Yes, Mr. Haddock and Mr. Canton.

2096

2097  **Mark Hajdik** 1:52:39

2098 Mark Adele.

2099 OK.

2100

2101  **Pecos Hall** 1:52:53

2102 And is Chris Canton.

2103

2104  **Chris Cantin** 1:52:55

2105 Yes. Can you see me?

2106

2107  **Pecos Hall** 1:52:56

2108 Oh, there. OK.

2109

2110  **Chris Cantin** 1:52:58

2111 Yep.

2112

2113  **Pecos Hall** 1:53:10

2114 All right. I can see both of you.

2115 Would you please raise your right hands? Do you swear?

2116 Affirm under penalty of perjury, that the testimony you're about to give is the truth,
2117 the whole truth, and nothing but the truth.

2118

2119  **Chris Cantin** 1:53:20

2120 No.

2121

2122  **Pecos Hall** 1:53:21

2123 OK, you can put your hands down, would you?

2124 Mr. Haddock, would you please spell your name?

2125

2126  **Mark Hajdik** 1:53:27

2127 Mark MARK Haddock, HAJDIK.

2128

2129  **Pecos Hall** 1:53:32

2130 Thank you. And Mr. Canton.

2131

2132  **Chris Cantin** 1:53:36

2133 Chris Canton, CHRISCANTIN.

2134

2135  **Pecos Hall** 1:53:41

2136 Thank you.

2137 I recognize both of you.

2138 We've worked together before and I know that you're both accepted as experts in

2139 your fields, Mr. McClure.

2140 Who do you want to start with?

2141

2142  **McClure, Dean, EMNRD** 1:53:52

2143 Thank you, Mr. Herring. Examiner, Mr. Haddock's fine.

2144

2145  **Pecos Hall** 1:53:55

2146 Go right ahead.

2147

2148  **McClure, Dean, EMNRD** 1:53:57

2149 Mr. Haddock, if I can draw your attention to your exhibit.

2150 A-3 specifically, I'm looking at page 17 of 48 for the Wolfcamp wells.

2151

2152  **Pecos Hall** 1:54:14

2153 Are we on case number 25796 or 25793?

2154

2155  **McClure, Dean, EMNRD** 1:54:18

2156 I'm on 796, but there it the exhibit should be pretty much the same, just different
2157 page number.

2158

2159  **Pecos Hall** 1:54:22

2160 OK.

2161

2162  **Mark Hajdik** 1:54:32

2163 Again.

2164

2165  **McClure, Dean, EMNRD** 1:54:34

2166 Maybe better if I describe I'm looking at your list of record title owners that you wish
2167 to. That appears that you wish to force pull.

2168

2169  **Mark Hajdik** 1:54:42

2170 OK.

2171

2172  **McClure, Dean, EMNRD** 1:54:45

2173 Is it correct?

2174

2175  **Pecos Hall** 1:54:45

2176 And I will share.

2177 I'm going to share this.

2178

2179  **McClure, Dean, EMNRD** 1:54:53

2180 Are you with us, Mr. Haddock?

2181

2182  **Mark Hajdik** 1:54:55

2183 Yes, I'm here.

2184

2185  **McClure, Dean, EMNRD** 1:54:57

2186 Mr. Haddock, is it true that?
2187 Does premium wish to the division the force pull those five record title owners that
2188 appear to be highlighted in the middle of that exhibit page?

2189

2190  **Mark Hajdik** 1:55:13

2191 Yes, those are.

2192 Well, those are for last season.

2193 Record on the with the BLM.

2194 They're not working interest owners.

2195 They don't have any actual ownership in the wells that they do have.

2196 They are listed on in the records of the BLM.

2197 It's still being licensed.

2198

2199  **McClure, Dean, EMNRD** 1:55:35

2200 Is Permium requesting the division to force pull them?

2201

2202  **Mark Hajdik** 1:55:39

2203 Correct.

2204

2205  **McClure, Dean, EMNRD** 1:55:42

2206 Were those were all those persons provided notice of this application?

2207

2208  **Mark Hajdik** 1:55:48

2209 Please say yes.

2210

2211  **Pecos Hall** 1:55:54

2212 I didn't understand the answer, Mr. Haddock.

2213

2214  **Mark Hajdik** 1:55:56

2215 I I said yes.










2216 I believe so.

2217

2218  **Pecos Hall** 1:56:01

2219 I see.

2220 So you don't.

2221 You didn't do the notice.
2222 It would be M's McLean, yes, but they're looking, Mr. McClure.
2223
2224  **McClure, Dean, EMNRD** 1:56:11
2225 Yeah, Mr. I was just going to come back to Mr. Clean at the end. If you think that's
2226 most appropriate to ask about this as well.
2227
2228  **Pecos Hall** 1:56:18
2229 I do since it was Miss McLean who did the notice.
2230
2231  **McClure, Dean, EMNRD** 1:56:25
2232 Thank you, Mr. Haddock.
2233 I don't have any more questions for you.
2234 Mr. Canton, if I could draw, if I could draw your attention to your.
2235
2236  **Chris Cantin** 1:56:32
2237 Yes, Sir.
2238
2239  **McClure, Dean, EMNRD** 1:56:39
2240 Exhibit B4.
2241 I believe it's page 36 of 48.
2242
2243  **Chris Cantin** 1:56:46
2244 Yes.
2245
2246  **McClure, Dean, EMNRD** 1:56:52
2247 Hey, do you see this red?
2248 The red line.
2249 That's kind of towards the bottom.
2250
2251  **Chris Cantin** 1:56:57
2252 Yes, it's the. Yes, Sir. It's top of strong.
2253
2254  **McClure, Dean, EMNRD** 1:56:57

2255 Of the cross section there.

2256 On this cross section, where would you place the top of the Pennsylvanian?

2257

2258  **Chris Cantin** 1:57:09

2259 Not a top. I typically pick.

2260 Typically don't go that low, but the strong is just a really good marker 'cause. It's
2261 really easy top to pick.

2262 I would say doing just somewhere between the Wolfcamp D and the top is strong to
2263 be in the pin there.

2264 But we typically don't drill deeper than where my where my line is for the Wolfcamp
2265 target.

2266

2267  **McClure, Dean, EMNRD** 1:57:35

2268 Would you agree that your Wolfcamp target line, that purple line there?

2269 Would you agree that that is within the Pennsylvanian aged rock?

2270

2271  **Chris Cantin** 1:57:45

2272 I would say that's within the Wolfcamp, lower Wolfcamp.

2273

2274  **McClure, Dean, EMNRD** 1:57:51

2275 How are you?

2276 How are you identifying the Wolfcamp D?

2277

2278  **Chris Cantin** 1:58:00

2279 I just.

2280 I have certain signatures that I look at and just what our company permitted
2281 resource, what we call the Wolfcamp D.

2282

2283  **McClure, Dean, EMNRD** 1:58:10

2284 Were you?

2285 Were you listening to the case a few minutes ago where I laid out that the division
2286 considers the Wolfcamp D to be part of the Upper Pennsylvanian rather than a part
2287 of the wolf camp?

2288

2289  **Chris Cantin** 1:58:26

2290 Yes, Sir, I was.

2291

2292  **McClure, Dean, EMNRD** 1:58:29

2293 Are you in?

2294 Disagreement that your Wolfcamp D, the top of that would be the top of the

2295 Pennsylvanian.

2296

2297  **Chris Cantin** 1:58:40

2298 You you could interpret it as that, but as Permian Resources we you know we show

2299 the Wolfcamp D to be there and you know kind of contiguous throughout the

2300 throughout the basin. And this is just how how we pick it. As for the where the pin

2301 actually sit?

2302 You know you you would need to do some look at the rock and take core and see

2303 exactly where.

2304 Where that is.

2305 But As for how we pick it?

2306 Standard, right?

2307 Right here where I have it picked on these two logs.

2308 Is where we pick the Wolfcamp D.

2309

2310  **McClure, Dean, EMNRD** 1:59:26

2311 Now, earlier you referenced that you think the top of the Pennsylvanian aged rock

2312 may be below where you picked the Wolfcamp D is that correct?

2313

2314  **Chris Cantin** 1:59:36

2315 Yes, the the pin would.

2316 Yes, it's it's below the wolf camp.

2317 And after that it's a strong correct.

2318

2319  **McClure, Dean, EMNRD** 2:00:01

2320 And where on this cross section is the two proposed wells going to be completed?

2321 At.

2322

2323  **Chris Cantin** 2:00:10

2324 On this cross section. So it's gonna be.

2325 Where I have that purple line right there.

2326 Give or take, you know 30 feet up or down of that line.

2327

2328  **McClure, Dean, EMNRD** 2:00:55

2329 Thank thank you, Mr. Canton.

2330 Mr. Examiner, I don't have any more questions for the expert witnesses, but I do have
2331 questions for Miss McLean.

2332

2333  **Pecos Hall** 2:01:06

2334 Go right ahead.

2335

2336  **McClure, Dean, EMNRD** 2:01:09

2337 So M's McLean, have you had a chance to see if all the record title owners will
2338 provide a notice of this application?

2339

2340  **Pecos Hall** 2:01:16

2341 Yes, I believe that they were.

2342 They're all in the affidavit of publication, and it looks like what happened was some
2343 of the.

2344 Addresses were not populated in the table that's attached as exhibit C1.

2345 But they're all in the affidavit of publication. We list all the parties.

2346 We were investigating it.

2347 I thought that might be a question.

2348 You want to come back with that answer.

2349 That's the answer.

2350 That is the answer.

2351 That's the answer.

2352 Yes, they were provided notice. I thought you said we're investing.

2353 No, we were investigating because he had mentioned that.

2354 Mr. McClure, does that satisfy you?

2355 Do you need something updated or changed?

2356

2357  **McClure, Dean, EMNRD** 2:02:05

2358 I mean, we're definitely gonna need the certified tracking numbers for each of these
2359 record title owners, assuming that the applicant still wishes the division to force pull
2360 them.

2361

2362  **Pecos Hall** 2:02:17

2363 Can you provide that, Miss McLean?

2364 Yes, we can provide that, OK.

2365

2366  **McClure, Dean, EMNRD** 2:02:20

2367 And.

2368

2369  **Pecos Hall** 2:02:21

2370 Is there anything else besides that that you want, Mr. OK.

2371 Go right ahead.

2372 I think the geology.

2373

2374  **McClure, Dean, EMNRD** 2:02:26

2375 Yeah. Miss Miss McLean.

2376 I guess this is another one. Those scenarios where I don't know if you need to touch
2377 base with your clients to see how they want to approach this, but from an initial look
2378 at this, this appears to be in a different pool, not the Wolfcamp, but the upper.

2379 Pen is the initial glance here, and maybe your client wishes to try to provide us some
2380 geological evidence.

2381 A wider cross section.

2382 Something along those lines.

2383 To demonstrate that this is not in the Upper Peninsula.

2384 And then the vision can review that.

2385 But if we decide differently, these cases would be denied or this case would be
2386 denied. The Wolfcamp D case.

2387

2388  **Pecos Hall** 2:03:19

2389 I think we'll definitely need to touch base.

2390 I would say at this point, can we just go ahead and can like say we'll continue these

2391 to March 5th?


2392 And then we'll make a decision between now and then. We can notify the division, of

2393 course.

2394 That's what we'll do, OK?

2395 Thank you. OK. Are we done with these cases, Mr. McClure?


2396

2397  **McClure, Dean, EMNRD** 2:03:47

2398 Just to confirm, Mr. Herring Examiner M's McLean, you were going to provide us the

2399 notice exhibits for both of these cases, correct?

2400


2401  **Pecos Hall** 2:03:59

2402 Yes, we'll provide the tracking numbers and then but you know the more pressing

2403 issue seems to be this upper pen versus Wolfcamp formation that we need to


2404 discuss.

2405

2406  **McClure, Dean, EMNRD** 2:04:13

2407 For one of the cases for sure. But the other case is dependent solely upon notice.


2408

2409  **Pecos Hall** 2:04:15

2410 Yes. Yeah.


2411 Right.

2412

2413  **McClure, Dean, EMNRD** 2:04:19

2414 OK.

2415

2416  **Pecos Hall** 2:04:19

2417 Yes it will.

2418 Well, we we have those.

2419 We can provide them.


2420 I believe they just were not included on the on the table.

2421 Everyone, because everyone is there, but we just don't have the tracking numbers.

2422 We will.

2423 We will get those together. Thank you.

2424

2425  **McClure, Dean, EMNRD** 2:04:35

2426 OK, thank thank you, Miss McLean.

2427 Thank you, Miss Herring examiner.

2428

2429 **PH Pecos Hall** 2:04:38

2430 All right, we're off the record in those two cases.

2431 Let's go to kotera energy, 2580525806.

2432 Good morning, Mr. Examiner.

2433 Deena Bennett, on behalf of Kotera Energy operating.

2434 And there are no. Well, there is one other party. Mr. Randy cone. Have you been in
2435 contact with him?

2436 Kotera has been in contact with him, and Kotera acquired his interest and he's he did
2437 not withdraw his appearance, but he did withdraw his objection.

2438 In writing, yes, it was provided to the division.

2439 OK, perfect. Go right ahead.

2440 Ms. Benny.

2441 Thank you. In these two cases, these are two companion cases and in these two
2442 cases, KOTERA is seeking to pool uncommitted interest owners in Bone Spring and a
2443 Wolfcamp horizontal spacing unit, each of which covers the east type of sections 25
2444 and 36 Township 19 S.

2445 Range 33 E in Lee County, New Mexico.

2446 And we've provided the usual suite of exhibits, including the compulsory pooling
2447 checklist, the self affirm statement of Ashley St. Pierre, who's previously testified
2448 before the division, the Self Affirmed statement of Joshua Russo, a geologist for
2449 Kotara who has not previously testified before the division.

2450 And then a self affirm statement by myself regarding notice showing that notice was
2451 timely mailed on December 12th.

2452 And that publication was done timely on December 17th, although I do have one.



2453 Update to that for case number 25806, which is that in case 225806.

2454 The we did not.

2455 We inadvertently did not notify the offsetting track donors for the nonstandard unit
2456 portion of the application, and we inadvertently did not notify some of the
2457 overlapping.

2458 Spacing unit owners and so we have done that now, but the notice would not be
2459 timely until February.

2460 26th then I understand that February 26th may be out, but I would also just note that

2461 these cases involve lease expiration issues. So if there is any flexibility at all to come
2462 back on February 26th, that would certainly appreciate that. But I also understand
2463 that.
2464 Mr. McClure may have other changes.
2465 So without further ado, I would ask that the exhibits in case #258-O5 and 258-O6 be
2466 admitted into the record, and if the division has any questions, I'm happy to answer
2467 them.
2468 And so are our witnesses.
2469 Thank you, admitted, without exception, Mr. McClure.
2470 Who do you have questions for?
2471
2472  **McClure, Dean, EMNRD** 2:07:11
2473 Mr. Hern Examiner, it looks like I'll have questions for both witnesses.
2474
2475  **Pecos Hall** 2:07:17
2476 OK.
2477 Let's get them on the screen.
2478 And you said one was previously qualified, one was not.
2479 Yes, and just.
2480 Before we start the questioning, I did want to note that I have reviewed the geology
2481 exhibits and there were a few changes that we need to make to the geology exhibits
2482 that Mister McClure may be asking about.
2483 So just proactively we are going to add well names and API numbers to the cross
2484 sections and then there's a change that we need to make to Mr. Barwas declaration.
2485 So, sorry, Mr. Russo. OK.
2486 Thank you.
2487 So yes, Miss St. Pierre has previously been qualified and Mr. Russo has not.
2488 I recognize.
2489 Thank you.
2490 Please raise your right hand both of you.
2491 Do you swear or affirm under penalty of perjury that the testimony you're about to
2492 give is the truth, the whole truth, and nothing but the truth?
2493 Thank you.
2494 Let's start with you, Miss Saint Pierre.
2495 Would you spell your name?

2496

2497 **AP Ashley St. Pierre** 2:08:11

2498 Ashley Ashley St. Pierre St. space.

2499 P i.e. RRE.

2500

2501 **PH Pecos Hall** 2:08:22

2502 You and I recognize you as an expert in petroleum land matters.

2503 Thank you, Mr. Russo.

2504 Spell your name please.

2505

2506 **JR Joshua Russo** 2:08:31

2507 Josh UARUSSO.

2508

2509 **PH Pecos Hall** 2:08:34

2510 OK. And you're seeking to be qualified in what field?

2511

2512 **JR Joshua Russo** 2:08:38

2513 Petroleum geology.

2514

2515 **PH Pecos Hall** 2:08:39

2516 Geology. Excellent.

2517 Just briefly tell me your education and when you achieved your degrees.

2518

2519 **JR Joshua Russo** 2:08:47

2520 Yes, Sir. I received a bachelor degree of science and geology in 2009 and then also a

2521 Master of Science in Geology in 2013.

2522

2523 **PH Pecos Hall** 2:08:56

2524 From what school?

2525

2526 **JR Joshua Russo** 2:08:58

2527 University of Texas System Permian Basin, Sir.

2528

2529 **PH Pecos Hall** 2:09:01

2530 Both of them.

2531

2532 **JR** **Joshua Russo** 2:09:02

2533 Yes, Sir.

2534

2535 **PH** **Pecos Hall** 2:09:03

2536 OK, perfect. And since that time, what work have you done in the field of geology?

2537

2538 **JR** **Joshua Russo** 2:09:09

2539 Yeah, so I've worked as a petroleum geologist in oil and gas since 2013.

2540 So nearly 13 years now.

2541 And throughout my career as a petroleum geologist, I've used a number of tools to
2542 evaluate subsurface multiple different development areas, depositional
2543 environments, generate maps and cross sections.

2544 Understand potential development opportunities and executeable development
2545 opportunities.

2546 Using a variety of logs.

2547 Mud logs, proxy logs, resistivity logs, petrophysical derived curves offset well, data
2548 PERF, data production data, IP data, et cetera.

2549 Worked on selecting drilling locations, target zones, planning developments. I would
2550 say over my career I've drilled over 50 wells from.

2551 Planning.

2552 Through execution and have recompleted over 130 in my past experiences.

2553

2554 **PH** **Pecos Hall** 2:10:16

2555 All right.

2556 Thank you, Mr. Russo.

2557 What position do you hold with Matador?

2558

2559 **JR** **Joshua Russo** 2:10:22

2560 So I'm with Kotera currently.

2561 I've been with Kotera for over a year now. As a senior geologist, work in north Leonid
2562 County.

2563

2564 **PH** **Pecos Hall** 2:10:35

2565 OK, perfect.

2566 Thank you very much from here on in, you're qualified as a petroleum geologist.

2567 Thank you, Mr. McClure.

2568 Who do you want to start with?

2569

2570  **McClure, Dean, EMNRD** 2:10:44

2571 All right.

2572 Thank you, examiner. If I may, could I actually start with Miss Bennett?

2573

2574  **Pecos Hall** 2:10:50

2575 You can start with anyone you want. Go right ahead.

2576

2577  **McClure, Dean, EMNRD** 2:10:53

2578 Hi, thank. Thank you, Sir.

2579 Miss Bennett, just to quickly clarify, you mentioned there were some changes made
2580 and you were referencing like the NSP.

2581 Was one of those changes made that?

2582 But the working interest owners in some of those offsetting tracks are going to be
2583 provided notice.

2584

2585  **Pecos Hall** 2:11:19

2586 Yes, in the offsetting tracks, we did not provide them notice yet.

2587 Well, I should rephrase that. I have now provided them notice as of Friday, but for
2588 purposes of the NSP, when I was preparing the exhibits, I realized that we had
2589 inadvertently not sent notice letters to the NSP offsets.

2590 And so we have done that now.

2591

2592  **McClure, Dean, EMNRD** 2:11:46

2593 I guess what my question is related to is in the current exhibit, it looked like the
2594 operator was still identified for several of the offsetting tracks wherein the working
2595 interest owners are going to be the ones that need to be provided.

2596 Notice does the new exhibit a new notice? Take that into account.

2597

2598  **Pecos Hall** 2:12:07

2599 So for the offsetting tracks where Kotera is not the operator, we notified the operator

2600 which is appropriate under the divisions rules for the tracks where kotera is the
2601 operator. We notified the working interest owners.

2602

2603  **McClure, Dean, EMNRD** 2:12:21

2604 And is that exhibit being updated to reflect the working interest owners rather than
2605 the operator?

2606

2607  **Pecos Hall** 2:12:27

2608 Let me just take a quick look at the exhibit real fast and I'll be able to let you know
2609 that answer.

2610 If it isn't, if it's not reflected in the exhibit, then yes, I definitely will update it.

2611

2612  **McClure, Dean, EMNRD** 2:12:42

2613 OK, that that answers my question, Miss Bennett, because the one currently on file, I
2614 just thought maybe you meant there were new exhibits being submitted that's not
2615 submitted to us yet, I guess.

2616 And I guess that does not include updated NSP, is that correct?

2617

2618  **Pecos Hall** 2:12:51

2619 Right. And I see now.

2620 That's right.

2621 I see that the map that is included only identifies the operators and does not identify
2622 the working interest owner.

2623 So we will add that as an updated exhibit.

2624

2625  **McClure, Dean, EMNRD** 2:13:06

2626 OK. And it sounds like you understand what I'm asking for.

2627 I don't need to talk to your expert witness, is that correct?

2628

2629  **Pecos Hall** 2:13:13

2630 That's right.

2631 And that's only for case 25806.

2632 I just wanna be clear that that is only for 2258-O6.

2633

2634  **McClure, Dean, EMNRD** 2:13:20

2635 I'm in agreement.

2636

2637  **Pecos Hall** 2:13:20

2638 That's the only. OK, thank you.

2639

2640  **McClure, Dean, EMNRD** 2:13:23

2641 Miss Bennett, another quick question before I go to the expert witnesses in.

2642 Your exhibit, the only one that really matters for is the 25806.

2643 There's a print out of the text that would have been a part of that newspaper
2644 clipping.

2645 Are you familiar of what I'm referring to?

2646

2647  **Pecos Hall** 2:13:44

2648 Yes, I am and I can answer.

2649

2650  **McClure, Dean, EMNRD** 2:13:46

2651 Can you?

2652 Can you verbally?

2653

2654  **Pecos Hall** 2:13:48

2655 Go ahead.

2656

2657  **McClure, Dean, EMNRD** 2:13:49

2658 Can you verbally confirm for me that what you have printed out is in fact what was
2659 included in the newspaper clipping?

2660

2661  **Pecos Hall** 2:13:58

2662 Yes, I can. The newspaper despite repeated.

2663 Requests did not provide a full copy of the affidavit of publication, and So what we
2664 did is we went on to the newspapers website and this is a copy of what was on the
2665 newspaper's website as showing what was published.

2666 So this is sorry, excuse me.

2667

2668  **McClure, Dean, EMNRD** 2:14:21

2669 OK, thank. Thank you, miss.

2670 Thank you, miss Bennett.

2671 Miss Saint Pierre.

2672 Is it accurate that Katera is requesting \$2000 per month per well for operating
2673 supervision?

2674

2675  **Ashley St. Pierre** 2:14:37

2676 Yep, yes, that is accurate.

2677

2678  **McClure, Dean, EMNRD** 2:14:41

2679 Do you believe that's a reasonable cost?

2680

2681  **Ashley St. Pierre** 2:14:44

2682 We feel it's reasonable because in this area, you know, we have a little bit more
2683 regulatory burdens with the potash, the Capitan Reef and the dune sagebrush lizard.
2684 However, if the division feels that we need to alter it down to \$1400, we are
2685 amenable to that.

