

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

**IN THE MATTER OF THE APPLICATION OF
CHEVRON U.S.A. INC. TO REOPEN
CASE NOS. 24185 AND 24886
(ORDER NOS. R-23684 AND R-23685)**

CASE NO. 25878

**ORDER DENYING JOINT MOTION FOR CONTINUANCE
AND TO AMEND PRE-HEARING ORDER**

This matter comes before the Oil Conservation Division ("Division") on the Joint Verified Motion for Continuance filed by Chevron U.S.A. Inc. ("Chevron") and PBEX, LLC / E.G.L. Resources, Inc. (collectively "PBEX"). Having considered the motion, the case history, counsels' representations, and being otherwise fully advised, the Division issues the following Findings and Conclusions:

FINDINGS OF FACT

1. Chevron filed its application in Case No. 25878 on December 23, 2025.
2. PBEX/EGL filed an entry of appearance and objection on December 30, 2025, converting the matter into a contested case.
3. Because of the objection, the Division held the first status conference on February 26, 2026.
4. At the March 10, 2026 status conference, the parties identified the issues that would proceed to contested hearing and jointly requested subpoenas.
5. The Division issued subpoenas on March 15, 2026.
6. The Division issued a Pre-Hearing Order on March 10, 2026, setting the contested hearing for April 21, 2026.
7. PBEX filed an unopposed motion for continuance of the April 21 hearing, which the Division granted, resetting the contested hearing to May 13, 2026.

8. On April 28, 2026, the Division granted continuances in two other contested cases originally scheduled for May 13, 2026, and reset those matters to June 2, 2026.
9. As a result, Case No. 25878 is the only contested hearing remaining on the Division's docket for May 13, 2026.
10. Chevron's counsel has not identified any scheduling conflict with the May 13 setting.
11. PBEX's counsel is scheduled to appear before the Oil Conservation Commission on the morning of May 13, 2026, in several matters.
12. Those Commission matters are expected to conclude before the lunch recess.
13. The Division can begin the contested hearing in Case No. 25878 at 1:00 p.m. on May 13, 2026.
14. A 1:00 p.m. start time avoids any material scheduling conflict for PBEX's counsel.
15. Chevron's application has now aged more than five months since filing.
16. Chevron, as the applicant, bears the burden of persuasion and the responsibility to prosecute the case diligently.

CONCLUSIONS OF LAW

1. The Division has jurisdiction over the parties and subject matter pursuant to the Oil and Gas Act.
2. A continuance may be granted only for good cause shown, and the moving parties bear the burden of demonstrating such good cause.
3. The Division maintains broad discretion to manage its docket and avoid unnecessary delay in adjudicating contested matters.
4. The moving parties have not established good cause for a continuance.
5. Any potential scheduling conflict for PBEX's counsel is resolved by commencing the hearing at 1:00 p.m.
6. Further delay would prejudice the efficient adjudication of Chevron's application and is not warranted.
7. Resetting the hearing to June 23, 2026, is neither necessary nor appropriate.

ORDER

- A.** The Joint Verified Motion for Continuance and to Amend the Pre-Hearing Order is DENIED.
- B.** The contested hearing in Case No. 25878 shall proceed on May 13, 2026, beginning at 1:00 p.m. in the 3rd Floor Conference Room in the Office of the Secretary.
- C.** All provisions of the March 10, 2026 Pre-Hearing Order remain in full force and effect.

Gregory Chakalian
Hearing Examiner
NM Oil Conservation Division