2686

2687  **McClure, Dean, EMNRD** 2:15:05

2688 No, I mean it's up to Katara what they wish to do.

2689 The only thing I'd lay out is if you wish to request the \$2000, then I would ask that
2690 you provide additional supporting documents demonstrating why \$2000 is
2691 reasonable if you drop it to 1400 then that's a septic number that to be reasonable I.
2692 Guess. So what does Katara wish to do I guess.

2693

2694  **Ashley St. Pierre** 2:15:29

2695 We will drop it down to \$1400.

2696

2697  **McClure, Dean, EMNRD** 2:15:32

2698 OK.

2699 If I have more questions for you, Miss St.

2700 Pierre, I'm thinking maybe not.

2701 Thank, thank you, Miss St.

2702 Pierre. Mr. Russell, if I can draw your attention to a Wolfcamp case.

2703 The 25805.

2704

2705  **Joshua Russo** 2:16:29

2706 Yes, Sir, Mr. mercler.

2707

2708  **McClure, Dean, EMNRD** 2:16:30

2709 I may actually.

2710 Let me actually get my exhibit packet open here.

2711 I have some questions in regards to this Wolfcamp D discussion that we've been
2712 having.

2713

2714  **Joshua Russo** 2:16:43

2715 Sure.

2716

2717  **McClure, Dean, EMNRD** 2:16:45

2718 And I'm looking at your.

2719 Exhibit B6 on page 53 of 78 for the case eight O 5 are you with me, Mr. Russell?

2720

2721  **Joshua Russo** 2:17:02

2722 Yes, Sir. Mr. McClure, on page 53, exhibit B6.

2723 And it's just for the record, Mr. Russo.

2724

2725  **McClure, Dean, EMNRD** 2:17:14

2726 Was that calling you Russell or something, Russell?

2727 I apologize, Mr. Russell.

2728

2729  **Joshua Russo** 2:17:17

2730 Yeah, no problem.

2731

2732  **McClure, Dean, EMNRD** 2:17:17

2733 I'm saying it correctly now, right?

2734

2735  **Joshua Russo** 2:17:19

2736 Yes, Sir.

2737

2738  **McClure, Dean, EMNRD** 2:17:22

2739 Thank. Thank you, Miss Teresa.

2740

2741  **Joshua Russo** 2:17:23

2742 Yeah.

2743

2744  **McClure, Dean, EMNRD** 2:17:26

2745 On this exhibit B6.

2746 You see that box that you have identified as the target kind of there in your middle

2747 cross or your middle log?

2748

2749  **Joshua Russo** 2:17:39

2750 Yes, I do.

2751

2752  **McClure, Dean, EMNRD** 2:17:41

2753 And there's like a line that kind of goes across your cross section kind of directly

2754 below that arrow and it's kind of in the middle of that target box.

2755 Do you see that I'm referring to?

2756

2757  **Joshua Russo** 2:17:53

2758 Yes, I do.

2759

2760  **McClure, Dean, EMNRD** 2:17:55

2761 What is that top or what is that line representing?

2762

2763  **Joshua Russo** 2:18:00

2764 That is our marker that we can correlate across this region.

2765 Throughout this zone that we follow, we track.

2766

2767  **McClure, Dean, EMNRD** 2:18:14

2768 Is it your representation of the top of the Wolfcamp D?

2769

2770  **Joshua Russo** 2:18:25

2771 So the nomenclature I know company in company changes.

2772 I would say that is our what we would call Cisco.

2773

2774  **McClure, Dean, EMNRD** 2:18:40

2775 OK.

2776 So is it accurate to say that's what you would consider the top of the Pennsylvanian
2777 then?

2778

2779  **Joshua Russo** 2:18:59

2780 I'm I would be.

2781 I would have to really look into that like the other guys that have been on this this
2782 morning to.

2783 Determine that answer.

2784

2785  **McClure, Dean, EMNRD** 2:19:14

2786 Now I see your blue arrow is higher than that line, but yet your target box includes all
2787 the way down to the top of the drawn.

2788 Where are these?

2789

2790  **Joshua Russo** 2:19:28

2791 Yeah.

2792 Yep.

2793

2794  **McClure, Dean, EMNRD** 2:19:31

2795 Wells and I'm not sure I've top my head.

2796 What series they are, but the series of wells, where are they going to be completed
2797 at?

2798

2799  **Joshua Russo** 2:19:39

2800 Yeah, so let me scroll up to my.

2801 They are going to be completed in and around that stratigraphic line that I have
2802 through the middle of the target.

2803 Where that blue arrow is shown.

2804

2805  **McClure, Dean, EMNRD** 2:20:01

2806 OK.
2807 Now you reference the. Are you referring to the blue arrow or you referring to?
2808 The Stratographic line that goes across the cross section.

2809

2810  **Joshua Russo** 2:20:13

2811 Yeah. So the blue arrow is a general.
2812 Target line where where it says target and then where you see the blue arrow.
2813 Is where we're planting these walls.

2814

2815  **McClure, Dean, EMNRD** 2:20:33

2816 OK.
2817 So then.
2818 Would it be accurate to say that your target box might not actually include the
2819 entirety that you currently have depicted?

2820

2821  **Joshua Russo** 2:20:44

2822 Yes, that would. That's probably fair.

2823

2824  **McClure, Dean, EMNRD** 2:20:51

2825 And that it may, but I mean mute a phone caller.
2826 And it may be more accurate to say that your target box at the very least its base of
2827 it might be where that stratographic line is that you have.
2828 Would that be accurate to say?

2829

2830  **Joshua Russo** 2:21:16

2831 Can you?
2832 Can you ask me that again? Referring to the base of what?

2833

2834  **McClure, Dean, EMNRD** 2:21:19

2835 Yeah.
2836 OK, right now you have the base of the target box at the top of the Strawn, correct?

2837

2838  **Joshua Russo** 2:21:30

2839 That's correct.

2840

2841  **McClure, Dean, EMNRD** 2:21:31

2842 Yeah. Just just to make sure, I guess I understand your earlier answers, I guess, would
2843 it be accurate?

2844 Would it be more accurate for?

2845 The bottom of that target zone to actually be at that stratographic line that you have
2846 depicted in your cross section.

2847

2848  **Joshua Russo** 2:21:52

2849 Think we can?

2850 We should have tightened up that dashed red box.

2851 To specify the target more clearly.

2852

2853  **McClure, Dean, EMNRD** 2:22:11

2854 Now when I scroll.

2855 Up to your exhibit B2.

2856 This is on page 49 of 78.

2857

2858  **Joshua Russo** 2:22:22

2859 Yes, Sir. I'm there.

2860

2861  **McClure, Dean, EMNRD** 2:22:24

2862 Yeah. And you see where you have like the two 700 series wells and the 800 series
2863 well.

2864

2865  **Joshua Russo** 2:22:28

2866 Yes, Sir.

2867 Yes, Sir.

2868

2869  **McClure, Dean, EMNRD** 2:22:31

2870 And then you see there's like a strap.

2871

2872  **Joshua Russo** 2:22:35

2873 Yes, Sir.

2874

2875  **McClure, Dean, EMNRD** 2:22:35

2876 There's like a fat line or something there on that left hand log at like 11870 or
2877 something.

2878 You see who I'm referring to.

2879

2880  **Joshua Russo** 2:22:44

2881 Yes, Sir.

2882

2883  **McClure, Dean, EMNRD** 2:22:46

2884 What does that line represent?

2885

2886  **Joshua Russo** 2:22:47

2887 No.

2888

2889  **McClure, Dean, EMNRD** 2:22:48

2890 Is that the same as the Stratographic line on your cross section?

2891

2892  **Joshua Russo** 2:22:53

2893 Yes. So you'll. Yes, Sir it is.

2894

2895  **McClure, Dean, EMNRD** 2:22:57

2896 OK.

2897 So then would it be accurate to say that that 800 well may actually be below that
2898 Strat column line?

2899

2900  **Joshua Russo** 2:23:02

2901 Yes, Sir.

2902

2903  **McClure, Dean, EMNRD** 2:23:05

2904 OK. But the 700 series line?

2905 That would be more equivalent to where the blue arrow is in the cross section.

2906 Is that accurate?

2907 If I were to ask you to conduct additional review and try to determine where the top
2908 of the Pennsylvanian aged rock is, do you understand what I'm asking for?

2909

2910  **Joshua Russo** 2:23:33

2911 Yes, I do.

2912

2913  **McClure, Dean, EMNRD** 2:23:36

2914 And specifically, I'm interested to know if those 700 series wells are going to be
2915 drilled above or below that line.

2916 So do you understand?

2917 I guess my impetus I'm wanting to know how those relate to that. That review. Is that
2918 correct?

2919

2920  **Joshua Russo** 2:23:58

2921 Yes.

2922

2923  **McClure, Dean, EMNRD** 2:24:00

2924 OK. But as of now, are you in agreement that the 800 well is drilled in the upper
2925 Pennsylvanian?

2926

2927  **Joshua Russo** 2:24:13

2928 Yes, that would be fair.

2929

2930  **McClure, Dean, EMNRD** 2:24:26

2931 Let me review my notes.

2932 Oh, then, Mr. Russo, it sounded like Miss Bennett already talked about, like adding
2933 the well names and API numbers and such to the cross sections. You're
2934 understanding what we're needing there.

2935

2936  **Joshua Russo** 2:24:41

2937 Yes, Sir. We've already supplied that as well.

2938

2939  **McClure, Dean, EMNRD** 2:24:46

2940 OK.

2941 Very good.

2942

2943  **Joshua Russo** 2:24:47

2944 Yep.

2945

2946  **McClure, Dean, EMNRD** 2:25:00

2947 Thank you, Mr. Russo.

2948 Miss Bennett, do you have a list of what we're needing for these cases?

2949

2950  **Pecos Hall** 2:25:10

2951 I do.

2952 And I can run through it really quickly. If you'd like me to.

2953

2954  **McClure, Dean, EMNRD** 2:25:16

2955 It may be just to make sure we're on the same page. I guess that may be ideal.

2956

2957  **Pecos Hall** 2:25:20

2958 OK, so for case 25806 which is the Bone Spring case, I need to add a notice parties
2959 exhibit for the NSP portion to show the working interest owners where kotera is the
2960 operator and then I need to revise the compulsory pooling checklist and the.
2961 Land Man's declaration to reflect 1400.

2962 For per month for well supervision costs.

2963 And then for 25805 I will do the same thing to revise.

2964 As a compulsory pooling checklist and the land man's declaration to reflect \$1400
2965 per for per month supervision costs and then I will coordinate with the geologist to
2966 determine the best path forward with respect to exhibit B2 and B6 in terms of the
2967 need.

2968 To revise the geology exhibits.

2969

2970  **McClure, Dean, EMNRD** 2:26:16

2971 And we're going to need to revise them regardless for the well API and well name, of
2972 course.

2973

2974  **Pecos Hall** 2:26:21

2975 Yes.

2976

2977  **McClure, Dean, EMNRD** 2:26:22

2978 But if if Katera wishes to drop both at 700 and 800 series wells, then I mean we
2979 would no longer have the need, I guess for the additional review for the upper pin.
2980 Is that kind of where your understanding is?

2981

2982  **Pecos Hall** 2:26:38

2983 Well, yes. I mean I think the I would need to talk to Kotara and I'll do that on a break.

2984

2985  **McClure, Dean, EMNRD** 2:26:43

2986 Yeah, yeah.

2987

2988  **Pecos Hall** 2:26:44

2989 But if they are able to drop the 800 series wells and just move forward with the 700
2990 series wells in this application without having to.

2991 Refile that would be ideal because as I mentioned at the outset, these there are lease
2992 expiration issues here and kotera is trying to get an extension but has as of yet not
2993 been able to get an extension.

2994 Of time.

2995 So they are under a bit of a push to get an order so that they can begin developing
2996 the acreage to save that lease or save the leases.

2997 So if there's anything we can do to allow.

2998 At least one of the cases to move forward on an expedited fashion that would be
2999 much appreciated.

3000

3001  **McClure, Dean, EMNRD** 2:27:32

3002 I don't see a path forward there, but touching back on the 800 series, well, if it's
3003 include it, then your only path forward is going to be to include the additional upper
3004 pen.

3005 Wildcat in your compulsory pooling.

3006

3007  **Pecos Hall** 2:27:51

3008 And if we only leave in the 400 series.

3009 Well then that seems like that could be a path forward.

3010

3011  **McClure, Dean, EMNRD** 2:27:58

3012 Yeah, if you only leave the 400 series, well then I think we should be fine.

3013 I mean, you're still, we're still going to have to amend our exhibit packets, but as far
3014 as the additional geological review.

3015

3016  **Pecos Hall** 2:28:02

3017 OK.

3018 Right, right. I understand that.

3019

3020  **McClure, Dean, EMNRD** 2:28:10

3021 Dropping both the seven hundreds and the 8 hundreds, then I don't see a reason we
3022 need that.

3023 However, if Katera would like to make would like to take the position that there's 700
3024 series, well, is within the Wolfcamp era.

3025 Lock and not the Pennsylvanian. Then that is when I'll need the additional review and
3026 maybe a broader cross section.

3027 Something trying to show that.

3028

3029  **Pecos Hall** 2:28:37

3030 Yes, thank you.

3031 And I was I had the nomenclature.

3032 Mixed up in my brain, I was thinking the 700 was the Upper wolf camp and in this for
3033 kotera the 400 is the Upper wolf camp.

3034 So I think Kotera would.

3035 I'll confirm with them on a break, but I think their preferred path forward, especially
3036 given the lease expiration issues, is to drop the seven and 800 series wells and
3037 request that the 400 Series well application move forward with the amended or
3038 revised exhibit packet that I.

3039 Will still need to submit.

3040 But should not hold up the actual case.

3041

3042  **McClure, Dean, EMNRD** 2:29:12

3043 And then you're also recognizing that the CPAC will need to be updated to remove
3044 whatever series of wells is getting removed, correct?

3045

3046  **Pecos Hall** 2:29:25

3047 I recognize that.

3048

3049  **McClure, Dean, EMNRD** 2:29:27

3050 OK and.

3051

3052  **Pecos Hall** 2:29:28

3053 I'm I'm hopeful.

3054 I mean, for this particular case, because I do have to admit the exhibits anyway.

3055 I understand that.

3056 We'll have to come back, but I do believe that the division has allowed parties to

3057 dismiss wells from applications without requiring them to come back in the past

3058 when no other changes were necessary to the exhibit packet.

3059

3060  **McClure, Dean, EMNRD** 2:29:52

3061 And do you have?

3062 OK. I guess if I can draw your attention to the CPAC for case 25805, Miss Bennett.

3063

3064  **Pecos Hall** 2:30:02

3065 Yes.

3066

3067  **McClure, Dean, EMNRD** 2:30:03

3068 There appears to be a typo for, well, #4.

3069 Actually, I'm looking at my note.

3070

3071  **Pecos Hall** 2:30:09

3072 OK.

3073

3074  **McClure, Dean, EMNRD** 2:30:10

3075 I could ask Miss St. Pierre about it more, but I believe there that that should be Adel

3076 4 is the number that that should be saying there.

3077

3078  **Pecos Hall** 2:30:21

3079 Yes, thank you.

3080 That's a cut and paste error.

3081 I appreciate you pointing that out.

3082

3083  **McClure, Dean, EMNRD** 2:30:25

3084 OK. And on the CPAC for case 25806?

3085 I don't have it directly in front of me, but my notes say that the IT has the reference
3086 of the H, the horizontal spacing unit is being standard.

3087 Is that correct for what you're looking at?

3088 I can bring it up on my end too, if that's.

3089

3090  **Pecos Hall** 2:30:50

3091 Yes, I see that I need to fix that on the CPAC.

3092

3093  **McClure, Dean, EMNRD** 2:30:55

3094 OK.

3095 So your tent would be to change that to non standard, is that correct?

3096

3097  **Pecos Hall** 2:30:58

3098 Yes.

3099

3100  **McClure, Dean, EMNRD** 2:31:01

3101 OK.

3102 OK.

3103 So do you have an understanding, I guess of what we're looking for for both these
3104 cases now then?

3105

3106  **Pecos Hall** 2:31:11

3107 I do.

3108 Thank you.

3109

3110  **McClure, Dean, EMNRD** 2:31:13

3111 OK. Thank. Thank you, Ms. Bennett. Thank you, Mr. Herring examiner.

3112 I have no no further questions for these cases.

3113

3114  **Pecos Hall** 2:31:20

3115 So, Miss Bennett, March 5th at the earliest, yes.

3116 All right, let's move on.

3117 We're in recess on those cases.

3118 Let's move on to Matador production.

3119 I believe we have 5 cases here.

3120 I'm gonna call the numbers out that is 2582122232425.

3121 Yes, good morning, Mr. hearing examiner, Railey Starnes with the Santa Fe Office of

3122 Holland and Heart, on behalf of MRC Permian Company.

3123 I don't think there are any other appearances.

3124 And at the outset, I will ask that we continue these cases to the March 5th docket

3125 during the last handful of cases we discovered a few notice parties that need to be

3126 perfected and they are not timely today, but they will be in time for the March do.

3127 Well, I appreciate your bringing that to our attention.

3128 So why don't we just wait till March 5th to deal with them? Perfect. OK.


3129 Well, thank you, Miss Starnes.

3130 Absolutely do.

3131 Would you like us to file a motion to continue or on the record? OK, perfect. We can

3132 do that today.


3133

3134  **McClure, Dean, EMNRD** 2:32:20

3135 Mr. Hering.


3136 Mr. herring examiner.

3137

3138  **Pecos Hall** 2:32:23


3139 Mr. McClure.

3140

3141  **McClure, Dean, EMNRD** 2:32:24


3142 If I may draw their attention to the CPAC for one of these cases.

3143

3144  **Pecos Hall** 2:32:30

3145 Oh please. I have a feeling it's the CPAC for 23.

3146

3147  **McClure, Dean, EMNRD** 2:32:34

3148 That's correct.

3149

3150  **Pecos Hall** 2:32:35

3151 Go right ahead.

3152

3153  **McClure, Dean, EMNRD** 2:32:37

3154 Miss stornes.

3155 I don't have it brought up before me, but on my notes it references a incorrect

3156 section listing for the bottom hole location for the well.

3157 Do you see where I'm referring to?

3158

3159  **Pecos Hall** 2:32:51

3160 Oh, OK.

3161 Is it listed as section 10?

3162

3163  **McClure, Dean, EMNRD** 2:33:01

3164 I didn't bring. I can bring it up.

3165 My notes say it has the wrong section.

3166 I believe it's probably some error from being related to the one that's two miles long

3167 versus one mile long.

3168

3169  **Pecos Hall** 2:33:12

3170 OK, I will look into that.

3171 Have it corrected for the March 5th docket.

3172

3173  **McClure, Dean, EMNRD** 2:33:19

3174 OK. Thank. Thank you, Ms. stornes. Thank you, Mr. Herring, examiner.

3175

3176  **Pecos Hall** 2:33:23

3177 Alright, thank you miss Darren's.

3178 Thank you. Alright, moving on.

3179 To and just to give everyone notice, in 20 minutes we're gonna take a two hour lunch
3180 break.

3181 All right, let's go on to newborn oil.

3182 These are case numbers 258-652-5867.

3183 Yes. Good morning, Mr. Gregory. Examiner Raileigh Starnes with the Santa Fe Office

3184 of Holland and Heart on behalf of Newborn oil company.

3185 OK.

3186 Good morning.

3187

3188 **BZ** **Bill Zimsky** 2:33:55

3189 Good morning, Mr. Heron examiner William Zimski Abadi and shill.

3190 We entered an entry of appearance for Devon Energy Production Company LP in

3191 WPX Energy Permian LLC. We're not objecting.

3192 We're just observing.

3193

3194 **PH** **Pecos Hall** 2:34:12

3195 Thank you, Mr. appreciate it.

3196

3197 **JK** **Jordan Kessler** 2:34:14

3198 Good morning.

3199 Good morning, Mr. Examiner.

3200 Jordan Kessler, on behalf of EOG Resources like Mr. Zinski, I'm here to monitor.

3201

3202 **PH** **Pecos Hall** 2:34:23

3203 You, miss Kessler.

3204

3205 **HK** **Hatley, Keri (LDZX)** 2:34:25

3206 Good morning, Mr. Examiner.

3207 Carrie Hatley, entering her parents on behalf of COG operating in Contra oil and gas
3208 monitoring only.

3209

3210 **PH** **Pecos Hall** 2:34:32

3211 Thank you, miss Hatley.

3212 So.

3213 Before you go through your.

3214 Shtick, for lack of a better word.

3215 You didn't sign the CPAC.

3216 Oh, perfect.

3217 So that's an easy fix.

3218 Yes, we can do that today.

3219 We can keep the record open till the end of the day for you to do that. OK. I don't
3220 believe there's any other issues in the in the idea of brevity. If you'll just let me know
3221 if your witnesses are experts. If the notice was timely and any.
3222 Other crucial things you need me to know about these cases?
3223 Absolutely. Both of our experts have previously testified before and our notice was
3224 timely sent on December 19th, so we'll accept all of your exhibits into evidence, Mr.
3225 McClure.

3226 Is there any further review on these two cases?

3227

3228  **McClure, Dean, EMNRD** 2:35:27

3229 No, Mr. her examiner.

3230

3231  **Pecos Hall** 2:35:29

3232 OK, as long as you get that signed CPAC into us, just revise.

3233 Give us an amended exhibit package. OK, explain in the cover letter.

3234 It wasn't signed.

3235 It's signed now and the case can be taken. Those two cases could be taken under
3236 advisement.

3237 Perfect. Thank you so much.

3238 Alright, thank you.

3239 We're off the record there. All right, let's move on to Marathon Oil 25877.

3240 Mr. Examiner Dana Hardy with Hardy McLean, on behalf of Marathon. Thank you.

3241 Right ahead.

3242 Thank you. And and just a brevity, would you like me to? Well, our experts have not
3243 our geology expert has not previously testified. So if there are questions we would
3244 ask to have him qualified.

3245 Mr. McClure, are you going to have questions for their geologist or just a land man?

3246

3247  **McClure, Dean, EMNRD** 2:36:14

3248 Only the land man, Mr.

3249

3250  **Pecos Hall** 2:36:16

3251 OK.

3252 So let's skip that today for qualification, OK? OK.

3253 Thank you.

3254 Marathon is seeking to pull a 12166.6 acre standard horizontal unit comprised of
3255 irregular Section 7 and eight Township 24 S range 27 E in Eddy County and will
3256 dedicate the unit to the Treaties federal Commonwealth.

3257 Miss Shelley Klingler is our land witness who has been qualified as an expert and is
3258 available for questions.

3259 Our notice exhibits show that notice was timely.

3260 On December 30th and January 13th, and we did timely publish on January 15th,
3261 January 15, you said, correct. OK.

3262 Thank you.

3263 Your exhibits are admitted into evidence. In this case, Mr. let's get your witness on
3264 the on the screen.

3265

3266 **KC Klingler, Shelley C 2:37:06**

3267 Good morning.

3268

3269 **PH Pecos Hall 2:37:08**

3270 Morning.

3271 Miss Klingler, would you please raise your right hand?

3272

3273 **KC Klingler, Shelley C 2:37:13**

3274 Yes.

3275

3276 **PH Pecos Hall 2:37:14**

3277 Do you swear affirm under penalty of perjury that the testimony you're about to give
3278 is the truth, the whole truth, and nothing but the truth?

3279

3280 **KC Klingler, Shelley C 2:37:22**

3281 Yes, Sir.

3282

3283 **PH Pecos Hall 2:37:23**

3284 You can put your hand down.

3285 Spell your name please.

3286

3287 **KC Klingler, Shelley C 2:37:25**

3288 Shelley Shelley.

3289 Klingler KLINGLER.

3290

3291  **Pecos Hall** 2:37:31

3292 OK. And I'm gonna ask you Underoath that you've been admitted as an expert
3293 before this division in what field?

3294

3295  **Klingler, Shelley C** 2:37:37

3296 Yes, Sir.

3297 Petroleum land matters.

3298

3299  **Pecos Hall** 2:37:41

3300 Thank you, Ms. Klingler, Mr. McClure.

3301

3302  **McClure, Dean, EMNRD** 2:37:44

3303 Thank you, Mr. Examiner.

3304 Miss Klingler, if I can draw your attention to your exhibit A-3.

3305

3306  **Klingler, Shelley C** 2:37:51

3307 Yes, Sir.

3308

3309  **McClure, Dean, EMNRD** 2:37:52

3310 Page 20 of 57.

3311

3312  **Klingler, Shelley C** 2:37:54

3313 Yes.

3314

3315  **McClure, Dean, EMNRD** 2:37:56

3316 You see that like working interest facing unit box slash table.

3317

3318  **Klingler, Shelley C** 2:38:03

3319 Yes, Sir.

3320

3321  **McClure, Dean, EMNRD** 2:38:05

3322 OK. And you have or there's two persons that are highlighted there?

3323 Do you see who I'm referring to?

3324

3325  **Klingler, Shelley C** 2:38:11

3326 Yes, Sir.

3327

3328  **McClure, Dean, EMNRD** 2:38:12

3329 Are those the only two persons that marathon is asking the division to force pull?

3330

3331  **Klingler, Shelley C** 2:38:17

3332 Working interest.

3333 Yes, the only two working interests.

3334

3335  **McClure, Dean, EMNRD** 2:38:22

3336 Now you clarify your answer with working interest, but my question is, are those the
3337 only two persons that marathon is asking the division to force pull?

3338

3339  **Klingler, Shelley C** 2:38:25

3340 Yes.

3341 No, I have the override owners listed as uncommitted on A5.

3342 Page 29.

3343

3344  **McClure, Dean, EMNRD** 2:38:43

3345 OK, so I.

3346 I guess looking at your exhibits, is it a six that you mean the commitment table?

3347

3348  **Klingler, Shelley C** 2:38:55

3349 Oh, I'm sorry.

3350

3351  **McClure, Dean, EMNRD** 2:38:55

3352 On page 29, Yep.

3353

3354  **Klingler, Shelley C** 2:38:56

3355 Yeah, I was seeing a 5 here on the screen, but it's page 29 a six, yes.

3356

3357  **McClure, Dean, EMNRD** 2:39:02

3358 OK.

3359 So then.

3360 Marathon would like the division to force.

3361 Pool, like all of those overrides or just down to Concho. Or not.

3362

3363  **Klingler, Shelley C** 2:39:18

3364 All the ones that are uncommitted.

3365

3366  **McClure, Dean, EMNRD** 2:39:21

3367 OK. Do you have in your exhibits anywhere where that's clarified?

3368

3369  **Klingler, Shelley C** 2:39:32

3370 I thought this was clarified here.

3371 Sorry, I can update the exhibit and I sent a new one to my council.

3372

3373  **McClure, Dean, EMNRD** 2:39:40

3374 OK.

3375 So if I ask for.

3376 Some sort of exhibit or amendment to these exhibits. It just makes absolutely clear as

3377 to the entirety of which person's marathon is wishing the division to force pool.

3378 Do you understand what I'm looking for?

3379

3380  **Klingler, Shelley C** 2:39:58

3381 Yes, Sir.

3382 And my Council has that to be provided at this time.

3383

3384  **McClure, Dean, EMNRD** 2:40:07

3385 OK.

3386 Very good.

3387 Oh, thank.

3388 Thank you.

3389 Thank you, miss.

3390 I don't have any further questions for the expert witness, but I do have some

3391 guidance for, you know, this was Miss Hardy and Miss McLean, whichever one I
3392 guess.

3393

3394  **Pecos Hall** 2:40:28

3395 Miss Hardy, go right ahead.

3396

3397  **McClure, Dean, EMNRD** 2:40:31

3398 Miss Hardy on the CPAC?

3399 Where it references.

3400 Product primary product.

3401 Do you see where it currently says? Oil on there.

3402

3403  **Pecos Hall** 2:40:47

3404 Yes.

3405

3406  **McClure, Dean, EMNRD** 2:40:48

3407 Could we update that to instead say gas?

3408

3409  **Pecos Hall** 2:40:51

3410 Yes.

3411

3412  **McClure, Dean, EMNRD** 2:40:53

3413 OK, sounds good. And you, you got the the list where we were gonna need the
3414 amended exhibits in the land man for the overrides.

3415

3416  **Pecos Hall** 2:41:02

3417 Yes.

3418 Yes, I do have that. Thank you.

3419

3420  **McClure, Dean, EMNRD** 2:41:06

3421 OK, thank thank you, Miss Hardy.

3422 Thank you, Miss Herring examiner.

3423

3424  **Pecos Hall** 2:41:09

3425 Mr. McClure, the change from oil to gas seems to be a simple issue that we could

3426 leave the record open till the end of the day. The exhibit from the Landman.
3427 Is that something that would require further review once she highlights what
3428 interests they're seeking to be pooled?

3429

3430  **McClure, Dean, EMNRD** 2:41:29

3431 Yeah, I think that's a pretty important thing. 'cause. We're constantly people need to
3432 know who in order applies to, and we need to have.

3433

3434  **Pecos Hall** 2:41:37

3435 OK.

3436

3437  **McClure, Dean, EMNRD** 2:41:40

3438 No.

3439

3440  **Pecos Hall** 2:41:41

3441 OK, sounds good.

3442 So March 5th, we'll rehear this case.

3443 Thank you. Thank you.

3444 All right.

3445 Thank you, Mr. McClure.

3446 Thank you, miss Klingler.

3447 I guess you're gone anyway.

3448 Let's go to 25883.

3449 This is taprock operating.

3450

3451  **Miguel Suazo** 2:41:56

3452 Good morning, Mr. Examiner.

3453 Miguel Suaza with Betty and Wozniak appearing today on behalf of Taprock
3454 operating.

3455

3456  **Pecos Hall** 2:42:01

3457 Thank you, Mr. Suazu.

3458 Good morning, Mr. Examiner.

3459 Deena Bennett, on behalf of Kotera Energy operating and we are not objecting to the
3460 case moving forward.

3461 Perfect, Mr. Suazo.

3462 Go right ahead.

3463

3464  **Miguel Suazo** 2:42:11

3465 Yes, thank you, Mr. Examiner, in this case 25883 taprock is requesting approval for a
3466 standard horizontal spacing unit and compulsory pooling comprised of 12180 acres
3467 more or less.

3468 Comprised of the following wells, the beer cave fed *** 202 H2O 4H211-H and 213H
3469 all will produce in the Purple Sage Wolfcamp. There was a revised exhibit packet filed
3470 on February 3rd.

3471 That contains exhibit A, which is the compulsory pooling checklist. Exhibit B is the
3472 application and the proposed notice of hearing which was filed on December 31st of
3473 last year, and Exhibit C is the affidavit of senior Land Man Kenneth Maxwell.

3474 Mr. Maxwell has not previously testified before the division, and if you like, you can
3475 swear him in at this time.

3476

3477  **Pecos Hall** 2:43:02

3478 I don't know if we're going to have questions for the Mr. Maxwell, are we, Mr.
3479 McClure?

3480

3481  **McClure, Dean, EMNRD** 2:43:08

3482 I'll have questions for the land man.

3483

3484  **Pecos Hall** 2:43:12

3485 OK.

3486 Mr. McClure, are you going to have questions for anyone else or just a land man?

3487 I'm trying to decide on whether 10 minutes is enough time to do this case.

3488

3489  **McClure, Dean, EMNRD** 2:43:22

3490 It should be just for the land man and I believe it should be relatively quick.

3491

3492  **Pecos Hall** 2:43:27

3493 OK, perfect. All right, Mr. Suazo, let's get your. Well, let's deal with your exhibits first.

3494 Go ahead and finish what you were going to say about your notice and everything

3495 else.

3496

3497 **MS Miguel Suazo** 2:43:35

3498 Sure. Exhibit C1 through C6 are the standard suite of land exhibits, including the
3499 location maps, AC102's, the Platin track ownership, and the ownership of the parties
3500 being pooled, well proposals, etcetera.

3501 Exhibit D is the affidavit of Vice president of Geoscience, Matt Jones.

3502 Mr. Jones has previously testified before the division and his qualifications have been
3503 accepted and made a matter of record.

3504 His exhibits D1 through D5 are the standard suite of geology exhibits.

3505 And exhibit E is the notice affidavit showing that notice letters were mailed on
3506 January 14th of this year to the addresses of record, the interested parties and the
3507 mailing receipts and proof of publication was made in the Carlsbad Current Argus on
3508 January 22nd. Also of this year.

3509 All notices were timely and contemplate holidays into the minimum days between
3510 notice and hearing, and with that I'd like to request that the exhibits be admitted to
3511 the record and make the witnesses available for questioning.

3512 And hopefully this case could be taken under advisement.

3513

3514 **PH Pecos Hall** 2:44:38

3515 Let's get your well admitted without exception.

3516 Let's get your land man on the camera.

3517

3518 **TM Tripp Maxwell** 2:44:44

3519 I'm. I'm here.

3520

3521 **PH Pecos Hall** 2:44:47

3522 Yeah, I see you now.

3523 OK. Would you raise your right hand please?

3524 Do you swear?

3525

3526 **TM Tripp Maxwell** 2:44:52

3527 Yes, Sir.

3528

3529 **PH Pecos Hall** 2:44:52

3530 Affirm under penalty of perjury, the testimony you're about to give is the truth.

3531 The whole truth and nothing but the truth.

3532

3533 **TM Tripp Maxwell** 2:44:57

3534 Yes, Sir, I do.

3535

3536 **PH Pecos Hall** 2:44:59

3537 Please put your hand down and spell your name.

3538

3539 **TM Tripp Maxwell** 2:45:01

3540 Kenneth Kenneth Maxwell Maxwell.

3541

3542 **PH Pecos Hall** 2:45:08

3543 OK. And tell me what field of expertise you're seeking to be qualified?

3544

3545 **TM Tripp Maxwell** 2:45:15

3546 Petroleum land matters.

3547

3548 **PH Pecos Hall** 2:45:16

3549 OK.

3550 What education do you have and when did you get it?

3551

3552 **TM Tripp Maxwell** 2:45:19

3553 I have a Bachelor of Science in mathematics from Texas Tech University in 2011.

3554

3555 **PH Pecos Hall** 2:45:26

3556 OK.

3557 What work have you done as a land man since 2011?

3558

3559 **TM Tripp Maxwell** 2:45:31

3560 So I've been actively involved in multiple rig development programs for for several

3561 different companies in, in multiple different basins involves the negotiation of a

3562 differing agreements that are needed to to facilitate those multi rig programs.

3563 So that does that answer your question?

3564

3565  **Pecos Hall** 2:45:54

3566 Somewhat. So let's see.

3567 Who have you worked for as a land man?

3568

3569  **Tripp Maxwell** 2:45:58

3570 So currently I'm employed by Taprock Resources as a senior land man.

3571 Previously I was a land supervisor with BPX Energy, a subsidiary of BP British
3572 Petroleum.

3573 Before that, I was with Jagged peak energy. And then before that I was with a
3574 company out of Dallas base of resources.

3575

3576  **Pecos Hall** 2:46:16

3577 OK. And what's your title now?

3578

3579  **Tripp Maxwell** 2:46:18

3580 Senior land man.

3581

3582  **Pecos Hall** 2:46:19

3583 OK.

3584 I think you mentioned that.

3585 What are your responsibilities? Generally as it is now?

3586

3587  **Tripp Maxwell** 2:46:25

3588 So I'm actively involved in Taprock's development program of of drilling wells as well
3589 as acquisition A&D efforts acquiring and and divesting of of various interests.

3590

3591  **Pecos Hall** 2:46:38

3592 OK, I recognize you as a petroleum land man from here on in, Mr. McClure.

3593

3594  **McClure, Dean, EMNRD** 2:46:43

3595 Oh, thank you, Mr. Herring. Examiner. Mr. Maxwell, I'm looking at your exhibit C-4.

3596 Which is on page 30. I think of 54.

3597

3598  **Tripp Maxwell** 2:46:57

3599 OK.

3600

3601  **McClure, Dean, EMNRD** 2:46:59

3602 And do you see on this table where you have five different persons highlighted?

3603

3604  **Tripp Maxwell** 2:47:04

3605 Yes, Sir, I do.

3606

3607  **McClure, Dean, EMNRD** 2:47:06

3608 Are those five persons all of the persons?

3609 That the applicant Taprock is asking the division to force pool.

3610

3611  **Tripp Maxwell** 2:47:16

3612 Yes, Sir.

3613

3614  **McClure, Dean, EMNRD** 2:47:18

3615 OK.

3616 So there are no overrides or anything like that that taprock is asking the division to

3617 force pull.

3618

3619  **Tripp Maxwell** 2:47:26

3620 There, there are overriding royalty owners.

3621

3622  **McClure, Dean, EMNRD** 2:47:31

3623 Yep, is Taprock acting the division to force pull any of them.

3624

3625  **Tripp Maxwell** 2:47:41

3626 My understanding is that the the working interest parties were were the ones that

3627 needed to be force pooled.


3628


3629  **McClure, Dean, EMNRD** 2:47:49


3630 OK.


3631 So let me ask ask you one more time.


3632 Just make sure I'm understanding what you're saying.
3633 So then is it accurate to say that taprock is not asking the division to force pool any
3634 overrides?
3635


3636  **Tripp Maxwell** 2:48:03
3637 At this time, no.
3638


3639  **McClure, Dean, EMNRD** 2:48:07
3640 OK.
3641 Very good.
3642 Thank you, Mr. Maxwell.
3643 Thank you, Mr. I have nothing further for this case and I think we can take it under
3644 advisement.
3645

3646  **Pecos Hall** 2:48:15
3647 End on a high note here, alright.
3648

3649  **Tripp Maxwell** 2:48:20
3650 Hmm.
3651

3652  **Pecos Hall** 2:48:21
3653 Oh, for us too.
3654 We don't wanna hear these cases again, so you know.
3655 Now let's see it's. I got 5 more minutes and I have two cases. I believe we can take
3656 under advisement.
3657 So let's get these out of the way.
3658 These are also tap rock. Mr. Suazo, are you representing 258-842-5885?
3659

3660  **Miguel Suazo** 2:48:40
3661 Yes, Mr. examiner.
3662

3663  **Pecos Hall** 2:48:41
3664 Let's get through these two cases.
3665 Go for it.

3666

3667 **MS Miguel Suazo** 2:48:43

3668 All right, in these cases, taprock's requesting approval for two standard horizontal
3669 spacing units and compulsory pooling in 25884. They're seeking approval of A320
3670 acre standard horizontal unit in the West half W half of section 17 and 20 township's.
3671 26 S range 25 E and Eddie County, comprised of the Coors Fedcom 151 H, which will
3672 produce in the Bone Spring and in case number 2.

3673 588 There's an approval of A320 acre, more or less standard horizontal spacing unit
3674 in the east half of the West half of section 17 and 20 Township 26 S range 25 E also
3675 in Eddy County containing the Coors Fedcom 1.

3676 52 H also producing from the Bone Spring.

3677 The exhibit packet was filed on January 29th of this year.

3678 Exhibit A is the compulsory pooling checklist.

3679 Exhibit B is the application and proposed notice of hearing.

3680 Filed on December 31st of 2025.

3681 Exhibit C is the affidavit of senior land man Erica Shoemaker, who has previously
3682 testified before the division, and her qualifications have been accepted and made a
3683 matter of record.

3684 Exhibit C1 through C6 are the standard suite of land exhibits and exhibit D is the
3685 affidavit of Vice president of Geoscience Matt Jones.

3686 He has also previously testified before the division and his qualifications have been
3687 accepted and made a matter of record.

3688 His exhibits D1 through 5.

3689 Or the standard suite of geology exhibits, and finally, exhibit E is the affidavit
3690 showing that notice letters were mailed on January 14th, 2026 to the addresses of
3691 the interested parties, mailing receipts and proof of publication in the Carlsbad Kern
3692 Argus was made on January 22nd.

3693 Of this year, all notices were timely and contemplate the holidays into the minimum
3694 days between notice and hearing.

3695 And with that, I would like to request that the exhibits be admitted into the record
3696 and that these matters be taken under advisement.

3697

3698 **PH Pecos Hall** 2:50:39

3699 Without exception, taken under advisement.

3700 Thank you, Mr. Suazo, and have a good lunch.

3701

3702 **MS Miguel Suazo** 2:50:43

3703 Thank you. Mr. Gemini. You too.

3704

3705 **PH Pecos Hall** 2:50:46

3706 We're off the record.

3707

3708 **AFTER LUNCH BREAK**

3709 2h 57m 53s

3710

3711 **PH Pecos Hall** 48:40

3712 Did you have a question for Freya?

3713 All right.

3714 Welcome back from lunch. It is 1/26 PMI.

3715 See, Mr. McClure is here.

3716 I believe we're recording. Right, Freya? Yes. OK.

3717 Thank you.

3718 We are going to #31 on the docket.

3719 That is 25892.

3720 Interest of appearance please.

3721 Thank you, Mr. hearing examiner Deena Bennett, on behalf of Chevron USA Inc.

3722 Thank you.

3723 There are no other parties.

3724 I see that go right ahead.

3725 Thank you.

3726 In this case, Chevron seeks an order pooling all uncommitted interest owners in.

3727 Purple Sage Wolfcamp gas spacing unit.

3728 That's comprised of all of sections 19 and 30, Township 25 S, range 27 E and in the
3729 materials we've included the usual exhibits, including the pooling checklist, the Self
3730 Affirm declaration of Katie Holly who's testified before the division, and her
3731 credentials have been accepted as a.

3732 Matter of record the self affirm declaration of Hunter Birch.

3733 He's a geologist for.

3734 Chevron and he.

3735 Has previously appeared well. I've submitted an affidavit from him in the past with

3736 his resume and he might also be someone who, if we have time to qualify, that
3737 would be good since he will be a witness going forward and he's included with his
3738 materials, the usual SU.
3739 Of exhibits and then I've included.
3740 The notice materials, which include the notice letter dated January 12th, and the
3741 affidavit of publication dated January 15th.
3742 And in reviewing the materials, I did note that the C1O twos that we provided look a
3743 little odd.
3744 And that's because these are actually irregular sections. I thought at first it might
3745 have been the optimization I went through, but the the lines on the C1O twos are
3746 accurate.
3747 It's just that the sections are a little irregular.
3748 So with that, I would ask that the exhibits in case number 25892 be admitted into the
3749 record and that the case be taken under advisement.
3750 Thank you, admitted, without exception, Mr. McClure.

3751

3752  **McClure, Dean, EMNRD** 51:44

3753 Hi, Mr. herring.

3754 Examine all I have questions for the land man.

3755

3756  **Pecos Hall** 51:47

3757 OK.

3758 Katie Halle if you can turn your camera on and your mic please.

3759 OK, Miss Halle, would you?

3760

3761  **Halley, Katie** 51:56

3762 Right.

3763

3764  **Pecos Hall** 51:58

3765 I see you miss Halle.

3766 Would you raise your right hand please?

3767 You swear firm under penalty of perjury, that the testimony you're about to give is
3768 the truth? The whole truth is nothing but the truth.

3769

3770  **Halley, Katie** 52:07

3771 Yes.

3772

3773  **Pecos Hall** 52:08

3774 Thank you.

3775 Would you spell your name please?

3776

3777  **Halley, Katie** 52:11

3778 It's Katie halley.

3779 Kat i.e. And then Halle is HALLEY.

3780

3781  **Pecos Hall** 52:18

3782 Thank you.

3783 And you've previously been admitted as an expert before this division.

3784

3785  **Halley, Katie** 52:22

3786 Yes, that's correct.

3787

3788  **Pecos Hall** 52:23

3789 Good in what field?

3790

3791  **Halley, Katie** 52:25

3792 Petroleum Land Management.

3793

3794  **Pecos Hall** 52:26

3795 Thank you, Mr. McClure. Go ahead.

3796

3797  **McClure, Dean, EMNRD** 52:29

3798 Thank you, Mr. Herring. Examiner, Miss Harvey.

3799 Is it accurate that Chevron's requesting?

3800 Production supervision costs of \$1700 per well per month.

3801

3802  **Halley, Katie** 52:44

3803 Yes, that's correct.

3804

3805  **McClure, Dean, EMNRD** 52:47

3806 OK, if I were to ask you to or do you believe that that cost to be reasonable?

3807

3808  **Halley, Katie** 52:52

3809 So the costs are based on our yearly review of actual drilling and production cost for
3810 the county of Eddy County.

3811

3812  **McClure, Dean, EMNRD** 53:01

3813 Mm-hmm.

3814

3815  **Halley, Katie** 53:02

3816 Basically, the cost of refreshed every April and they comprise a like average drilling
3817 cost for all the wells we drilled in the county along with the average producing cost
3818 for all the wells that we produce in the county.

3819 For that year, from April to April.

3820

3821  **McClure, Dean, EMNRD** 53:19

3822 If I were to ask Chevron to provide us with supporting documents demonstrating
3823 that it cost is reasonable, what would you propose to provide to the division?

3824

3825  **Halley, Katie** 53:31

3826 So we can provide a methodology along with kind of a probably summary of the
3827 number of wells in the data set I think.

3828 Beyond that, it comes from it. Like if you break it down further, then it would be on a
3829 well by well basis cost which is gets into the kind of proprietary area or confidential
3830 which we would be concerned about providing because it would end up as public
3831 records.

3832

3833  **McClure, Dean, EMNRD** 54:04

3834 Well, you understand that Chevron's requesting the division to force persons using
3835 state police power to pay these costs, correct?

3836

3837  **Halley, Katie** 54:14

3838 Yes.

3839 We are happy to stipulate to 1400, as the other companies instead.

3840

3841  **McClure, Dean, EMNRD** 54:23

3842 OK.

3843 That, that, that should be.

3844 It should be fine.

3845 Thank. Thank you, Mr. Hall or Miss Harley. Excuse me.

3846 Mr. Herring, examiner, I have no more questions for the expert witnesses, but I do
3847 have some guidance for Miss Bennett.

3848

3849  **Pecos Hall** 54:38

3850 Go right ahead.

3851

3852  **McClure, Dean, EMNRD** 54:40

3853 Miss Bennett on your CPAC.

3854 It looks like you intended to include the correct pool, of course, but it looks like
3855 there's a slight typo on the pool code.

3856

3857  **Pecos Hall** 54:52

3858 Oh yeah, I see it.

3859

3860  **McClure, Dean, EMNRD** 54:54

3861 Yeah. Do you need me to give you the the right numbers or are you good?

3862

3863  **Pecos Hall** 54:59

3864 No, I know.

3865

3866  **McClure, Dean, EMNRD** 55:00

3867 OK. And Miss Bennett and we can bring on your geologist if you're not familiar with
3868 the snacks?

3869 But just to confirm, I'm also wanting to have the Geo the cross section in the
3870 geologist exhibit.

3871 It to be updated to include the well API numbers.

3872 Do you understand what I'm asking for?

3873

3874  **Pecos Hall** 55:21

3875 I do.

3876

3877  **McClure, Dean, EMNRD** 55:22

3878 OK. Thank. Thank you. Ms. Bennett, Mr. Herring Examiner, I have nothing further for
3879 this case.

3880

3881  **Pecos Hall** 55:29

3882 OK.

3883 How so?

3884 Let me just ask M's Bennett. How will you modify your exhibits?

3885 I will be doing three things.

3886 First, I will be amending the compulsory pooling checklist to correct the pool code
3887 and to identify 1400 as a supervision cost.

3888 Is this what you're asking?

3889 I am asking exactly what I'm asking and then the last thing and then the second
3890 thing I'll be doing is amending the Land Man declaration to reflect the \$1400
3891 supervision cost.

3892 And then the third thing I'll be doing is updating the Structural Cross sections to
3893 show the well API numbers.

3894 I would.

3895 I would be good on the first two things to keep the record open for the rest of the
3896 day for you to do those two things.

3897 I'm not sure about the third thing.

3898 Let me ask Mr. McClure.

3899 Mr. McClure, do you want to review the exhibit once the API numbers are included?

3900

3901  **McClure, Dean, EMNRD** 56:37

3902 I mean.

3903 On that particular I, I mean, we may be fine to go ahead your your question of course
3904 is leaning towards taking it on or leaving the record open for the end of the day.

3905

3906  **Pecos Hall** 56:46

3907 Yes, yes, yes.

3908 Is that something you can do by the end of the day?

3909 Yes, even the API.

3910

3911  **McClure, Dean, EMNRD** 56:51

3912 Yeah. I mean, if you're.

3913

3914  **Pecos Hall** 56:54

3915 Go ahead, Mr. McClure. I'm sorry.

3916

3917  **McClure, Dean, EMNRD** 56:55

3918 Well, the only thing I was going to say is if you're fine with the first two things, then

3919 I'm fine with the third one.

3920

3921  **Pecos Hall** 56:59

3922 OK.

3923 Excellent. So we're gonna leave the record open until 5:00. As long as you can get

3924 them in by 5:00 today. To take case will be taken under advisement.

3925 Thank you.

3926 OK. The next three cases WPX Energy Permian 258939697 entries please.

3927

3928  **Bill Zimsky** 57:17

3929 Yes, William Zimmerty and shill, on behalf of WPX.

3930

3931  **Pecos Hall** 57:23

3932 Yes, Mr. Zimski, there's no other parties in these three cases. And normally I would

3933 ask you to proceed.

3934 The problem is that the exhibits were filed late.

3935

3936  **Bill Zimsky** 57:37

3937 I was not aware of that. When were they?

3938

3939  **Pecos Hall** 57:41

3940 I'll ask Mr. McClure.

3941 Mr. McClure, when were the exhibits filed?

3942 Or if you don't know, I can ask Freya who's better to know, Freya.

3943

3944  **McClure, Dean, EMNRD** 57:48

3945 Fryer probably has it off top her head.

3946 It's in her notes, but I could look it for you too, but.

3947

3948  **Pecos Hall** 57:52

3949 Perfect. No, it's OK. Freya, what do you have?

3950 I believe they were filed last Friday. The exact time I need to look up, they would have
3951 been due on Thursday.

3952 Did you hear that, Mister Zimski?

3953

3954  **Bill Zimsky** 58:07

3955 Yes, I did.

3956

3957  **Pecos Hall** 58:10

3958 So because of that and because of the the review load of this docket, these three
3959 cases have not been reviewed.

3960 So we can't proceed with them at this time.

3961 You can continue them to the March 5th docket and we'll review them at that time.

3962

3963  **Bill Zimsky** 58:28

3964 Yes, if we could move them to the March 5th, I would appreciate it.

3965

3966  **Pecos Hall** 58:32

3967 By all means you.

3968 You're more than welcome to go into the system and file continuances for the three
3969 cases.

3970 I think it costs about 150 each to move them and then we will put them toward the
3971 beginning of the March 5th docket.

3972

3973  **Bill Zimsky** 58:46

3974 Thank you.

3975

3976  **Pecos Hall** 58:47

3977 All right.

3978 Thank you, Mr. Zimski.
3979 OK.
3980 Let's go on to hillcorp energy 25898.
3981 Good afternoon, Mr. hearing examiner and technical examiner Paula Vance with the
3982 Santa Fe Office of Holland and Hart, on behalf of the applicant Hillcorp Energy
3983 Company, and I don't believe there are any other parties, so I'm going to jump right
3984 into it.
3985 So in this case, Hillcorp is seeking to pull the uncommitted interest in a 588.8 acre,
3986 more or less overlapping horizontal well spacing.
3987 And that is underlying what's 5 and six, the east half of the Southwest quarter in the
3988 Southeast quarter and that is the South half equivalent of a regular Section 7 and
3989 then lots seven and eight, the east half of the Southwest, Quarter and SE quarter,
3990 again S half.
3991 Equivalent of irregular Section 8, and that's in Township 32 N Range 8 W in that San
3992 Juan County, New Mexico.
3993 And the pool involved there is the basin Fruitland coal pool.
3994 In the pool code is.
3995 71629 and HILLCORP seeks to initially dedicate the spacing unit to the initial trail
3996 Canyon. 100 federal com.
3997 18 I will let you know that our geologist has not previously testified, so we included
3998 his resume. Other than that, Rob Carlson, our land man, has previously testified.
3999 We've included all of the required exhibits both for land and geology.
4000 And then that's followed by my notice myself affirmed statement of notice.
4001 That was timely, mailed out the notice for the pooling, which was January 16th, 2026.
4002 We did send a follow up letter to the BLM regarding the the overlap and that went
4003 out on January 28th, 2026. So that one is late if we need to continue to perfect the
4004 overlap notice, we understand that and then that's followed by the AFF.
4005 Of notice of publication which was timely on.
4006 Run on January 16th.
4007 2026 and unless there are any questions, I would ask that the exhibits and sub
4008 exhibits be admitted into the record and that this case be taken under advisement.
4009 Thank you, admitted, without exception, Mr. McClure. Who do you have questions
4010 for?

4011

4012  **McClure, Dean, EMNRD** 1:01:03

4013 A quick question for M's fans, and then a quick question for the geologist.

4014

4015  **Pecos Hall** 1:01:08

4016 The geologist has not been.

4017 Qualified. Why don't we do the geologist one first? Mr. McClure, can we get the

4018 geologist on the screen?

4019 Yes, he should be.

4020 There I was messaging.

4021

4022  **Vitaly Kuchinskiy** 1:01:23

4023 Yes, I am in. If you can see me and hear me.

4024

4025  **Pecos Hall** 1:01:26

4026 Not yet.

4027 Are you sure your camera's on?

4028

4029  **Vitaly Kuchinskiy** 1:01:36

4030 Yes, Sir. I can see the my screen. OK. Perfect.

4031

4032  **Pecos Hall** 1:01:40

4033 I see you. I see you.

4034 OK.

4035 There you are.

4036 Would you raise your right hand?

4037

4038  **Vitaly Kuchinskiy** 1:01:43

4039 Good afternoon.

4040

4041  **Pecos Hall** 1:01:46

4042 You swear affirm under penalty of perjury, that the testimony you're about to give is

4043 the truth.

4044 Truth nothing but the truth.

4045

4046 **VK** **Vitaly Kuchinskiy** 1:01:52

4047 Yes.

4048

4049 **PH** **Pecos Hall** 1:01:53

4050 Thank you.

4051 You can put your hand down.

4052 Would you pronounce and spell your name?

4053

4054 **VK** **Vitaly Kuchinskiy** 1:01:58

4055 Vitali Kochinsky VITALYK.

4056 UCHINSKIY.

4057

4058 **PH** **Pecos Hall** 1:02:04

4059 OK. Have you.

4060 Were you on earlier, Mr. Kuchinski, when I was admitting other experts in in their
4061 fields?

4062

4063 **VK** **Vitaly Kuchinskiy** 1:02:13

4064 Unfortunately, no, Sir.

4065

4066 **PH** **Pecos Hall** 1:02:15

4067 OK.

4068 All right.

4069 So Mr. Kutinski, I.

4070 I don't do.

4071 You. Did you say that there is ACV here? Yes, there is.

4072 Put it on the screen.

4073 Sure. Happy to do that.

4074 Maybe I can just look at it.

4075 And Mr. Kucinski, what field of geology are you seeking to be admitted as an expert?

4076

4077 **VK** **Vitaly Kuchinskiy** 1:02:37

4078 Patrol on geologists, oil and gas, both development and exploration. Yep.

4079

4080 **PH Pecos Hall** 1:02:40

4081 Perfect. OK. All right.

4082 Did you, Mr. Katinsky?

4083 I'm looking at exhibit D1. Is there any way to make this a bigger, sure, absolutely.

4084 I don't.

4085 Letters. I mean, that's not what I mean.

4086 Can you get rid of some of these toolbars so that this takes up more of the screen?

4087 Yeah, yeah, yeah, sure.

4088 I think there's a way of doing that.

4089 That better.

4090 That's better. I guess I thought.

4091 Maybe. OK, whatever.

4092 Let's not get into this.

4093 OK, Mr. Kaczynski.

4094 I'm looking at what has been identified by Council as exhibit D1.

4095 Do you recognize this document?

4096

4097 **VK Vitaly Kuchinskiy** 1:03:14

4098 Yes, Sir.

4099

4100 **PH Pecos Hall** 1:03:15

4101 Did you draft it?

4102

4103 **VK Vitaly Kuchinskiy** 1:03:16

4104 Yes, I did.

4105

4106 **PH Pecos Hall** 1:03:18

4107 Is it accurate? Do you have?

4108

4109 **VK Vitaly Kuchinskiy** 1:03:19

4110 It is accurate, yes.

4111

4112 **PH Pecos Hall** 1:03:20

4113 Do you have any changes you wanna make to it?

4114

4115  **Vitaly Kuchinskiy** 1:03:23

4116 No.

4117

4118  **Pecos Hall** 1:03:26

4119 OK.

4120 Let me just review it.

4121 Can you make the CV go up now so I can read more at the bottom? Thank you.

4122

4123  **Vitaly Kuchinskiy** 1:04:07

4124 The two page documents are just, yeah.

4125

4126  **Pecos Hall** 1:04:09

4127 I don't know that I need to review all 2 pages, Mr. Kaczynski.

4128

4129  **Vitaly Kuchinskiy** 1:04:12

4130 Sure.

4131

4132  **Pecos Hall** 1:04:13

4133 The first page that I believe is more than enough to qualify you. So Mr. Kaczynski,
4134 from here on in, you're qualified as an expert in petroleum geology before this
4135 division.

4136 Mr. McClure, go right ahead.

4137

4138  **Vitaly Kuchinskiy** 1:04:24

4139 Thank you.

4140

4141  **McClure, Dean, EMNRD** 1:04:25

4142 Thank you, Mr. Herring examiner.

4143 Mr. Kochinski, can you confirm for me that you believe each quarter section of this
4144 proposed unit will contribute relatively equally to the production of the well?

4145

4146  **Vitaly Kuchinskiy** 1:04:38

4147 Yes, Sir. That's right.

4148 The wells going through all this quarter section, so we'll be full, all of them should
4149 contribute to the well performance, yeah.

4150

4151  **McClure, Dean, EMNRD** 1:04:46

4152 I understand they all contribute.

4153 Do you believe they'll contribute relatively equally to the wells production?

4154

4155  **Vitaly Kuchinskiy** 1:04:53

4156 Thickness do change a little bit.

4157 It's it's obviously, you know those level of uncertainty where the pressure initial them.

4158 But at this time the thickness changes are not as significant.

4159 So I believe they should be equally contributing.

4160 Yeah, that's correct.

4161

4162  **McClure, Dean, EMNRD** 1:05:09

4163 OK.

4164 Thank you, Sir.

4165 Mr. herring examine.

4166 I have no further questions for the expert witness of this case, only Miss Pants.

4167

4168  **Pecos Hall** 1:05:15

4169 Go right ahead.

4170

4171  **McClure, Dean, EMNRD** 1:05:16

4172 I thank Mr. Herring. Examiner. Miss Vance, what is your understanding of the notice
4173 requirements for overlapping spacing units?

4174

4175  **Pecos Hall** 1:05:25

4176 That it.

4177 It's the same the 20 day requirement. I'd have to go back and look at the rules
4178 specifically, but I think it's in. Is it 12 for APD permitting?

4179 But I believe it's 20 days.

4180 That's why I said if we could just let it run that 20 days for the objection period, we're
4181 happy to. You know, if obviously we need to perfect it.

4182 To then be able to let it be taken under advisement.

4183

4184  **McClure, Dean, EMNRD** 1:05:57

4185 Well, I'm looking.

4186

4187  **Pecos Hall** 1:05:57

4188 Or, you know, to perfect it, yeah.

4189

4190  **McClure, Dean, EMNRD** 1:06:00

4191 As you say, I'm looking at the horizontal well rule and I guess I wasn't referring to the
4192 notice period.

4193 I mean the persons that need notice and just a brief looking at it, it looks like it's the
4194 operators and working interest owners.

4195

4196  **Pecos Hall** 1:06:16

4197 Yeah, so. Oh, I was gonna say so.

4198

4199  **McClure, Dean, EMNRD** 1:06:16

4200 So I'm wondering, go ahead.

4201

4202  **Pecos Hall** 1:06:20

4203 The requirement I mean as far as what is required per notice.

4204 So it's the requirement is that it is for the existing spacing unit, either the operator,
4205 but if the applicant is the operator then it would be the working interest owners and
4206 if federal or state leases are involved also those agencies and then also to the
4207 working interest owners.

4208 Of the proposed.

4209 Spacing unit.

4210 But I believe we met that with our all of the notice we provided.

4211

4212  **McClure, Dean, EMNRD** 1:06:51

4213 Yeah, but you're referencing the definition for affected persons is affected persons.

4214 The requirement under the horizontal well rule.

4215

4216  **Pecos Hall** 1:07:02

4217 Sure, what?

4218 You're you're asking, so if or what? What we're trying to get at?

4219

4220  **McClure, Dean, EMNRD** 1:07:05

4221 Umm.

4222

4223  **Pecos Hall** 1:07:07

4224 So if you could maybe ask and or at least provide some.

4225

4226  **McClure, Dean, EMNRD** 1:07:11

4227 The the definition that you just quoted is the affected persons from Part 2. The

4228 horizontal well rule where it talks about existing and subsequent wells and horizontal

4229 spacing units is where it actually talks about the overlapping spacing units and is that

4230 not the part of rule that is.

4231

4232  **Pecos Hall** 1:07:12

4233 I'm not sure what we're trying to get at.

4234 Great.

4235 Correct.

4236

4237  **McClure, Dean, EMNRD** 1:07:34

4238 Relevant here.

4239

4240  **Pecos Hall** 1:07:35

4241 Yes. And I'm there right now.

4242

4243  **McClure, Dean, EMNRD** 1:07:38

4244 Does it require affected persons or does it describe the persons that need to be

4245 noticed?

4246

4247  **Pecos Hall** 1:07:50

4248 You give me a second. I'm pretty sure I just recited it, but.

4249

4250  **McClure, Dean, EMNRD** 1:07:55

4251 Well, you recited the effective person's definitions in Part 2, I thought.

4252

4253  **Pecos Hall** 1:07:59

4254 No, I did not.

4255

4256  **McClure, Dean, EMNRD** 1:08:00

4257 But OK.

4258 Drift to require the BLM to be noticed anyway.

4259 So maybe we're better off to let the notice period run.

4260

4261  **Pecos Hall** 1:08:21

4262 Yeah. If you give me just one moment here.

4263

4264  **McClure, Dean, EMNRD** 1:08:23

4265 Special corres aminol.

4266

4267  **Pecos Hall** 1:08:37

4268 Yeah, I just repeat.

4269 Yeah, what I said is exactly what's in the rule.

4270 So the requirement is you for the existing spacing unit you provide notice to either
4271 the operator or if the applicant.

4272 Is is the, is the operator. Then you provide notice to the other working interest
4273 owners, and then a federal or state lands are involved.

4274 Do you provide notice to the feds or the state as appropriate?

4275 And then for the proposed spacing unit you provide notice to the other working
4276 interest owners. Again, if federal or state lands are involved, you do that.

4277 That's not the definition of affected parties.

4278

4279  **McClure, Dean, EMNRD** 1:09:23

4280 OK.

4281 That's that's good.

4282 Thank you, Miss Vance.

4283 Thank you, Mr. Herring examiner.

4284 I have nothing further.

4285

4286  **Pecos Hall** 1:09:30

4287 Can we take this case under advisement?

4288

4289  **McClure, Dean, EMNRD** 1:09:32

4290 No. The notice period needs to run to the BLM. Is that not correct, Miss Vance?

4291

4292  **Pecos Hall** 1:09:37

4293 Yeah, that's why I. Yeah. I thought you were saying that you had done that.

4294 That's what I thought that all that statement was about.

4295 No, no, no, no, no.

4296 At the beginning of presenting, I said we the notice for the overlap to the BLM went
4297 out on January 28th and so it's not timely and we need to perfect that.

4298 So when when will?

4299 When will it be perfected?

4300 Umm.

4301 I did not do that math and I should have.

4302 I'm sorry. That's OK. March 5th M's Vance.

4303 Otherwise, could I mean no, we can't do any no more for February 26.

4304 We're full adopted is closed.

4305 So March 5th, Miss Vance.

4306 That sounds all right.

4307 Sounds good.

4308 Thank you.

4309 Let's go to Longfellow energy. This is 25903.

4310 Good afternoon. Sharon Shaheen, on behalf of Longfellow Energy.

4311 Thank you, micheene.

4312 Good, good afternoon.

4313 Mr. Hearing examiner Yodit's opinion on behalf of spur Energy Partners, and we are
4314 just monitoring this case.

4315 Thank you, M's Penn. You go right ahead, machine.

4316 Thank you.

4317 In this case, Longfellow seeks to pool the the Yaso formation underlying the north
4318 half of section 33.

4319 In Township, 16 S range 31 E in Eddy County, New Mexico.

4320 They proposed to drill the Van Halen 33 AB bed comma.
4321 That's the one H through the 8A.
4322 We have an exhibit A, the self affirm statement of Land man, Mr. Stewart Gaston. He
4323 has testified before the division and had his credentials accepted as an expert
4324 previously, and he has the usual exhibits in this case A1 through a six.
4325 We in Exhibit B, we have the self firm statement of geologist Jacob SD Hammer and
4326 he likewise has also testified before the division and had his credentials accepted as a
4327 matter of record.
4328 This is a standard unit with proximity tracks, and the 5H is the proximity.
4329 Well, lastly, we have my exhibit C Self affirm statement regarding notice certified
4330 mailings went out on January 14th, which is 22 days prior to hearing and notice was
4331 also published on January 17th which was 13 business days prior to hearing and I'm
4332 happy to answer any quest.
4333 We have our land, man and geologist available, but with that I would move the
4334 admission of all of the exhibits and the sub exhibits and ask that this case be taken
4335 under advisement.
4336 The exhibits are admitted without exception.
4337 The case is taken under advisement.
4338 Thank you, machine.
4339 Moving on to Permian Resources 25904.
4340 Yes, Jackie McLean on behalf of Permian Resources.
4341 And there's no other party that's entered an appearances case I before we go to this
4342 room, can I ask just a follow-up question?
4343 About case 25793. What what which that was?
4344 It was number 16 on the docket. I'm there.
4345 And that one we needed to provide tracking numbers.
4346 Is that something we have those and can submit those today?
4347 Can we provide those in the case be taken under advisement? I don't know.
4348 Hold on one second, Mr. McClure.
4349 I don't remember what data you asked.
4350 I thought there was something else.
4351 Besides the tracking numbers, but I don't remember exactly.
4352 For the Wolfcamp case, the other one, there was also the geology, but for the this
4353 Bone Spring case, it's just a tracking numbers. Mr. McClure, do you agree?

4354

4355  **McClure, Dean, EMNRD** 1:13:12

4356 I agree it says the tracking numbers, but I'm going to want to review those.

4357

4358  **Pecos Hall** 1:13:17

4359 OK, thought I would ask because it wasn't.

4360 It wasn't clear if we needed to continue that, OK.

4361 Thank you.

4362 You never know. No, you never know.

4363 And case number 25904, Permian Resources seeks an order pulling all uncommitted
4364 interests in the Bone Spring formation underlying a 1257.31 acre non standard
4365 horizontal spacing unit.

4366 And we have already gotten approval of the non standard spacing unit under
4367 administrative order NSP Dash 2336.

4368 Exhibits were timely submitted for this case last week and include the land testimony
4369 and geology testimony of Marc Haddock and Christopher Canton, who have
4370 previously testified as experts before the division.

4371 We also included notice testimony that shows that notice is timely sent to all
4372 interested parties on January 13th.

4373 And an affidavit of publication for January 20th.

4374 With that, I ask that the exhibits be admitted for case number 25904 and that the
4375 case be taken under advisement.

4376 Thank you, admitted, without exception, Mr. McClure. Any questions?

4377

4378  **McClure, Dean, EMNRD** 1:14:30

4379 Oh, thank you, Zaman.

4380 I do have questions for the land man.

4381

4382  **Pecos Hall** 1:14:34

4383 Would you call your?

4384 Self.

4385

4386  **Mark Hajdik** 1:14:46

4387 Let's see.

4388

4389  **Pecos Hall** 1:14:49

4390 I can see you, Mr. Heddock. I remind you that you're still Underoath from this
4391 morning.

4392

4393  **Mark Hajdik** 1:14:53

4394 Yes.

4395

4396  **Pecos Hall** 1:14:54

4397 Go right ahead, Mr. McClure.

4398

4399  **Mark Hajdik** 1:14:55

4400 So.

4401

4402  **McClure, Dean, EMNRD** 1:14:56

4403 Thank you, Mr. Herring, Examiner and Mr. Haddock.

4404 I'm looking at your exhibit A-4.

4405 Specifically on page 104 of 163.

4406 And this is your this is your table that it shows like the record title owner there.

4407

4408  **Mark Hajdik** 1:15:17

4409 With your goodness.

4410

4411  **Pecos Hall** 1:15:17

4412 Can share this too.

4413

4414  **McClure, Dean, EMNRD** 1:15:21

4415 And also I didn't hear you, Mr. Haddock, if you said something.

4416

4417  **Mark Hajdik** 1:15:23

4418 So.

4419 Question.

4420

4421  **McClure, Dean, EMNRD** 1:15:29

4422 Well, just confirming that you are at the same.

4423 Are you on the exhibit that M's McLean is sharing with us now?

4424

4425  **Mark Hajdik** 1:15:35

4426 Yes.

4427

4428  **McClure, Dean, EMNRD** 1:15:36

4429 OK. And you see that table kind of the middle of the page where it says record title?

4430 Is a premium requesting that the division Force pull EOG Resources Incorporated?

4431

4432  **Mark Hajdik** 1:15:50

4433 I guess.

4434

4435  **McClure, Dean, EMNRD** 1:15:52

4436 Was EOG recent?

4437

4438  **Pecos Hall** 1:15:52

4439 Can you hold on, Mr. McClure?

4440 Mr. Haddock, can you speak louder so that the transcript picks up in your words?

4441

4442  **Mark Hajdik** 1:15:57

4443 Yeah.

4444 Yes, we are.

4445

4446  **Pecos Hall** 1:16:00

4447 Thank you, Sir.

4448

4449  **McClure, Dean, EMNRD** 1:16:04

4450 Mr. Haddock was EOG Resources incorporated.

4451 Do you know if EOG Resources Incorporated was provided notice of this application?

4452

4453  **Mark Hajdik** 1:16:13

4454 I've been rather too.

4455

4456  **McClure, Dean, EMNRD** 1:16:15

4457 No, I'll ask.

4458

4459  **Mark Hajdik** 1:16:15

4460 Depress.

4461

4462  **McClure, Dean, EMNRD** 1:16:16

4463 I'll ask Miss McLean if you don't know. That's fine.

4464 Mr. Haddock, if I can draw your attention to your commitment table.

4465 In.

4466 Call M's McLean might beat me to it.

4467 It's A-7. I believe page 143.

4468 Yeah, M's McLean has it in front of us here.

4469 Do you see your exhibit, Mr. Haddock?

4470

4471  **Mark Hajdik** 1:16:45

4472 Yes, yes I did.

4473

4474  **McClure, Dean, EMNRD** 1:16:48

4475 OK. Do you see on there?

4476 Like the bottom three names on that table where it says subject to JLA. You see
4477 where I'm referring to.

4478

4479  **Mark Hajdik** 1:16:58

4480 Correct me.

4481 Yes, I'm sorry.

4482

4483  **McClure, Dean, EMNRD** 1:17:03

4484 I'm not sure if I'm understanding you, Mr. Haddock, but what was it you said?

4485

4486  **Mark Hajdik** 1:17:09

4487 Yes, I see the column you're referencing.

4488

4489  **McClure, Dean, EMNRD** 1:17:10

4490 Oh.

4491 You also see where it shows like baldin and Blue Store is listed as being
4492 uncommitted.

4493

4494  **Mark Hajdik** 1:17:23

4495 That was probably a a cut and paste error.

4496 They should be.

4497 That should be more committed there.

4498 We're all subject to JOA.

4499

4500  **McClure, Dean, EMNRD** 1:17:29

4501 OK.

4502 So then Bowden and Blue Star should be committed on this exhibit, is that correct?

4503

4504  **Mark Hajdik** 1:17:36

4505 Correct.

4506

4507  **McClure, Dean, EMNRD** 1:17:38

4508 OK. And if I asked you to amend this exhibit to correct that error you, do you
4509 understand what I'm asking for?

4510

4511  **Mark Hajdik** 1:17:46

4512 Yes, we can. That's an easy fix.

4513

4514  **Pecos Hall** 1:17:51

4515 It's really not possible to hear you, Mr. Haddock, if you could speak louder, closer, or
4516 get a different microphone, because this isn't working.

4517

4518  **Mark Hajdik** 1:17:59

4519 Yes, I understand the.

4520 Desired direction.

4521

4522  **Pecos Hall** 1:18:06

4523 OK.

4524

4525  **McClure, Dean, EMNRD** 1:18:09

4526 OK. Thank thank you. Mr. Haddock, I have no further questions for this expert
4527 witness, Mr. Examiner, but I do have some questions for Miss McLean.

4528

4529  **Pecos Hall** 1:18:17

4530 Go ahead. Yes.

4531

4532  **McClure, Dean, EMNRD** 1:18:19

4533 M's McLean.

4534 I'm. I'm sure you know what my question is going to be, but was EOG Resources
4535 provided notice of this application?

4536

4537  **Pecos Hall** 1:18:27

4538 Well, I'm assuming because you're asking that they were not.

4539 And during the lunch break, what I found was.

4540 We had gotten a second list that included the record title owners, and so there was
4541 actually a second date that for notice and we did not pull that second day of notice.

4542 So we can we have the tracking numbers and we can get those, but for some reason
4543 typing in the case number this time didn't.

4544 Get all of them. But so I'm assuming that.

4545 It's not.

4546 I'm looking at this in a, but yeah we can.

4547 Do the same thing and get the traction numbers and we'll also amend exhibit.

4548

4549  **McClure, Dean, EMNRD** 1:19:10

4550 OK.

4551

4552  **Pecos Hall** 1:19:14

4553 Or page 143 which is exhibit A6 RA 7.

4554

4555  **McClure, Dean, EMNRD** 1:19:17

4556 Oops.

4557 Yes, ma'am. And yeah, I was gonna say, I mean, I guess we'll probably go towards I'm
4558 assuming we're going towards March 5th.

4559 Otherwise, I was gonna ask you what date that notice was provided, but clearly by
4560 March 5th that the notice will be cured regardless if it's been done by now. So.

4561

4562  **Pecos Hall** 1:19:37

4563 Oh yeah, it was the next day, so it's plenty of time.

4564

4565  **McClure, Dean, EMNRD** 1:19:39

4566 Oh, OK.

4567 OK.

4568 Very good.

4569 Thank you, miss McLean.

4570 Mr. Hearing examiner, I have no further questions for this case.

4571

4572  **Pecos Hall** 1:19:49

4573 All right, so M's McLean, will you please continue this case to March 5th? So Mr.

4574 McClure can review those tracking numbers.

4575 And then there's also the yes page 140 uncommitted. Yes, OK.

4576 Thank you.

4577 Yes, thank you.

4578 OK.

4579 Let's go to 25909.

4580 This is mewborn oil.

4581 Mr. Examiner.

4582 Dana Hardy, on behalf of Muburn Oil Company, we're right ahead.

4583 Thank you.

4584 Mubar seeks an order pulling uncommitted interest in the bone spraying underlying
4585 a 960 acre standard horizontal unit.

4586 Sorry, non standard horizontal unit comprised of the West half of sections 3 and 10.

4587 Township 26 S, range 32 E and the West half of section 34. Township 25 S range 32 E
4588 and Lee County.

4589 And will dedicate the unit to the Red Hills West unit, comma alls and MUBURN is
4590 seeking approval.

4591 The non standard unit. Administratively our exhibits include the land testimony and
4592 exhibits of Ariana Rodriguez, who has previously testified and been recognized as an
4593 expert in petroleum land matters.

4594 We've also provided the geology, testimony and exhibits of Justin Rodar, who has
4595 previously testified also and been recognized as an expert in geology. Our notice
4596 testimony and exhibits show that we timely provided notice on January 9th, 2026.
4597 To all of the affected parties.

4598 So with that, I ask that the exhibits be admitted and that the case be taken under
4599 advisement.

4600 Thank you, admitted, without exception. Mr. McClure, questions on this case.

4601

4602  **McClure, Dean, EMNRD** 1:21:18

4603 Mr. Herring, examiner, I'll have questions for the land man. And then like, we
4604 followed up with Miss Hardy, regards to notice.

4605

4606  **Pecos Hall** 1:21:25

4607 OK. Would you call your landlady, Miss Rodriguez?

4608 Are you available?

4609 She should be on.

4610

4611  **Ariana Rodrigues** 1:21:40

4612 Can you hear me?

4613

4614  **Pecos Hall** 1:21:41

4615 Yes, we can now.

4616 Good afternoon, miss Rodriguez.

4617 Would you raise your right hand?

4618 You swear? A firm under penalty of perjury, that the testimony you're about to give is
4619 the truth, the whole truth, and nothing but the truth.

4620

4621  **Ariana Rodrigues** 1:21:54

4622 Yes.

4623

4624  **Pecos Hall** 1:21:54

4625 Thank you.

4626 Would you put your hand down and spell your name?

4627

4628  **Ariana Rodrigues** 1:21:58

4629 Ariana, Ariana.

4630 Rodriguez, Rodrigues.

4631

4632  **Pecos Hall** 1:22:06

4633 I recognize you.

4634 I've I've worked with you before, so go right ahead, Mr. McClure.

4635

4636  **McClure, Dean, EMNRD** 1:22:12

4637 Thank you, Mr. hearing examiner, Mr. Rodriguez, I'd like to draw your attention to
4638 your commitment table.

4639 Exhibit A-6, page 31 of 42.

4640 Oh, you're sharing your main screen, Miss Hardy.

4641

4642  **Pecos Hall** 1:22:28

4643 There we go.

4644

4645  **McClure, Dean, EMNRD** 1:22:28

4646 I don't know if that matters to you.

4647

4648  **Pecos Hall** 1:22:30

4649 There we go.

4650 What page?

4651 Mr. McClure.

4652

4653  **McClure, Dean, EMNRD** 1:22:34

4654 Page 31.

4655 Miss Rodriguez, do you see what we're what miss Hardy's sharing in front of us?

4656

4657  **Ariana Rodriguez** 1:22:46

4658 Yes.

4659

4660  **McClure, Dean, EMNRD** 1:22:49

4661 Hey, there's several persons on this table that's listed as uncommitted dash not
4662 pulled.

4663 Are those persons not committed?

4664

4665  **Ariana Rodriguez** 1:23:01

4666 Not committed yet, no.

4667 As of today, we had.

4668 Someone signed the JOA.

4669 So this is this has changed since then, but when we submitted this, that was correct.

4670 They were uncommitted, but we were not pulling them.

4671

4672  **McClure, Dean, EMNRD** 1:23:21

4673 Person on here is potentially committed now.

4674

4675  **Ariana Rodriguez** 1:23:26

4676 Northern is committed now.

4677 I think it's northern.

4678

4679  **McClure, Dean, EMNRD** 1:23:34

4680 OK, thank thank you, Miss Verdigue.

4681 It's I have no further questions, Mr. Herring, examiner for this expert witness. But I do

4682 have follow up in regards to notice to M's Hardy.

4683

4684  **Pecos Hall** 1:23:45

4685 Thank you, miss Rodriguez. Go right ahead.

4686

4687  **McClure, Dean, EMNRD** 1:23:47

4688 Thank you, Mr. Examiner, Miss Hardy was all these persons on this table? I guess with
4689 the exception of NORVIN, perhaps provided notice of this application.

4690 Well, Norvin and Concho 'cause. It says Concho's signed to JLA.

4691

4692  **Pecos Hall** 1:24:01

4693 I believe.

4694 So.

4695 I believe only the parties who were being pooled were noticed.

4696 Yes.

4697

4698  **McClure, Dean, EMNRD** 1:24:20

4699 OK.
4700 So essentially, like Great Western Occidental, Devon, none of those persons were
4701 provided notice of this application.

4702

4703  **Pecos Hall** 1:24:31

4704 Devon was noticed. If you look at page 42, they were noticed.

4705

4706  **McClure, Dean, EMNRD** 1:24:38

4707 Alright, give me a second so I can get there.

4708

4709  **Pecos Hall** 1:24:40

4710 Sure.

4711

4712  **McClure, Dean, EMNRD** 1:24:49

4713 I do see that.

4714 Then Oxy USA looks like they were noticed. I suppose an argument could be made
4715 about Occidental in regards to Oxy.

4716 So I guess the remaining player would be Great Western.

4717 Do you believe Great Western was provided notice of this application?

4718

4719  **Pecos Hall** 1:25:08

4720 I do not believe that they were.

4721

4722  **McClure, Dean, EMNRD** 1:25:11

4723 That they're going to need to be provided notice of this application and then norvin I
4724 guess if they're committed now, we'll need this commitment table to be updated.

4725

4726  **Pecos Hall** 1:25:14

4727 OK.

4728 OK.

4729 I understand that. Thank you.

4730

4731  **McClure, Dean, EMNRD** 1:25:27


4732 Yeah. Thank.

4733 Thank you, M's Hardy.


4734 Oh, I thought it was miss hard.
4735 I got one more piece of guidance.
4736 On your CPAC?
4737 Let me get scrolled up.
4738 There we have a lower bone spring that's being requested to be pulled here, and yet
4739 the vertical limit includes the entirety of the Bone Spring.
4740

4741  **Pecos Hall** 1:25:48
4742 Yes.


4743

4744  **McClure, Dean, EMNRD** 1:25:54
4745 So we're going to need to change that vertical limit to comply with that pull or else
4746 add an additional pull.


4747

4748  **Pecos Hall** 1:26:01
4749 OK. And can you give me I can consult with mubar, can you give me?
4750 If we add an additional pool, can you tell me what pool that would be?


4751

4752  **McClure, Dean, EMNRD** 1:26:15
4753 I can definitely get that for you.
4754 I don't have it in front of me.
4755 The only hesitance I would put out there is some of these cases are the cases that
4756 have been denied in recent history for having multiple vertically offset pools.

4757

4758  **Pecos Hall** 1:26:34
4759 OK. And so if?
4760 If the vertical limit were to change, well, can you give me that what that change
4761 would need to be if we use the same hold?

4762

4763  **McClure, Dean, EMNRD** 1:26:50
4764 M's Hardy.
4765 That vertical limit would now be, I mean little Bone Spring is fine.
4766 I can provide you better definition if you'd like though.

4767

4768  **Pecos Hall** 1:27:00

4769 Yes, please.

4770

4771  **McClure, Dean, EMNRD** 1:27:02

4772 Yes, ma'am. The Lower Bone Spring will go from the top of the first Bone Spring sand
4773 to the base of the Bone Spring formation.

4774

4775  **Pecos Hall** 1:27:02

4776 That'd be great.

4777

4778  **McClure, Dean, EMNRD** 1:27:18

4779 And it's fine to include that there.

4780 Can you conclude that whole that whole statement could be included in that field if
4781 you'd like?

4782

4783  **Pecos Hall** 1:27:26

4784 OK.

4785 Miss Rodriguez, do you have any questions about that?

4786

4787  **Ariana Rodriguez** 1:27:37

4788 I I think we we have an e-mail from the OCD I'm trying to look for where they
4789 confirmed the pools that we should be using.

4790

4791  **Pecos Hall** 1:27:53

4792 OK.

4793

4794  **Ariana Rodriguez** 1:28:00

4795 I guess the question is what?

4796 What pool should be on there instead?

4797

4798  **Pecos Hall** 1:28:20

4799 OK, I think.

4800 Mr. McClure, we could follow up with you after the hearing regarding the polls. If we
4801 have questions.

4802

4803  **McClure, Dean, EMNRD** 1:28:32

4804 Does Mubaran wish to pursue?

4805 Multiple vertically displaced pools.

4806

4807  **Pecos Hall** 1:28:41

4808 I don't know.

4809 I would need to consult with them about that.

4810

4811  **McClure, Dean, EMNRD** 1:28:45

4812 Do you think your land man might know the answer to that if we bring her back?

4813

4814  **Pecos Hall** 1:28:50

4815 Possibly miss Rodriguez.

4816 Do you know the answer to that?

4817

4818  **Ariana Rodrigues** 1:28:55

4819 The question again, sorry.

4820

4821  **McClure, Dean, EMNRD** 1:28:57

4822 Yes, Miss Burbigits does it is newborn wish to request that the entirety of the Bone

4823 Spring be force pulled by the division, even considering that, that would be multiple

4824 vertically offset pools.

4825

4826  **Ariana Rodrigues** 1:29:17

4827 I I think we're just in the second Bone spring in the Harkey.

4828

4829  **McClure, Dean, EMNRD** 1:29:25

4830 And if I recall correctly, the Harkey is above the third Bone spring sand.

4831 Is that correct?

4832

4833  **Ariana Rodrigues** 1:29:32

4834 That might be a geology question.

4835

4836  **McClure, Dean, EMNRD** 1:29:36

4837 Yeah, the third.

4838 The Harkey's, not a New Mexico.

4839

4840  **Ariana Rodrigues** 1:29:36

4841 I I.

4842

4843  **McClure, Dean, EMNRD** 1:29:40

4844 Pull our formation.

4845

4846  **Ariana Rodrigues** 1:29:45

4847 I think it'd be the third jail.

4848 Maybe that's a it's AI not going to confirm that.

4849 I think that's a geology question.

4850

4851  **McClure, Dean, EMNRD** 1:29:55

4852 M's Hardy or Mr. Hearing examiner, can we? I I do have a question for the geologists.

4853

4854  **Pecos Hall** 1:30:02

4855 Miss Hardy, OK. And I believe Mr. Roder had a conflicts.

4856 I'm not sure he's on, but I believe Tyler Hill is on and can answer the questions for
4857 me.

4858 Mirene OK or he should be on.

4859

4860  **Tyler Hill** 1:30:17

4861 Yes, Sir.

4862 Can you hear me?

4863

4864  **Pecos Hall** 1:30:20

4865 Yes, please raise your right hand.

4866 You swear affirm under penalty of perjury, that the testimony you're about to give is
4867 the truth, the whole truth, nothing but the truth.

4868

4869  **Tyler Hill** 1:30:29

4870 Yes.

4871

4872  **Pecos Hall** 1:30:29

4873 OK, spell your name please.

4874

4875  **Tyler Hill** 1:30:32

4876 Tyler Hill, Tyler. Yeah.

4877 HILL.

4878

4879  **Pecos Hall** 1:30:38

4880 What is your field of expertise?

4881

4882  **Tyler Hill** 1:30:40

4883 Petroleum geology.

4884

4885  **Pecos Hall** 1:30:41

4886 Have you been so recognized by this division?

4887

4888  **Tyler Hill** 1:30:44

4889 Yes, Sir.

4890

4891  **Pecos Hall** 1:30:45

4892 OK, Mr. McClure, go ahead.

4893

4894  **McClure, Dean, EMNRD** 1:30:48

4895 Thank thank you, Miss Herring Examiner. Mr. Hill, are all the wells being proposed by
4896 Mubar in this unit?

4897 Do they fall between the top of the first Bone Spring sand and the base of the Bone
4898 Spring formation?

4899

4900  **Tyler Hill** 1:31:05

4901 Yes, Sir, they do.

4902

4903  **McClure, Dean, EMNRD** 1:31:09

4904 So is newborn proposing any wells within the Bone Spring formation that's above the
4905 top of the first Bone Spring sand?

4906

4907  **Tyler Hill** 1:31:17

4908 No, Sir.

4909

4910  **McClure, Dean, EMNRD** 1:31:21

4911 So would it for this proposed unit?

4912 Would it hinder mewborne if the 1st if the region trim the top of the Bone Spring on
4913 the top of the first Bone, spring sand were to be restricted.

4914 And for that area not to be force pooled.

4915

4916  **Tyler Hill** 1:31:41

4917 For this, no, no, it would not.

4918

4919  **McClure, Dean, EMNRD** 1:31:47

4920 OK. Thank thank you, Mr. Hill.

4921 Miss Hardy, I don't know if that gives you enough or if you need to touch base. If
4922 your clients on whether you want to restrict your vertical limit or try to add an
4923 additional pull.

4924

4925  **Pecos Hall** 1:32:02

4926 OK, that does.

4927 I will consult with them. Thank you.

4928

4929  **McClure, Dean, EMNRD** 1:32:07

4930 OK, thank thank you M's Hardy.

4931

4932  **Pecos Hall** 1:32:09

4933 So M's Hardy March 5th. So yes, we'll continue to March 5th.

4934 Thank you.

4935 Got it.





4936 Let's go on to enterprise Delaware.

4937 It looks like 25679 Dana Hardy with Hardy McLean for enterprise.

4938 Thank you.

4939 Holland heart. Good. Good afternoon, Mr. Examiner.

4940 Adam Rankin, on behalf of Matador entities. Thank you.

4941 Miss Hubbard, thank you. Thank you.
4942 Let me just get to my notes.
4943 So this is a case that was heard previously and the Examiner has requested additional
4944 information from enterprise. And so we did provide that it's filed in the record and if
4945 there are questions, Mr. David White is available to answer that. OK. Thank you.
4946 So we will take your exhibits as filed as corrected into evidence.
4947 And I see Mr. Phil Getz. And I think Mr. Anthony Harris are both our technical
4948 examiners for the next 4 cases or five cases, actually.
4949 Well, maybe 4.
4950 I don't know.
4951 So Mr. Getz, do you have any questions for their witnesses?
4952
4953  **Goetze, Phillip, EMNRD** 1:33:29
4954 Hmm.
4955 Well, for the record, Mr. Examiner, I will take care of this case entirely.
4956
4957  **Pecos Hall** 1:33:36
4958 OK.
4959
4960  **Goetze, Phillip, EMNRD** 1:33:37
4961 For Miss Hardy, we did receive the package for the questions that Mister Harris
4962 requested information on. He has reviewed it and this is deemed sufficient.
4963 So no more activity is required for that.
4964 There are two items laaS 4 and I. Just wanted to see what the status of these items
4965 were.
4966 First, I asked to have some sort of description of what Matador wanted to see as a
4967 down hole deviation survey.
4968 Is there any specific criteria that has come in an agreement between Matador and
4969 enterprise?
4970
4971  **Pecos Hall** 1:34:17
4972 We are still working with Matador on that.
4973 I think the parties will reach an agreement, but we weren't exactly sure what Matador
4974 wanted and what you had intended.

4975 Is it the type of survey or is it a directional drilling plan?
4976 We weren't exactly clear on what you were looking to see.

4977

4978  **Goetze, Phillip, EMNRD** 1:34:38

4979 Well, we're looking to see is to have an anti collision program provide what we're
4980 looking for is where the well is and to work down hole conditions are if manadour's
4981 going to come in with wells later on with horizontals, I would like to know where it is.
4982 So and certainly we want to avoid any issues of having.
4983 Shall we say interception of wellbores? So, and typically these are a more detailed
4984 survey, a more higher resolution gyro.
4985 So again, I would say to you would see some sort of agreement between Matador.
4986 And.
4987 Enterprise and we'll make it a condition of approval.
4988 If that's Denise necessary path that needs to be done.

4989

4990  **Pecos Hall** 1:35:27

4991 We understood that that was an item that would typically be submitted with the
4992 APD.
4993 So is it possible to, you know, issue the order and include that condition in the order?
4994 Is that what you're contemplating or?

4995

4996  **Goetze, Phillip, EMNRD** 1:35:42

4997 Yes, this is after what has been proposed as a pilot dream.

4998

4999  **Pecos Hall** 1:35:43

5000 OK. Yes.

5001

5002  **Goetze, Phillip, EMNRD** 1:35:47

5003 And then then what is actually in the rocks is what comes afterwards.

5004 So we will approach that as a CRA.

5005

5006  **Pecos Hall** 1:35:56

5007 Thank you.

5008 So, Mr. Goetz, I believe we can take this case under advisement.

5009

5010  **Goetze, Phillip, EMNRD** 1:36:03

5011 One more Mr. Examiner.

5012 I did have a requested an approach of resolution between NGL and enterprise

5013 regarding case 16504 and NGL's application for the COBRA SWD #1.

5014 Was any headway made there or is this something that the division will have to do
5015 on its own?

5016

5017  **Pecos Hall** 1:36:30

5018 Well, I have spoken with M's Bennett about that and I don't know if she was able to
5019 reach her client. And I know she's not a party to this case.

5020 And I know that enterprise also was reaching out to NGL, but I don't believe that
5021 they.

5022 Have made contact and been able to get a definitive answer on that pending 6 year
5023 old permit application.

5024 So we're happy to to continue doing that.

5025 And Mr. Mr. hearing examiner and Mr. Goetz, I apologize.

5026 I have not made any headway on that and it's not Miss Hardy's fault or Enterprise's
5027 fault, but I will definitely circle up with NGL in the very near term and see if I can get
5028 an answer.

5029

5030  **Goetze, Phillip, EMNRD** 1:37:19

5031 Well, this puts us in a little quandary.

5032 Again.

5033 We can make this a condition of approval, but I forewarn you that if it's not resolved,
5034 it'll create a situation which has been coming more common.

5035 And that is that this may be thrown into a Commission hearing.

5036 So to that end, I sincerely support resolution of this.

5037 Without the participation of the division and if division does end up calling.









5038 The resolution of this two wells in the same area essentially.

5039 Be forewarned that this may impede any type of APD so.

5040 Given that, I would go back to the examiner and say yes, we can go ahead and and
5041 take this under advisement.

5042

5043  **Pecos Hall** 1:38:17

5044 Thank you, Mr. Getz.
5045 Thank you. And your reservations are noted.
5046 All right, we're off the record in this case. Let's go on to select water solutions. This is
5047 cases.
5048
5049  **Goetze, Phillip, EMNRD** 1:38:22
5050 OK.
5051
5052  **Pecos Hall** 1:38:30
5053 Now one of these we're not hearing today, it's actually a contested hearing, but I'm
5054 going to call all four cases anyway. 25547482589925900 entries of appearance,
5055 please. Dana Hardy for select.
5056 Back.
5057
5058  **Miguel Suazo** 1:38:48
5059 Good afternoon, Mr. Examiner.
5060
5061  **Pecos Hall** 1:38:49
5062 Olive.
5063
5064  **Miguel Suazo** 1:38:50
5065 Miguel Suazo with beating Wozniak, appearing today on behalf of pilot water.
5066
5067  **Pecos Hall** 1:38:54
5068 Thank you.
5069 Good afternoon, Mr. hearing examiner Paula Vance with the Santa Fe Office of
5070 Holland and Heart, on behalf of Devon Energy production. Thank you.
5071
5072  **Hatley, Keri (LDZX)** 1:39:04
5073 Good afternoon, Mr. Examiner.
5074 Keri Hatley, entering her appearance on behalf of COG operating.
5075
5076  **Pecos Hall** 1:39:10
5077 You know, I didn't ask the positions, Mr. Suazo.
5078 I know that you initially opposed. I'll leave that there.

5079 I didn't hear your position.
5080 Yeah. And I'm sorry, I meant to say that. So previously we objected. Devon objected.
5081 And we've since withdrawn our objection and have an agreement in place with
5082 select.
5083 Yeah, I'm sorry.
5084 I think I interrupted someone's entry.
5085 Phone miss hattly.
5086
5087 **HK Hatley, Keri (LDZX) 1:39:42**
5088 We are monitoring, we've withdrawn our objection.
5089
5090 **PH Pecos Hall 1:39:45**
5091 Oh, very good. Thank you.
5092
5093 **HK Hatley, Keri (LDZX) 1:39:47**
5094 You're welcome.
5095
5096 **PH Pecos Hall 1:39:47**
5097 Good afternoon, Mr. Examiner.
5098 Gina Bennett, on behalf of Kotera Energy operating in case number 25899 only and
5099 KOTARA is objecting. OK, and I think isn't that the case that's going to a contested
5100 hearing. It's currently set for a status conference on February 26th, but I imagine it.
5101 Will be set for hearing OK.
5102 So it's just a status conference right now.
5103 Thanks for correcting me.
5104 OK.
5105 But that's just 25899.
5106 That's correct.
5107 Perfect. Thank you.
5108 Any other entries of appearance?
5109 Mr. Examiner.
5110 Matthias Sayer, from Bradford Sayre on behalf of Desert Ram in each of the four
5111 cases, 5547554825899 and 25900 and opposed.
5112 Mm-hmm. Thank you.
5113 Miss Hardy, how do you want to proceed?

5114 Well, we filed a motion to strike. As you know, pilots intervention and objection
5115 which was granted and this morning we received the order also striking desert Rams
5116 intervention and objection.

5117 So at this point, I don't believe that they are parties to this case and there are no
5118 objections and we are ready to proceed by affidavit and our witnesses are available.
5119 There have been several more documents filed.

5120 I think it the certification says that you were served.
5121 I was.
5122 I received them through.

5123 The portal and I have reviewed them, so I think we need to talk about them now.
5124 Have you seen them?

5125 Yes, I did get them one of them while we were here this afternoon in this in this,
5126 there's actually two of them I did receive.

5127 I received a motion for reconsideration.
5128 That I have not had a chance to review because it just came in 30 minutes ago while
5129 I've been here and then I received.

5130 Earlier actually.
5131 Just short an hour ago about.

5132 A sort of attempted amended notice of intervention with an affidavit. I think the I
5133 think the original document that Mister Sayer filed in these cases was an entry of
5134 appearance and an objection.

5135 You move to strike that the response that he filed.
5136 Was it late last night, Mr. Sayer?

5137 And I've read all of these documents carefully and studied them in depth.
5138 Was it changed it?

5139 Changed it to more of an intervention as opposed to an entry of appearance. And if
5140 I'm putting words in your mouth, Mr. Sayer, I don't want to. And you'll have a chance
5141 to say what you want in just a moment.

5142 But this is from my perspective, so that's when I issued the order this morning.
5143 Granting your motion, I I should be order granting your motion.

5144 Then Mr. Sayer filed a notice of intervention with a affidavit attached.
5145 The first time that he attached any evidence to his.
5146 Filings I reviewed that carefully.

5147 Then he filed a motion for reconsideration which had the same exhibit attached to it.
5148 Again, I reviewed that carefully.

5149 So I think we should discuss those documents.
5150 Why don't I let Mr. Sayer say a few words, Miss, Miss Hardy while you review the
5151 motion for reconsideration?
5152 I think that's only fair and I I do think that he, Mr. Sayer, did file a notice of
5153 intervention because of RAM yesterday or the day before.
5154 Pilot had only filed an injury of appearance, OK, but Mr. Sayer had filed a notice of
5155 intervention just now. He's filed it with a supporting affidavit. OK.
5156 Yeah. So why don't you look at those two documents?
5157 So I can hear from you.
5158 So why don't we?
5159 Why don't we approach it this way?
5160 Mr. Sayer, I issued an order this morning based on the documents that you had filed
5161 up until that time.
5162 Granting the motion to strike the intervention.
5163 Any way you want to look at it.
5164 In my in my order, I go through an outline.
5165 Why your client is not an affected party under the rules?
5166 And why I believe your involvement, your part, your clients.
5167 Involvement will not substantially contribute to this hearing.
5168 You then filed additional information.
5169 So why don't you take it from there and tell me why?
5170 Let's just go with the motion to reconsider.
5171 Why do you feel like the like? The self firm statement of your witness?
5172 Would would lead me to believe that your involvement would substantially
5173 contribute, which is the standard under the intervention rule, which I know you know.
5174 Yeah, yeah.
5175 Thank you, Mr. Herring examiner.
5176 And at at the at the start here, I'd like to.
5177 Recognize that, or at least acknowledge that as you know, I dabble here in front of
5178 the division.
5179 And one of the things I've observed in my dabbling is that efficiency is is appreciated.
5180 And so to the extent, you know, I'm disrupting that efficiency, I certainly you know,
5181 recognize that and apologize.
5182 For as much the last 72 hours, I think I've been more than dabbling.
5183 And I apologize to Freya for the many filings.

5184 That being said, regarding, I just want to say real briefly regarding the notice of
5185 intervention.
5186 And there really is no substance there.
5187 You you I think characterize it correctly.
5188 It was an intent to make clear on the record what we had intended to do when
5189 entering the appearance. You know, we were trying to do that as an intervener.
5190 But making it clear on the record that that was what we're intending to do, so it is
5191 not necessarily a refiling of notice of intervention after, you know, subsequent to
5192 your order this morning.
5193 Now turning to the motion for reconsideration, my read of your order.
5194 Noted that you know, there were some specific issues that that the order kind of
5195 highlighted.
5196 That and my observation appeared to be perceived deficiencies.
5197 He's in desert Rams presentation of its interest and injuries, so in the motion for
5198 reconsideration we we addressed some of those specifically in paragraph seven of
5199 the order.
5200 There's some recognition that we did not identify, you know, groundwater wells,
5201 water, right interests, etc.
5202 You know a lack of site specific Nexus.
5203 And then some discussion about.
5204 How the division?
5205 Acknowledges and evaluates the groundwater issues. So in the motion for
5206 reconsideration, we've tried to address those items.
5207 Specifically, we've provided an inventory of water rights held by Desert Ram.
5208 In the affected areas.
5209 We've also identified the specific points of diversion that desert RAM uses. Own
5210 vendor operates to access those water rights.
5211 And then also attempted to highlight what we think is.
5212 Somewhat of a a nuanced to the kind of relationship between affected person as
5213 defined in the rules and.
5214 You know the concept of standing.
5215 And intervention, as discussed in the rules, I think in the in in the typical case it
5216 makes a lot of sense that the affected party definition more or less is the scope and
5217 limit of of standing.
5218 In this case, I think that there's a delta between.

5219 Standing and whether someone is able to materially or substantially contribute to the
5220 discussion about, you know, in the statute and the rule talks about protection of.
5221 Correlate riots, prevention of waste and then protecting the environment and public
5222 health, and leaning heavily on that last part of the public health and environment.
5223 In this case, in the context of the shallow wells.
5224 These are, as you no doubt appreciate and read in the brief in the motion in
5225 response.
5226 They're relatively novel. The division approved 2 pilot in such pilot shallow wells and
5227 pilot not necessarily.
5228 I'm not referring to.
5229 The party pilot but small P pilot project to Chevron in 2024 and now we have these
5230 four wells all within the same Township.
5231 And I think two really relevant points to, I think point to that in my opinion, expand
5232 standing from the half mile affected person definition and radius to a larger radius
5233 are two things in particular one.
5234 In Select's own application.
5235 As you read in in our in our briefing, they note that pressure propagation will be
5236 occurring as far away as two miles from the subject wells. And that's in each of the
5237 four applications.
5238 What we what we don't see in any of the applications is a is a combined synergistic
5239 analysis of the additive impacts of those four pressure fronts moving together and
5240 the the pressure propagation occurring and resulting from.
5241 Those wells individually and collectively.
5242 And then second, and this is in the motion for reconsideration, if you look back at
5243 the Commission's order in the Chevron matters, and I have those order numbers
5244 cited, there is discussion from the division and I think it's worth noting it was our
5245 good friend Mr. Go.
5246 Who noted that the OCD had concerns for limited subsurface because of the limited
5247 subsurface information regarding faulting and fract systems within the DMG.
5248 Now note that the Chevron wells were in the bell and Cherry Canyon formations.
5249 So, you know, in terms of where we're at, these are the same formations and then
5250 division noted that there was an absence of information.
5251 Nevertheless, what select concludes in their application is they say that based on
5252 publicly known faults, there's no hydrologic connection. And Mr. Getz, on behalf of
5253 the division, said.

5254 We don't really know a lot about what's going on in these formations.
5255 So it's from desert Rams vantage point, it seems frightening to say that there's no
5256 hydrologic connection because we're telling you what based on what is known.
5257 There's nothing there.
5258 But what is known is very little.
5259 So that is at the kind of the crux of desert Rams position is we have water right
5260 interest the wells, our freshwater wells, while they may be, you know, between a mile
5261 to two miles or around that area, that distance from the proposed wells.
5262 The aquifer.
5263 We're drawing from is immediately beneath those wells. Desert RAM operates its AG
5264 operations across the entirety of 26 House 35 E, which is the Township within which
5265 all four of these wells will be, will exist.
5266 Mr. Sayer, when you say directly beneath, I don't understand you.
5267 Sorry, I should say directly above the aquifer from which desert Ram draws is is
5268 above.
5269 The formation in which select would be injected.
5270 What is the? What is the boundaries of the aquifer that desert Ram draws from?
5271 You mean the depths that I don't know, and that's part of why Mr. Herring examiner,
5272 why we're requesting as part of our motion and response. A limited evidentiary
5273 hearing to be able to ascertain some of those things.
5274 The division doesn't know some of that information because you know they've
5275 acknowledged as much.
5276 OK, OK.
5277 And are you aware of the depth that select is requesting? What is that?
5278 It's, I mean, I don't know specifically.
5279 I'm not.
5280 I'm not a technical person.
5281 I'm an attorney, but it's 4500 feet, 5000 feet.
5282 Miss. Miss Harding, have you had a chance to look at the motion for
5283 reconsideration?
5284 I haven't read it in depth, but I wouldn't think so.
5285 But what does she respect this?
5286 So several things.
5287 This is far too little, too late.
5288 These cases been pending for six months.

5289 They were publicly noticed twice and desert Ram waited until less than 48 hours
5290 before this hearing to try to intervene.
5291 If they really cared and were paying attention, they could have raised these issues
5292 months ago.
5293 That's the first thing, so it's severely prejudicial to select to have these issues raised at
5294 this late date. I think that.
5295 The arguments that are being made.
5296 Still do not acknowledge that desert Ram does not own an interest within 1/2 mile. It
5297 doesn't even own an interest within one mile of these wells, and the divisions area of
5298 review requirements.
5299 And notice requirements are designed to protect interest that the division has
5300 determined in an appropriate radius that is based on technical information. It's not
5301 arbitrary.
5302 The division has set those distances, so there's a reason for that, but here they don't
5303 even own a distant an interest within one mile.
5304 They say they own it within two miles, so that's way beyond the area of review.
5305 In any of these cases that have been considered by the division and that does not.
5306 Confers standing on them. In addition, the concerns regarding groundwater are
5307 addressed in select C1O8.
5308 Mr. Sayer has said that this these are shallow wells and the water wells are the
5309 aquifers immediately above them, or something close proximity. Well, we've
5310 provided the groundwater analysis in the C One O 8.
5311 There's a 4000 foot separation between the base of the aquifer.
5312 And where these balls are being drilled and there are intervening confining layers.
5313 So the division also considers those issues when it evaluates these applications and is
5314 completely equipped to do that. So they have the information they need. If the
5315 division wants more information from select, they can ask for that.
5316 But desert ramps belated participation based on an interest far outside the area of
5317 review. For any of these wells is untimely.
5318 They don't have standing.
5319 First of all, so that's that's my take on thank you, M's Hardy.
5320 Thank you. Mr. Sayer, I have some questions for you.
5321 Addressing the timeliness of this what do you have to say?
5322 Yeah, Mr. Examiner. And thank you for the question.
5323 Desert Ram is, as we all have established and acknowledged, is not an affected

5324 person.

5325 So what does it RAM did not get was any notice?

5326 When Desert Ram learned of them, I reached out to M's Hardy.

5327 I believe 2 1/2 weeks ago and said hey Desert Ram is concerned and and intends to

5328 enter an appearance in the intervening time.

5329 What we did is, you know, tried to get our arms around this again because they're

5330 not an operator, they're an AG producer.

5331 They're not as sophisticated in the context of subsurface, you know, dynamics.

5332 So it took a minute for desert Ram to say, do we want to do this?

5333 We are very concerned.

5334 But but again, we don't have.

5335 Geophysical geospatial geologic hydrogeologic information at the ready.

5336 And so that's part of what we looked at.

5337 And so I guess the answer is they intervene when they found out about it.

5338 Are you familiar with the C108 that Miss Hardy is discussing?

5339 Yes, I am.

5340 You are OK and and and did you review it?

5341 I did OK.

5342 When did you do that?

5343 I reviewed it.

5344 I don't have a specific date, but probably.

5345 Multiple. I mean, look that up multiple times over the last 10 days.

5346 What did you what did you?

5347 How do you describe AC108? What is it?

5348 It's an initial filing associated with an application for a well of this nature, OK. And

5349 what what? What is the purpose of AC108?

5350 To to inform the decision maker. In this case the division. As to you know what

5351 they're applying for and some basic parameters information gathered to support the

5352 application.

5353 And did you notice the 4000 foot depth difference between the bottom of the

5354 aquifer and the top of the disposal area?

5355 Miss Hardy says that's what the number is.

5356 I'll take her word and I don't.

5357 I don't have it in front of me, but Mr. Examiner, I think super relevant to that point,

5358 which is again I keep going to keep pointing back to why we're asking for a limited

5359 evidentiary hearing.

5360 There are dozens and dozens of shallow wells just South and east of the New Mexico,
5361 Texas border, and each one of those wells presented similar information.

5362 Nevertheless, what we're seeing in Texas is surface uplift.

5363 We're seeing flow back of of legacy vertical wells and we're seeing contamination of
5364 groundwater, so.

5365 I.

5366 I don't have that evidence here, but it's known and that is the type of evidence we
5367 would like to present.

5368 Because once this happens, Desert Ram has no recourse if any of those
5369 consequences happen. On desert Rams land that, there's no recourse for that. You
5370 can't uncontaminate groundwater.

5371 And that's the water.

5372 They were land to sustain their operation.

5373 OK.

5374 Look here at your affidavit that you filed and I will note that in your initial filing and
5375 then your response, there was no evidence presented at all for me to go on.

5376 OK.

5377 So I just wanna make that very clear.

5378 This is the first document that's sworn to the self affirm statement of Jim Terco, the
5379 manager of the ranch.

5380 OK, now, Mr. Turco, I I don't. Is he?

5381 He's not with us today, is he, Mr. Jerko?

5382 It's Tim Jerko and he is not with us.

5383 He is actually out on the ranches right now. That's fine.

5384 Who is Mr. Joseph Smith?

5385 He is one of Select's witnesses.

5386 Oh, very good.

5387 Very good.

5388 Thank I wasn't sure who that was, all right.

5389 So he's the manager of the ranch, OK.

5390 But he's not an expert.

5391 In groundwater geology.

5392 Correct. OK.

5393 He goes on to say that the water rights are actively exercised and essential to the

5394 ongoing agricultural and ranching operations.
5395 He asserts that they're legally protected property interests under New Mexico law.
5396 And then he gives me a list of of information.
5397 Paragraph 6.
5398 Desert Rams groundwater wells draw from a laterally continuous freshwater aquifer
5399 that underlies the Township in which select proposes to locate the four salt water
5400 disposal wells and over lies the proposed injection wells now when.
5401 He says when he says that the aquifer underlies the Township.
5402 That doesn't tell me how close the aquifer is.
5403 To the select disposal site, it just says in in in general and I would, I would say vague
5404 terms, the location of the aquifer in relation to this project.
5405 Now I know in in other documents I've seen that it's within two miles.
5406 But I'm not sure why he's saying that here, so I'm confused about that statement.
5407 Yeah. And Mr. Examiner, I can attempt to add some some clarity there.
5408 I think what he's trying to communicate is that the aquifer underlies the entirety of
5409 the Township while their specific fee and leasehold interest and points of diversion
5410 may be in location, XY and Z. The aquifer underlies the entirety of the Township.
5411 I could understand that.
5412 In other words, you mean something like the Oglala aquifer that goes throughout
5413 the entire middle of the country?
5414 Sure, I can understand that his rights are from a a part of that. I understand that.
5415 Seven paragraph 7 based on selects application and associated area of review
5416 materials.
5417 Desert Rams, surface lands, groundwater wells and water rights are located within
5418 within areas affected by select's modeling pressure propagation, which selects own
5419 reservoir modeling indicates may extend.
5420 May extend out to approximately 2 miles from the proposed wells over the life of
5421 injection.
5422 Paragraph 8.
5423 If pressure migration fracture communication or fluid movement were to occur
5424 nearer to the proposed injection wells, impairment within the aquifer would not be
5425 confined to the immediate vicinity of the wellbore.
5426 I don't know how he knows this.
5427 I really don't know how a ranch manager knows.
5428 That.

5429 These I don't find this helpful in making that connection.
5430 Between what he wants me to think and what I do, think I I don't see enough here to
5431 change my decision.
5432 So I'm gonna deny the motion for reconsideration and ask Miss Hardy to present her
5433 cases.
5434 Thank you, Mr. Examiner.
5435
5436 **MS Miguel Suazo 2:02:21**
5437 Mr.
5438 Can pilot be heard?
5439
5440 **PH Pecos Hall 2:02:24**
5441 About what, Mr. Suazo.
5442
5443 **MS Miguel Suazo 2:02:26**
5444 Well, we just wanted to kind of make a few remarks for the record and in the event
5445 that pilot's not allowed through Council to appear in this proceeding, I have asked a
5446 representative pilot to appear to hopefully present to the division pilot's position
5447 through the public.
5448 Comment process.
5449
5450 **PH Pecos Hall 2:02:44**
5451 OK so.
5452 I'm I'm not sure.
5453 M's Hardy.
5454 I don't think that that's permissible or appropriate under.
5455 No, I know why not.
5456 Well, it's if it's not evidence.
5457 I haven't seen the division. Consider public comment of a party who was declined
5458 intervention status.
5459 You know, Mr. Suazo, just like Mr. Sayer and I know, Mr. Sayer knows this because he
5460 used to be Deputy Secretary here.
5461 If you disagree with the division's analysis and resulting order, you can appeal it to
5462 the Commission.
5463 I just don't find that intervention by pilot or by desert Ram would substantially

5464 contribute to these proceedings, and neither one is an effective party under the rules.
5465 So I don't, I don't.
5466 I don't think it's appropriate at this point.
5467 I appreciate your offering it, but I I just don't feel it's fair to Miss Hardy's client.
5468 I have to give her due process just the way I need to give you and your client.
5469 Process and desert Ram due process so I feel like I've done that and I've looked at all
5470 of your affidavits that you filed because you filed many affidavits with your yes, and
5471 I've read every one of them carefully and analyzed them and researched them and I
5472 feel very.

5473

5474 **MS Miguel Suazo** 2:04:07

5475 Correct.

5476

5477 **PH Pecos Hall** 2:04:14

5478 Strongly about my decision not to let pilot nor desert RAM for different reasons
5479 intervene in this case so.

5480 Thank you, Mr. Suazo, but I don't feel like your comment now would be helpful.

5481 To this proceeding, so please, Miss Hardy. Let's get on because we're gonna have
5482 questions from Mr.

5483 Getz and Mr. Harris, etcetera. I'm sure we will follow up question at risk of testing the
5484 examiner's patience.

5485 I wanted to just make clear that what we were asking for, and I appreciate as you
5486 read.

5487 Mr. Giarko's statement that there's you still have some questions, which is exactly
5488 why we were our request, was to put on.

5489 You know, through a limited evidence, you're hearing some some better refined and
5490 you know, again noting that desert cram is not, you know, sophisticated operator, an
5491 opportunity to present some of the the evidence to answer some of the very
5492 questions that you're looking at. Mr. Giorgio is not.

5493 An expert duly noted.

5494 But it's what desert Ram has and is asking for.

5495 A small window within which to develop that evidence.

5496 And Mr. Sayer?

5497 It's not that I have questions.

5498 That's not what I said before.

5499 What I said is I don't believe what you've given me so far rises to the level of the
5500 standard that this rule requires me to find before I can let you intervene in the case.
5501 And I believe I have a lot of discretion and I have used that discretion in the past to
5502 let other parties or not parties, but interveners be involved in the case because I felt
5503 like it was.

5504 Substantially contribute to protection of correlative rights protection, prevention of
5505 waste, and possibly the environment as well.

5506 I just don't feel like this is enough to get you there, and that's why I've asked M's
5507 Hardy to proceed.

5508 Go ahead. OK.

5509 Thank you. So I can start with, would you like me to do one case at a time or how
5510 would you like to do this?

5511 I mean, let's look that up to the technical examiners.

5512 Is it Mr. Harris or Mr. Getz who's going to be questioning the the applicant here?

5513

5514  **Harris, Anthony, EMNRD** 2:06:36

5515 Yes, good afternoon, it's Tony Harris.

5516

5517  **Pecos Hall** 2:06:39

5518 OK.

5519 So Mr. Harris, would you like M's Hardy to present all three cases together, knowing
5520 that we have one case that is not being presented? And before I continue, when are
5521 you presenting that case that that case is set for a status conference on February
5522 26th and.

5523 What do you propose to do with that case?

5524 If if an agreement hasn't been reached between the parties, then we would ask for a
5525 contested hearing and who are the parties that you are negotiating with now?

5526 Oh, Terra.

5527 Oh, Terra. Oh, miss.

5528 Bennett, miss.

5529 Bennett's client.

5530 Is that the only client right now that hasn't reached a resolution with you?

5531 Yes. OK. So, Miss Manny, hopefully you'll be thinking about a date in case your client
5532 hasn't agreed.

5533 A date for a contested hearing and I want to have it soon because these are these

5534 are August cases. They're old.

5535 I understand that. OK, great.

5536 So Mr. Harris, would you like Miss Hardy to present all three cases at the same time?

5537

5538  **Harris, Anthony, EMNRD** 2:07:36

5539 Yes, please.

5540

5541  **Pecos Hall** 2:07:36

5542 OK.

5543 Go right ahead, Miss Hardy.

5544 OK, in case 25547 select seeks authorization to drill.

5545 And complete its saltwater disposal well. The Javalina Fed 4 SWD. The well will be

5546 located 408 feet from the South line and 831 feet from the East line of Section 4.

5547 Township 26 S, range 35 E Select proposes to.

5548 Inject an average of 15,000 barrels of water per day, up to a maximum of 20,000

5549 barrels per day and request.

5550 A maximum surface injection pressure of 1782.

5551 Psis.

5552 This well was originally proposed to inject into the Bell and Cherry Canyon

5553 formations at a depth of 5360 feet to 7550 feet, but since the application was filed

5554 and select worked with the other parties.

5555 We have limited the depth interval. It's been narrowed to 5360 feet to 6500 feet.

5556 So we have provided and we have the same experts for each case.

5557 So let me go ahead and summarize the other applications as well and then I'll

5558 summarize the experts in case 25548, select seeks authorization to drill and complete

5559 the saltwater disposal well called the Jack Rabbit Fed SWD #1.

5560 That well will be drilled at a location 556 feet from the South line.

5561 1968 feet from the East Line, Section 28, Township 26 S, range 35 E and that well,

5562 we'll also inject into the ball and Cherry Canyon formations and similarly to the prior.

5563 Well, we have narrowed the injection interval. So now.

5564 It is 5305 feet to 6500 feet and that is reflected in our exhibits.

5565 And then finally, in case 25900, select seeks authorization.

5566 To drill and complete and operate the Roadrunner.

5567 Fed 26 SWD, number one that well will be located 25 two 1561 feet from the South

5568 Line, 2086 feet from the East Line. Section 26 Township 26 S range 35 E.

5569 And that will also inject into the bell and Cherry Canyon formations. And those
5570 depths are 5400.
5571 To 6410 feet.
5572 So we have submitted for each case the C108 and accompanying exhibits. C108 is
5573 quite detailed and is supported by several exhibits.
5574 We have Mr. Reed Davis, who has previously testified before the division and been
5575 accepted as an expert in geophysics.
5576 We have Mr. RJ Metzler, who has previously testified before the division and been
5577 recognized as an expert in petroleum engineering.
5578 Next, we have Mr. Thomas Tomastic, who has also previously testified before the
5579 division and been accepted as an expert in hydrogeology injection wells and
5580 petroleum geology.
5581 We have Mr. Joseph Smith, who has not previously testified before the division, and
5582 we have provided his information, his CV and are asking to have him admitted as an
5583 expert in geophysics and geology.
5584 And then last but not least, we have Mr. David children.
5585 Who has not previously testified, and we have submitted his CV and information and
5586 are asking to have him qualified as an expert in reservoir engineering and then in
5587 each case we've provided our notice exhibits which show that notice was timely filed,
5588 sent to all the parties in all.
5589 Of the cases and notice was timely published and if you want the dates I can give
5590 them to you.
5591 Given that these cases go back, some of them go back six months.
5592 Notice was provided quite a while ago, but with that I understand there are
5593 questions, but I would ask the exhibits be admitted, admitted without exception.
5594 OK. Mr. Harris, do you know which witness you would like to cross examine?

5595

5596  **Harris, Anthony, EMNRD** 2:12:04

5597 Probably all 5.

5598 We can do it.

5599 Maybe as a as a panel?

5600

5601  **Pecos Hall** 2:12:08

5602 Perfect. Who are your?

5603 Can you call your witnesses? And Mr. zimski? I do see your hand up. I wonder if you

5604 can communicate with Freya.
5605 The about whatever concerns you might have, and she can let me know what they
5606 are and I'll I'll see whether we can come back to your case.
5607
5608 **BZ Bill Zimsky** 2:12:28
5609 Thank you.
5610
5611 **PH Pecos Hall** 2:12:28
5612 OK, OK.
5613 Thank you, Mrs. Zimski and Miss Vance. I know you want to talk about a case as well.
5614 When we're done. I've asked.
5615 Mr.
5616 I've asked Mr. McClure.
5617 Whether he can participate in that because I want him to be there.
5618 OK.
5619 So let's see.
5620 I see Mr. Smith, Mr. Childers, Mr. Davis.
5621 I see three, but I've heard that there are five. Mr. Metzler. Mr. thomastick.
5622 Should be on.
5623 As well.
5624 I see see them.
5625 Gymnastic. One more, Mr. Metzler.
5626 There he is.
5627
5628 **RM Raymond Metzler** 2:13:32
5629 I'm here.
5630
5631 **PH Pecos Hall** 2:13:39
5632 All right.
5633 Would you 5 gentlemen raise your hands?
5634 Your right hand please.
5635 Do you swear or affirm under penalty of perjury that the testimony you're about to
5636 give is the truth, the whole truth, and nothing but the truth?

5637

5638 **JS** **Joseph Smith** 2:13:52

5639 Yes.

5640

5641 **RD** **Reed Davis** 2:13:53

5642 Yes.

5643

5644 **TT** **Tom Tomastik** 2:13:53

5645 Yes.

5646

5647 **RM** **Raymond Metzler** 2:13:55

5648 Yes.

5649

5650 **PH** **Pecos Hall** 2:13:56

5651 Mr. Metzler.

5652

5653 **RM** **Raymond Metzler** 2:14:00

5654 Yes.

5655

5656 **PH** **Pecos Hall** 2:14:01

5657 Good. I can barely hear you, Sir.

5658 Can you speak louder or get closer to the microphone?

5659

5660 **RM** **Raymond Metzler** 2:14:07

5661 Yes, Sir.

5662 How's that?

5663

5664 **PH** **Pecos Hall** 2:14:07

5665 OK.

5666 Thank you.

5667 So let's see. First of all, I don't know why Mr. Smith turned off his camera.

5668 Mr. Smith, we're not done with you.

5669 Would you please leave your camera on?

5670 Thank you.

5671

5672 **JS** **Joseph Smith** 2:14:17

5673 My apologies.

5674

5675 **PH** **Pecos Hall** 2:14:17

5676 I'll start with you.

5677 That's OK, Mr. Smith.

5678 I'm gonna ask each of you to spell your name and tell me if you have been previously
5679 recognized by this division as an expert, and if so, in what field.

5680 Go ahead, Mr. Smith.

5681

5682 **JS** **Joseph Smith** 2:14:30

5683 Yes, my name is Joseph Smith.

5684 JOSEPHSMITH and I have not been recognized by this this body before.

5685

5686 **PH** **Pecos Hall** 2:14:45

5687 You said you have not.

5688

5689 **JS** **Joseph Smith** 2:14:47

5690 I have not, no.

5691

5692 **PH** **Pecos Hall** 2:14:48

5693 OK. And what do you seek to be recognized in what field?

5694

5695 **JS** **Joseph Smith** 2:14:54

5696 Petroleum geology.

5697

5698 **PH** **Pecos Hall** 2:14:56

5699 Petroleum geology.

5700

5701 **JS** **Joseph Smith** 2:14:58

5702 Angiophysics.

5703

5704 **PH** **Pecos Hall** 2:15:03

5705 OK.

5706 So I'm gonna come back to you, Mr. Smith. In the meantime, would you? I'm gonna
5707 wanna rundown of your education and your work experience.

5708 I'm gonna want to hear some categories of like, when did you receive your degrees?
5709

5710 **JS Joseph Smith** 2:15:14

5711 Sure.

5712

5713 **PH Pecos Hall** 2:15:20

5714 Who were they issued by? What work have you done in this field?

5715 What is your current title?

5716 What are your responsibilities? Things like that, OK.

5717

5718 **JS Joseph Smith** 2:15:29

5719 OK.

5720

5721 **PH Pecos Hall** 2:15:30

5722 All right, Mr. Childers.

5723 Would you unmute yourself?

5724

5725 **DC David Childers** 2:15:42

5726 Oh, my apologies.

5727 My name is David Childers.

5728 Last name spelled CHILDERS.

5729 I have not previously testified before this body before.

5730

5731 **PH Pecos Hall** 2:15:54

5732 OK, that doesn't tell me what field you seek to be admitted.

5733

5734 **DC David Childers** 2:15:58

5735 Oh.

5736 Sorry for self-service reservoir engineering.

5737

5738 **PH Pecos Hall** 2:16:03

5739 Reservoir engineering, OK.

5740 Mr. Davis.

5741

5742 **RD Reed Davis** 2:16:08

5743 First name Reed Reed, last name Davis Davis, and I've previously been accepted as an
5744 expert in the field of geophysics.

5745

5746 **PH Pecos Hall** 2:16:18

5747 So you have been previously accepted in which field Sir?

5748

5749 **RD Reed Davis** 2:16:23

5750 Geophysics.

5751

5752 **PH Pecos Hall** 2:16:24

5753 Geophysics. Thank you, Sir.

5754

5755 **RD Reed Davis** 2:16:26

5756 Correct.

5757

5758 **PH Pecos Hall** 2:16:28

5759 Mr. Tomastic, I recognize you and I know that you've been recognized by this
5760 division, but please spell your name and tell me in what field?

5761

5762 **TT Tom Tomastik** 2:16:36

5763 Yes, TomTom. And then last name is Tomastic TOMASTIK and I've been qualified as
5764 an expert in groundwater and in petroleum geology and underground injection.

5765

5766 **PH Pecos Hall** 2:16:53

5767 Perfect.

5768 And finally, Mr. Metzler.

5769

5770 **RM Raymond Metzler** 2:16:59

5771 Yes. First legal name is Raymond Raymond, Joseph Metzler. METZLER commonly go
5772 by RJ and I'm here to testify for petroleum engineering.

5773 I have not previously been designated as an expert witness with this division.

5774 I have for other regulatory bodies in other states.

5775

5776 **PH** **Pecos Hall** 2:17:25

5777 Thank you, Mr. Metzler.

5778 So while each of you are listening to the other person, give me their background.

5779 Think about your own so that this can go a little quicker.

5780 We're going to start with Mr. Smith. Go right ahead.

5781

5782 **JS** **Joseph Smith** 2:17:41

5783 Bachelor's and a master's degree in geology from Ohio University.

5784 I began my career 25 years ago with Occidental Petroleum, where I was cross trained

5785 in geology and geophysics and petrophysics and I have owned my own consulting

5786 company for a decade now and I I have worked.

5787 The Permian as far back as 2004.

5788

5789 **PH** **Pecos Hall** 2:18:12

5790 So you own your own consulting firm.

5791 What was the last bit?

5792

5793 **JS** **Joseph Smith** 2:18:15

5794 Yes, Sir.

5795

5796 **PH** **Pecos Hall** 2:18:16

5797 What was the last position you held with the company?

5798

5799 **JS** **Joseph Smith** 2:18:19

5800 The last position I held with company was PDC energy.

5801 And I was their senior geologist for their Utica Shale assets in eastern Ohio.

5802

5803 **PH** **Pecos Hall** 2:18:31

5804 How familiar are you with our neck of the woods?

5805

5806 **JS** **Joseph Smith** 2:18:36

5807 I cut.

5808 Kind of cut my teeth there. So I've done a lot of work on the Central Basin platform

5809 on the in the Midland Basin and the Delaware Basin.

5810 So I I feel like I'm.
5811 I feel very comfortable with the with the geology there.
5812
5813 **PH Pecos Hall** 2:18:55
5814 OK.
5815 All right then.
5816 We'll recognize you by this division as a petroleum geologist from here on in.
5817
5818 **JS Joseph Smith** 2:19:03
5819 OK.
5820
5821 **PH Pecos Hall** 2:19:04
5822 Mr. Childers.
5823
5824 **DC David Childers** 2:19:06
5825 Yes, Sir. My educational background is from the University of Oklahoma.
5826 I have an undergraduate mechanical engineering 2 master's degrees, one in
5827 petroleum engineering, one in geological engineering, and a pH. D in petroleum
5828 engineering.
5829 I have been in the oil and gas industry since 2008.
5830 Overall, I've been practicing engineering since about 2003.
5831 I have most of my experience has been in mystery operations as well as subsurface
5832 reservoir engineering.
5833 Insult or disposal wells.
5834
5835 **PH Pecos Hall** 2:19:40
5836 Who do you work for now?
5837
5838 **DC David Childers** 2:19:42
5839 Currently I work for select water solutions.
5840
5841 **PH Pecos Hall** 2:19:46
5842 Did you say earlier?

5843

5844 **DC David Childers** 2:19:49

5845 No, I currently no. I currently work for select. Yes Sir.

5846

5847 **PH Pecos Hall** 2:19:49

5848 I'm sorry currently OK and and how long have you worked there?

5849

5850 **DC David Childers** 2:19:54

5851 I have been here two years. In June of this year.

5852

5853 **PH Pecos Hall** 2:19:58

5854 OK, what is your title there?

5855

5856 **DC David Childers** 2:19:59

5857 My title is senior reservoir engineer.

5858

5859 **PH Pecos Hall** 2:20:02

5860 OK.

5861 You're accepted as a expert in petroleum engineering. And finally, Mr. Metzler.

5862

5863 **RM Raymond Metzler** 2:20:12

5864 Hello Mr. examiner.

5865 I graduated with a Bachelor of Science degree in Petroleum Engineering from the
5866 University of Texas at Austin.

5867 I've been employed at select Water Solutions previously select energy services before
5868 we rebranded my entire career, specifically working within the salt water disposal
5869 world across all lower 48 basins that we operate in, responsible for all Technical
5870 Support for all areas down hole design.

5871 Hydraulics.

5872 Surface facility design.

5873 Currently I serve as the Vice President of Operations and Engineering for the
5874 organization.

5875

5876 **PH Pecos Hall** 2:20:54

5877 OK.

5878 When was the last time that your title was petroleum engineer?

5879

5880 **RM Raymond Metzler** 2:21:07

5881 Specifically petroleum engineer.

5882 It has not been petroleum engineering as a specific title, Sir.

5883

5884 **PH Pecos Hall** 2:21:15

5885 When is the last time that you held a title other than Vice President that involved the
5886 petroleum engineer specialty?

5887

5888 **RM Raymond Metzler** 2:21:24

5889 So through education, petroleum engineering covered.

5890 A whole swall of activities within the industry.

5891 So you've got guys that are in completions, you've got facilities, you've got drilling,
5892 you've got reservoir and they teach all facets of that engineering inside of schooling.
5893 I've covered every single one of them within the organization and it all has all been
5894 held under the title of engineering. Some type of engineering within the
5895 organization.

5896

5897 **PH Pecos Hall** 2:21:54

5898 When did you?

5899 When did you achieve the degree?

5900

5901 **RM Raymond Metzler** 2:21:57

5902 In 2014.

5903

5904 **PH Pecos Hall** 2:21:59

5905 Oh, fourteen. OK. And so since then, you've been working as a petroleum engineer in
5906 different aspects.


5907

5908 **RM Raymond Metzler** 2:22:06

5909 Correct.

5910

5911 **PH Pecos Hall** 2:22:07

5912 OK.
5913 All right then.
5914 This division will recognize you as a petroleum engineer from here on in. OK, now
5915 that we have.
5916 The witnesses qualified as experts in their individual fields.
5917 They will appear as a panel, Mr. Harris, you asked your question.
5918 Whoever wants to answer the question, just state your name.
5919 And then give us your answer, because the transcript won't pick it up.
5920 Up under your name, unless you say your name. So go right ahead, Mr. Harris.
5921
5922  **Harris, Anthony, EMNRD** 2:22:44
5923 OK.
5924 Thank you, Mr. Examiner.
5925 Miss Heardy, could we please open the case file for our exhibit package for case
5926 25547, please? The javalina.
5927 Thank you. And if we go to page.
5928 11 please.
5929 And so just for the record, I'll refer to this particular case file for all my questions. All
5930 the case files are very similar. The page numbers made different slightly.
5931 But in this case, we're looking at Section 3, which is titled Weld data. If we move
5932 down.
5933 To.
5934 The second item, the casing information at the very top at a table.
5935 It references the conductor casing.
5936 Which will be 20 inch hole size.
5937 Just in terms of terminology and semantics here, oftentimes a conductor casing is
5938 the mechanism for cementing as they pull up with a ready mix truck and dump
5939 cement down the down the backside and call it good. I realize here you're
5940 mentioning that it's going to be the CE.
5941 Will be placed by circulation.
5942 Just want to verify that this will be a conventional cement job whereby your your
5943 cement is pumped.
5944 Down the inside of the casing and circulated around to the to the end of the space.
5945 Is that correct?

5946

5947  **Raymond Metzler** 2:24:22

5948 Frayman Metzler for select water.

5949 So it'll it'll be pumped in circulation method either by utilizing trimmy pipe, running
5950 down the annular space between the casing wall and the borehole wall and
5951 circulated to the surface, or we would establish a casing ***** in order to inject
5952 down the internal of the well to circ.

5953 Out the outside, but in all aspects, making sure that cement gets circulated around
5954 the outside. Yes, Sir.

5955

5956  **Harris, Anthony, EMNRD** 2:24:50

5957 OK.

5958 Well, the OCD would have great reluctance with accepting the tremi pipe. We would
5959 want to see what I would call a conventional cement job or by your run your casing
5960 with your float shoe and float collars. Your conventional shoe track and then pump
5961 your cement down down the.

5962

5963  **Raymond Metzler** 2:24:54

5964 OK.

5965

5966  **Harris, Anthony, EMNRD** 2:25:06

5967 Inside of the casing and circulate it out into the annular space and back to surface.

5968

5969  **Raymond Metzler** 2:25:15

5970 Yes, Sir.

5971

5972  **Harris, Anthony, EMNRD** 2:25:17

5973 And that would apply for all cases under consideration here.

5974 OK.

5975 Thank you for that. If we could move to page 13, please.

5976 And referring to section 10, which is entitled logging and test data.

5977 In the first sentence, there you've mentioned that the logs to be run include the
5978 gamma ray resistivity neutron density, and the Sonic, and will be submitted to the
5979 division upon completion at the well with reference to the Sonic lag.

5980 Will that Sonic lag be run only for porosity determination or will it also be used to?

5981 Get data on the in situ stress.
5982 Into across the the subsurface.

5983

5984  **David Childers** 2:26:18

5985 This is David Childers with select.

5986 It would be awesome.

5987 I would be assuming that it'd be both.

5988 We're gonna look for both looking at the stress lenses, stress and understand some
5989 of the the actual reservoir properties of the geomechanical properties.

5990

5991  **Harris, Anthony, EMNRD** 2:26:31

5992 OK.

5993 Thank you.

5994 Yeah, because here I mean, you're overlaying by the Salado, which is of concern
5995 because there's minimal separation between the Salado and your injection zone in
5996 the Bell Canyon.

5997 So we would, we wouldn't want to see some mechanical properties that or some Geo
5998 mechanical data either from Masonic log.

5999 And also across the Delaware Mountain Group itself would be valuable to have Sonic
6000 log information that can be used for for Geo mechanics to infer distress and frack
6001 gradients.

6002 For each interval within the Delaware Mountain group so that you have containment
6003 both above and below.

6004 Is there any concerns with that request?

6005

6006  **David Childers** 2:27:16

6007 David, children of select. No, I don't think there's any any concerns with that request.

6008

6009  **Harris, Anthony, EMNRD** 2:27:20

6010 OK.

6011 Thank you.

6012 If we could move to page 18 please.

6013 Please.

6014 OK.

6015 So we're looking at the wellbore diagram here.

6016 And we have, we see that there's.
6017 124 different casing strings, including the conductor.
6018 I noticed that from from below the base of your, the underground source of drinking
6019 water where your surface casing is set down to the Salado, the intermediate casing
6020 string.
6021 We oftentimes see that there's a lot of issues with cementing, getting a good cement
6022 job across the Salado.
6023 Is there any consideration given to running multiple stage cement job here with with
6024 deviation?
6025 Or sorry with with DV tools or stage tools has any consideration been been given to
6026 a multi stage cement job?

6027

6028  **Raymond Metzler** 2:28:15

6029 Yeah. Oh, I'm sorry. Raymond Metzler. Select water.
6030 We were for sure be analyzing and designing ADV tool for that intermediate section.
6031 Well, we'll correspond with our geologist at what depth we need to set that
6032 whenever we get to drilling the you know the well through those formations through
6033 any of our analyzations that come back.
6034 So yes, we will plan to utilize DD or two stage cement job for that.

6035

6036  **Harris, Anthony, EMNRD** 2:28:44

6037 OK.
6038 Thank you. And also along the same lines for your production casing, which is the
6039 the 7058 just below the intermediate.
6040 Similar to the Salado, we also see a lot of issues with with achieving good cement job
6041 and good cement quality across the Delaware Mountain group.
6042 So likewise, would you?
6043 Would you plan to run deviation tools there as well?
6044 Or sorry DB tools and and multi stage cement job.

6045

6046  **Raymond Metzler** 2:29:13

6047 Rayman Metzler was selected.
6048 Yes, we could run a multi stage job, is there on that string too.

6049

6050  **Harris, Anthony, EMNRD** 2:29:20

6051 OK.
6052 Thank you.
6053 If we could move to page 19 please.
6054 And so we're looking at the SC2 retrievable Packer in the lowermost shaded section,
6055 where it mentions advantages.
6056 So it says that the tubing and seals can be removed without accidentally onsetting
6057 the Packer.
6058 So this is retrievable Packer, but do you?
6059 Do you intend to run an on off tool here?
6060 Or a polished pore receptacle assembly separate from the Packer that will be stung
6061 into the Packer.

6062

6063  **Raymond Metzler** 2:30:01

6064 That's sort of slight water.

6065 It's very typical for us to run on all tools in tandem with these Packers. Yes, Sir.

6066

6067  **Harris, Anthony, EMNRD** 2:30:09

6068 OK.

6069 And then in terms of isolating from the reservoir, would you have like if you had to
6070 pull the upper tubing section using your on off tool if you release from the Packer,
6071 do you plan to incorporate any landing ***** below the Packer to isolate from the
6072 reservoir?

6073

6074  **Raymond Metzler** 2:30:29

6075 That's where we select. Yes, Sir.

6076

6077  **Harris, Anthony, EMNRD** 2:30:31

6078 OK.

6079 Thank you.

6080 If we could move to page.

6081 36 please.

6082 OK.

6083 So this slide is entitled reservoir characterization of the havelina SWD #1.

6084 If we look at Section B, the upper confinement.

6085 If we look at, if we read the first sentences nearby open hall geophysical well logs

6086 indicate that the proposed Bell Canyon Cherry Canyon injection interval is overlain by
6087 1000 feet of tight evaporates within the SOLARO, which will prevent upward
6088 migration of fluids and act as the upper.

6089 Confining layer.

6090 So just to clarify, you are stating here that the Salado will be your upper confining
6091 layer.

6092 There is no I guess.

6093

6094  **Tom Tomastik** 2:31:27

6095 Tom tomastic.

6096

6097  **Harris, Anthony, EMNRD** 2:31:29

6098 Just just to add to one to that one more to the Solaro will be your confining layer.

6099 There is no Castile or no.

6100 Intervening layer between the Bell Canyon and the Salado.

6101

6102  **Tom Tomastik** 2:31:41

6103 Tom tomastic.

6104 There may be some Casteel within that, but the Salado Castile acts as a significant
6105 finding layer with evaporites that basically have low porosity and and and low
6106 permeability and and act as a significant barrier for upward flow.

6107

6108  **Harris, Anthony, EMNRD** 2:32:11

6109 Well, I I guess the OCD would take exception of that.

6110 In terms of as a a barrier or a confining layer, since the Stelara does contain salt,
6111 we're injecting water and salt is soluble in water.

6112 So we would view that quite differently. And so one thing we would request is that
6113 your uppermost perforation in the Bell Canon.

6114 Be at least a minimum of 100 feet below.

6115 The base of the Salado Formation.

6116 Would there be any concerns with that?

6117

6118  **Tom Tomastik** 2:32:48

6119 No.

6120

6121  **Harris, Anthony, EMNRD** 2:32:50

6122 And again, that would be a minimum of 100 feet and we will require a cement bond
6123 log across.

6124 The the production casing here and then depending on the the results of that
6125 cement bomb log, the top perforation, the depth of the top perforation may need to
6126 be moved even deeper.

6127 Would you have any concerns with that?

6128

6129  **Tom Tomastik** 2:33:10

6130 No.

6131

6132  **Harris, Anthony, EMNRD** 2:33:12

6133 OK.

6134 Thank you.

6135 If we could move the page 65 please.

6136 OK.

6137 So we're looking here at the slide entitled locations and offset logs. If you look at the
6138 very bottom left side of that slide in terms of confining layers, it mentions the Lamar
6139 the upper interval.

6140 Will there be any Lamar limestone present in this well, do you anticipate?

6141

6142  **Tom Tomastik** 2:33:49

6143 Tom Tomastik you're saying?

6144 Is there any Lamar present in these wells?

6145

6146  **Harris, Anthony, EMNRD** 2:33:55

6147 Well, correct. I'm seeing a conflict here because the slide we just looked at
6148 mentioned that the Salada would be the confining layer and here it's mentioned in
6149 the Lamar.

6150

6151  **Tom Tomastik** 2:34:07

6152 Yeah, that, that, that probably needs to be corrected.

6153 That should be the the Salado as the upper confining layer.

6154

6155  **Harris, Anthony, EMNRD** 2:34:15

6156 OK.

6157 OK.

6158 Thank you.

6159 And if we could move?

6160 Just to the I think the next slide 66, I believe it is.

6161 Maybe 67?

6162 Yeah. So in terms of?

6163 I guess the geomechanical properties looks like there has been some Sonic logs run
6164 on some of the offset wells, have you?

6165 Have you evaluated those Sonic logs to determine?

6166 I guess the the stress gradient.

6167 For, I guess both the upper and lower confining zones from the offset wells.

6168

6169  **David Childers** 2:35:02

6170 David children select yes, we've actually looked back and we evaluated some of those
6171 and tried to come up with some correlations to be able to kind of quantify what that
6172 is from those Sonic logs.

6173

6174  **Harris, Anthony, EMNRD** 2:35:11

6175 OK.

6176 But that information is not summarized in the in the application or is it?

6177

6178  **David Childers** 2:35:16

6179 It is not well on the next slide. I believe there's a where we used basically some.

6180 Fracture correlations later in the slides that basically tried to help kind of quantify

6181 what that range would be. But we have to go back and evaluate the we're going to

6182 go back and maybe have to compile that information.

6183

6184  **Harris, Anthony, EMNRD** 2:35:35

6185 OK.

6186 So I guess if we go to page 69, I believe is a slide you're referring to.

6187

6188  **David Childers** 2:35:42

6189 Yes.

6190

6191  **Harris, Anthony, EMNRD** 2:35:44

6192 Yeah. So on page 69, which discusses the fracture gradients in the middle column,
6193 you have a table there that references the upper and lower confining zones.

6194 Do you see that where it says most likely fracture gradients of .726 and .771?

6195

6196  **David Childers** 2:36:04

6197 Yes, Sir.

6198

6199  **Harris, Anthony, EMNRD** 2:36:05

6200 So is was that determined from?

6201 The offset Sonic logs or any formation integrity test.

6202 Or extended leak off test how? How are those parameters derived?

6203

6204  **David Childers** 2:36:18

6205 Those parameters of sprinkler derived by the offset logs we haven't.

6206 We don't have any wells in this particular area that we could actually analyze for that
6207 type of date of that data.

6208 And So what we did was just use utilize the fracture correlation model to kind of get
6209 a good idea of what the minimum in the upper limits might be and then run some
6210 triangular distribution to be able to kind of come up with what the most likely Fr.
6211 Gradient would be.

6212 We will know more once the well is actually placed.

6213 So we can do testing.

6214

6215  **Harris, Anthony, EMNRD** 2:36:43

6216 OK.

6217 So then I guess there is value in in having a Sonic log.

6218 For to to characterize the stress for your upper and lower combining zones.

6219 Is that fair to say?

6220

6221 **DC David Childers** 2:36:54

6222 Yes, that is.

6223

6224 **Harris, Anthony, EMNRD** 2:36:56

6225 OK.

6226 Thank you very much.

6227 I have no further questions.

6228 We do have Miss Stacy Sandoval, who has some questions in this case.

6229

6230 **PH Pecos Hall** 2:37:05

6231 Go right ahead.

6232

6233 **SE Sandoval, Stacy, EMNRD** 2:37:07

6234 Probably unmute. I'm gonna be referring to pages in case 25900.

6235 If we could please pull that case up.

6236 OK.

6237 So my first question is on page 12.

6238 So looking at the last paragraph of Section 8, geologic description, you mentioned
6239 the wrestler formation, but there is no mention of any underlying sources of drinking
6240 water beneath the proposed injection interval.

6241 For clarity, did you not identify any underlying sources of drinking water beneath the
6242 proposed injection interval?

6243

6244 **RD Reed Davis** 2:37:52

6245 This is Reed Davis.

6246 I believe there's a no hydrologic connection statement later in the application that
6247 addresses such it. It should have been included here. That was an oversight.

6248

6249 **SE Sandoval, Stacy, EMNRD** 2:38:03

6250 So I saw where you're mentioning the wrestler, but I didn't see where it directly
6251 stated that you did not find any underlying sources of drinking water beneath the
6252 proposed injection interval. So.

6253 I just wanted to make sure that that was true.

6254

6255 **TT Tom Tomastik 2:38:20**

6256 This this is Tom.

6257 Tom Tomastic there is.

6258 There is no deeper usdw.

6259 Below the Rustler formation, the rustler is the deepest underground source drinking
6260 water in this area.

6261

6262 **SE Sandoval, Stacy, EMNRD 2:38:36**

6263 OK.

6264 Thank you.

6265 And this applies for all three of the applications that are being heard today, correct?

6266

6267 **TT Tom Tomastik 2:38:42**

6268 Yes, that's correct.

6269

6270 **SE Sandoval, Stacy, EMNRD 2:38:44**

6271 OK, I will move to the next question on page 34.

6272 So under section C lower confinement.

6273 On paragraph one, you state that the lower confinement is the low porosity and
6274 permeability rocks within the Cherry Canyon Formation.

6275 But then on page 63, under the confining layers you listed, the lower interval of the
6276 Brushy Canyon.

6277 So can you just please clarify what is your lower confining layer for these proposed
6278 SWD's?

6279

6280 **TT Tom Tomastik 2:39:25**

6281 Tomastic if we can.

6282 Move to the page 30 or 6 the next page below that please page 35 I guess.

6283 So. So we're looking at confining layers that are directly below the proposed
6284 injection zone.

6285 So we would consider the lower confinement as being those low porosity.

6286 Low permeability zones that are developed within the Cherry Canyon, so we could
6287 amend.

6288 The other page to reflect that.

6289

6290 **SE Sandoval, Stacy, EMNRD 2:40:09**

6291 OK.

6292 Thank you.

6293 My next question will be on page 75.

6294 So this is looking at the self affirm statement of Thomas Temastic.

6295 My question applies for cases 25900 and 25548, so referencing paragraph 9.

6296 So Mr. Thomas stick, I'm just wanting to clarify that your statements in this paragraph

6297 are the same findings and confirms the statement made by the consulting

6298 geophysicist and geologist Joseph Smith that he stated on page 43.

6299

6300 **TT Tom Tomastik 2:40:54**

6301 Yes, Tom Tomastik that is correct.

6302 This this paper that was published in 2019 within a Delaware Mountain Group study.

6303 It is in is in Texas, but with a similar geologic environments.

6304 This clearly shows that the shallow Gray grabbing graven features in the Delaware

6305 Mountain group are associated.

6306 With.

6307 Likely fracture systems that are related to.

6308 Evaporite and carbonate dissolution figures from the Salado Castill they are not

6309 consistently across the area, but seem to be mapped in about a mile and a half to

6310 two mile areas.

6311 In review and in Mr. Smith can go into more detail in a review of the seismic sections

6312 which we ran 2 miles.

6313 Across both North and South East West, we have not identified any of these Robin

6314 related vertical fracture features in the DMG and there is a very good example.

6315 In this paper showing what the Robin feature looks like in 3D seismic.

6316

6317 **SE Sandoval, Stacy, EMNRD 2:42:18**

6318 OK.

6319 Thank you.

6320 I did notice for case 25547 there was no statement by Joseph Smith like in these

6321 other two cases. Is there a reason why that was not included in that particular case?

6322

6323 **JS Joseph Smith 2:42:35**

6324 This is Joseph Smith.

6325 I'm. I'm not sure why.

6326 Maybe it was just an emission.

6327

6328 **SE Sandoval, Stacy, EMNRD 2:42:41**

6329 OK.

6330 So it should have been in that case as well.

6331

6332 **JS Joseph Smith 2:42:44**

6333 Yes.

6334

6335 **SE Sandoval, Stacy, EMNRD 2:42:45**

6336 OK.

6337 Thank you.

6338 And then if we go back to case 25900, page 106.

6339 So if you Scroll down please.

6340 So the delivery status for the McCombs Energy Ltd says in transit to next facility
6341 arriving late.

6342 Do you have an update on whether they've received?

6343 This packet by any chance?

6344

6345 **PH Pecos Hall 2:43:20**

6346 That would be a question for me.

6347 Dana Hardy, since I send out the notices.

6348 And I I don't have an update, we can see if we can get one.

6349 But.

6350 Sometimes.

6351 Companies.

6352 Are out of business, not locatable, and I don't know what the situation was with this
6353 one, but we can check and see.

6354 We did timely publish notice.

6355 So there was public notice given.

6356 In case parties did not receive.

6357 The actual certified mail notice, but I can double check on that status.

6358

6359 **SE Sandoval, Stacy, EMNRD 2:43:54**

6360 OK.

6361 Thank you.

6362 My last is just a comment, so it'll be for all three SWD applications. We would like to
6363 see an induced seismicity risk assessment. You know, with these SWD's being
6364 between two seismic response areas and seeing earthquakes to the South, we would
6365 like to see an induced se.

6366 Risk assessment for each SWD well-being proposed.

6367 An example of some things we would like to see is an evaluation of potential
6368 communication.

6369 With a pre Cambrian through faulting or other geologic features, you know, looking
6370 at earthquakes within 10 miles of the proposed wells and a statement on, you know
6371 potential for induced seismicity as a result of injection of produced water into these
6372 wells, you know, etc.

6373 Just for some examples.

6374 Would that be able to be provided?

6375

6376 **RD Reed Davis 2:44:48**

6377 This is Reed Davis.

6378 And yes, we can provide that for each of the each of the wells.

6379

6380 **SE Sandoval, Stacy, EMNRD 2:44:53**

6381 OK.

6382 Those are all my questions.

6383 Thank you.

6384

6385 **PH Pecos Hall 2:44:58**

6386 All right.

6387 Thank you.

6388 Miss Hardy, did you catch what needs to be submitted?

6389 Yes, I believe we did.


6390 Do you want to just go over the list so that Mister Harris and?

6391 And and Miss Sandoval can hear that you have everything.


6392 Yes. So I understood just now.

6393 The induced seismicity assessment, which we will provide.
6394 The other items I guess Mr. Smith's statement, if that was omitted from one of the
6395 cases inadvertently, we would include that.
6396 The questions about.
6397 Correcting.
6398 Whether the confining layer on page 65 should be the Salado or the Lamar and we
6399 would correct that to be the Salado.
6400 On Page 34, clarify the lower confining layer.
6401 Yes, I think that my hopefully my witnesses understood the questions as well. So I'm
6402 not a geologist or an engineer.
6403 And some of these there were questions about, but I'm not sure if the examiners
6404 actually wanted.
6405 Supplemental information, OK.
6406 So those are the items I had.

6407
6408  **Harris, Anthony, EMNRD** 2:46:26
6409 It.

6410
6411  **Pecos Hall** 2:46:27
6412 OK.

6413 Do any of the witnesses have questions about what the examiners are asking for?
6414

6415  **Tom Tomastik** 2:46:36
6416 This is Tom Tomask. I can go through what I've jotted down I believe.
6417 They were the requests from OCD was the usage of DB tools and and I'm assuming
6418 it's an external casing Packer on the intermediate production casing.
6419 We need to have at least 100 feet of separation from the base of the slotto to the
6420 proposed top perforation.
6421 And based on the CBL log, we may need to move that top perforation even deeper.
6422 And then I had page 65 replacing Lamar with Salado as upper confinement on the
6423 Sonic logs to be used both for for porosity and infrared gradient data calculations.
6424 And then.
6425 The lower confinement on the one I think it was.
6426 Page 34, where we had the Brusha Canyon to change that to the Cherry Canyon

6427 zones and then the seismic evaluation. And then Mr. Mr. Smith's statement omitted.
6428 That's what I had written down.

6429

6430  **Pecos Hall** 2:47:55

6431 All right.

6432 Well, Mr. Harris, anything before we go into recess on this case because I'm not sure
6433 when it's coming back. I guess it depends on when the witnesses can give us the
6434 information and you can review it.

6435

6436  **Harris, Anthony, EMNRD** 2:48:08

6437 Sure. Yeah.

6438 Nothing else from our side.

6439

6440  **Pecos Hall** 2:48:10

6441 All right. Wonderful.

6442 And I did confirm quickly while we were just in this meeting, I did confirm the status
6443 of the mailing to McCombs.

6444

6445  **Harris, Anthony, EMNRD** 2:48:11

6446 Thank you.

6447

6448  **Pecos Hall** 2:48:17

6449 And it's still in transit, so I don't know why that would be, but we're we're coming
6450 back on the record on the 26th and we have offered you.

6451 The March 20.

6452 What date was it in March for the contested hearing for this other fourth case?

6453 March 24. Fourth, I believe you're right. Hopefully at the status conference, you will
6454 have conferred with your witnesses M's Hardy and and M's Bennett about March 24.

6455 So we can issue the pre hearing order and and get that case moving along.

6456 We will also have these technical advisors at the March 24th.

6457 Are hearing, so maybe it's at that time when this other information can be submitted
6458 and reviewed.

6459 Let me ask my witnesses how long it would take them to assemble the information
6460 that's been requested.

6461

6462  **David Childers** 2:49:24

6463 This is David Chu.

6464

6465  **Tom Tomastik** 2:49:24

6466 Tom Tomassik, I don't.

6467 I don't think that's it's going to be too hard to assemble this.

6468

6469  **Pecos Hall** 2:49:31

6470 If we could have it heard, I don't know if they're. If the examiners are available

6471 anytime before March 24th.

6472 Maybe March the 5th?

6473 Mr. Harris, Miss Sandoval, would you be available to to look at this new information

6474 and be prepared with any follow up questions on March 5th.

6475

6476  **Harris, Anthony, EMNRD** 2:49:53

6477 Yeah, absolutely.

6478

6479  **Sandoval, Stacy, EMNRD** 2:49:55

6480 Yes.

6481

6482  **Harris, Anthony, EMNRD** 2:49:55

6483 The companion case is being heard on the 26th.

6484 Could probably do it then.

6485

6486  **Pecos Hall** 2:50:01

6487 OK, so the companion case is coming for a status conference, so that normally we

6488 don't have technical examiners at status conferences. But if you if you don't mind to

6489 be available on the 26th of February, then we could do that then as well.

6490

6491  **Harris, Anthony, EMNRD** 2:50:09

6492 OK.

6493 That works for me.

6494

6495  **Pecos Hall** 2:50:19

6496 That'd be great. OK. So we'll try for the 26th of February, but for some reason, if your
6497 witnesses don't get the information together, you have a back up plan for March 5th.
6498 Understood.

6499 Thank you very much.

6500 All right then.

6501 Thank you, Miss Sandoval. Mr. Harris, Mr. Goetz. And all the witnesses for.

6502 For select.

6503

6504  **Goetze, Phillip, EMNRD** 2:50:38

6505 One one more item, Mr. Examiner, could I?

6506

6507  **Pecos Hall** 2:50:40

6508 Go ahead, Mr. Goetz.

6509

6510  **Goetze, Phillip, EMNRD** 2:50:44

6511 Sorry to interrupt, but I have one more task for Miss Hardy.

6512 In the case of, let's see the Roadrunner. That would be 25900.

6513 Would you please send a copy of the application as a notice to the city?

6514 Of jaw please.

6515

6516  **Pecos Hall** 2:51:08

6517 Absolutely.

6518

6519  **Goetze, Phillip, EMNRD** 2:51:10

6520 Than that, nothing else.

6521

6522  **Harris, Anthony, EMNRD** 2:51:10

6523 And if I could?

6524 And Tony Harris here, if I could add one more item.

6525 For the February 26th, or whenever we hear this again, for the I would recommend
6526 that we just that they just submit a supplemental exhibit package, not an entire.

6527 There's no need to update the entire application, just simply submitting the

6528 supplemental package, which would be, you know, 5-6 pages to address the items.

6529

6530  **Pecos Hall** 2:51:38

6531 That. Thank you.

6532

6533  **Harris, Anthony, EMNRD** 2:51:39

6534 OK.

6535 Thank you.

6536

6537  **Pecos Hall** 2:51:41

6538 All right.

6539 Thank you all OK.

6540 We're in recess on these cases.

6541 Was there anything else before we go off the record, Miss Bennett?

6542 No on anything.

6543 Yes, you were going to recall my avant case and kotera cases forgot that.

6544 OK. Are you talking about 25784?

6545 I'm sorry, 25748.

6546 That's the first case, yes.

6547 Alright, that's number 11 on our docket.

6548 Why are we recalling it? That in that case Mr. McClure identified some issues with the
6549 pool and pool the lower Wolfcamp, and I had mentioned to him and to you that I
6550 would confer with Yvonne to see how they would like to proceed and Yvonne would
6551 like to.

6552 Maintain its application for the 721 and 723 H 12.

6553 Which were in the correct pool and dismiss the remaining wells, which are the
6554 801802803 and 8048 and we would ask that the division take this case under
6555 advisement without requiring any new submissions.

6556 Mr. McClure, are you with us?

6557

6558  **McClure, Dean, EMNRD** 2:52:51

6559 Yes, I am, Mr. Hern, examiner.

6560

6561  **Pecos Hall** 2:52:52

6562 And did you hear what Miss Bennett just said?

6563

6564  **McClure, Dean, EMNRD** 2:52:56

6565 Yes, I did.

6566 And I'm just looking at my notes, M's Bennett.

6567 Did we ask for any other?

6568 Any other documents we submitted other than?

6569 Jill for the 800 series Wells.

6570

6571  **Pecos Hall** 2:53:09

6572 No, you did not.

6573 The only thing that you had asked was to amend one of the lower Wolfcamp exhibits
6574 to show the top of the Wolfcamp D.

6575 But that would be rendered moot by Avon's dismissal of the 800 series cases.

6576

6577  **McClure, Dean, EMNRD** 2:53:25

6578 Mr.

6579 Hearing examiner.

6580 I think the only thing we would need then is for the CPAC to have some wells
6581 removed from it.

6582 Perhaps discretionary for allowing them to do it by the end of the day. I don't know
6583 what your thoughts are on the matter though.

6584

6585  **Pecos Hall** 2:53:42

6586 Miss Bennett, thank you.

6587 I am happy to remove the wells from the CPAC.

6588 What? What?

6589 I'm the reason why I'm a little reluctant is I don't want to have to go through every
6590 single exhibit and remove those wells because they do appear, for example, in the
6591 land exhibit and they appear in the what if you do this?

6592 Then I have an idea.

6593 Sorry to interrupt, but it's late in the day.

6594 Why don't you file a motion?

6595 File a motion with the division saying.

6596 Please dismiss that part of our application.

6597 Then we have it on the record and then Mr. McClure knows that you're not interested

6598 in it anymore.

6599 You don't have to revise each exhibit. Is that OK with you, Mr. McClure?

6600

6601  **McClure, Dean, EMNRD** 2:54:22

6602 Yeah, Mr. herring. Examiner, I'd be fine with that. But we would need them to give us
6603 the new C pack, even if they don't update the other exhibits.

6604

6605  **Pecos Hall** 2:54:30

6606 OK, because it's an exhibit.

6607 It's an exhibit to the order. OK all right.

6608

6609  **McClure, Dean, EMNRD** 2:54:33

6610 Yeah. Well, because they'll be a part of the hearing order, yeah.

6611

6612  **Pecos Hall** 2:54:36

6613 So why don't we do this?

6614 We'll leave the record open till tomorrow at 5:00 PM, OK?

6615 That'll give you a chance to file an order with a.

6616 Sorry, a motion with a proposed order dismissing your 800 wells.

6617 And also attach the corrected CPAC and when I attach the corrected CPAC, should I
6618 attach that to the motion to dismiss? Or shall I file a revised exhibit packet?

6619 Mr. McClure.

6620

6621  **McClure, Dean, EMNRD** 2:55:03

6622 I mean, we probably better practice to have her.

6623 Just give us a new exhibit packet unless you think that'll be problematic, I guess.

6624

6625  **Pecos Hall** 2:55:11

6626 I don't think it would be yes. So yes, so I meant that exhibit packet with the corrected
6627 CPAC.

6628

6629  **McClure, Dean, EMNRD** 2:55:14

6630 Yeah.

6631

6632  **Pecos Hall** 2:55:18

6633 That way we can take the old exhibit packet out to remove any confusion there, and
6634 we'll have the order in there dismissing the cases.
6635 Sorry, not the cases.
6636 The Wells 8 hundreds, OK.
6637 Yes, thank you.
6638 Are are you done now?
6639 No, I'm not OK.
6640 What's the other case 25805 please which is 805?
6641 Yes, the kotterra Eastwood.
6642 It's #18 on the docket.
6643 18th, OK.
6644 I'm sorry, 1918.
6645 Yes, 18.
6646 Let me recall 25805.
6647 What are we coming back for in this case?
6648 This case also involves two sets of wells, Wolfcamp wells, upper and lower.
6649 And in this case, Kotera would like to move forward only with its upper wolf camp.
6650 Well, which is the 404 well.
6651 But.
6652 The.
6653 Current 25805 case was a standard unit because there was a proximity tracked.
6654 Well, one of the lower Wolfcamp wells was a proximity tracked well. When we
6655 dismissed those wells, that means that this becomes a non standard unit.
6656 And So what I would really love like more than anything is if I could file an amended
6657 application tomorrow that could be heard on March 5th.
6658 Recognizing that there's not quite 30 days, but the division hasn't allowed some
6659 flexibility there so that I can amend it to a remove the other wells B request non
6660 standard unit approval and C still come to hearing on the 5th and hope for an
6661 expedited hearing giving given.
6662 The lease expiration issues and of course I would address all the other things that
6663 Mister McClure asked me to fix in both this case and case 258-O6.
6664 Mr. McClure.

6665

6666  **McClure, Dean, EMNRD** 2:57:09

6667 I mean, I don't have an issue with that, provided that it doesn't cause us problems on

6668 our notice, which I'm assuming we haven't noticed, February 5th docket yet or March
6669 5th docket yet.

6670

6671  **Pecos Hall** 2:57:22

6672 We have not, we have not.

6673

6674  **McClure, Dean, EMNRD** 2:57:25

6675 OK.

6676 I mean, I don't see an issue as long as all of the notice can be met at by that time.

6677

6678  **Pecos Hall** 2:57:26

6679 So.

6680 OK.

6681 Yeah, I'm willing to adjust the 30 day rule so that you can file an amended
6682 application tomorrow.

6683 We can notice it properly and we'll hear it on March 5th. Thank you. You're welcome.

6684 I'm hoping that's it, all right.

6685 Thank you everyone.

6686 We are.

6687 Thank you, Mr. McClure, really thank you.

6688 We're off the record, OK.

6689

6690  **Pecos Hall** stopped transcription

6691