

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION MEETING

OCD DOCKET: MARCH 27, 2025

Case Nos. 25035, 25037, 25038, 25182, 25187,
25188, 25189, 25190, 25191, 25192, 25193,
25194, 25195, 25217, 25218, 25228, 25234,
25235, 24941, 24942, 24994, 24995, 25115,
25116, 25117, 25145, 25146, 25147, 25148

REPORTER'S VIRTUAL TRANSCRIPT OF PROCEEDINGS

Moderated by Gregory A. Chakalian
Thursday, March 27, 2025, 9:00 a.m.

Pecos Hall, Wendell Chino Building
1220 S. Saint Francis Drive
Sante Fe, NM 87505

Reported By: Gail F. Mason

Job Number: NM 6972987

A-P-P-E-A-R-A-N-C-E-S

List of Attendees:

Kaitlyn A Luck, Esquire

Paula M. Vance, Esquire

Miguel A. Suazo, Esquire

Benjamin B. Holliday, Esquire

Keri L. Hatley, Esquire

Dana S. Hardy, Esquire

Darin C. Savage, Esquire

Deana M. Bennett, Esquire

Travis Macha

Steve Warren

Charles Odom

Madai Corral, EMNRD

Dean McClure, EMNRD

Drew DeLozier

Michael Jewell

Weston Hinton

Freya Tschantz, Law Clerk

1 BY THE HEARING EXAMINER:

2 Good morning. It is March 27,
3 2025. This is the second regular docket of the
4 Oil Conversation Division primarily for status
5 conferences, although we are going to have a
6 motion hearing at the end of today's docket.

7 My name is Gregory Chakilian.
8 With me, I have Dean McClure as a Technical
9 Examiner only for the final motion hearing.

10 Do we have a court reporter?

11 BY MS. TSCHANTZ:

12 Yes, we do.

13 BY THE HEARING EXAMINER:

14 Let's get on the record in the
15 order that I have them. I hope it's the order
16 that you have them.

17 I'm going to start with Case Nos.
18 20535, 37 and 38. These are Matador Production
19 Company Compulsory Pooling applications.
20 Entries of appearances, please.

21 BY MS. VANCE:

22 Good morning, Mr. Hearing
23 Examiner. Paula Vance with the Sante Fe office
24 of Holland and Hart on behalf of Matador.

25 BY THE HEARING EXAMINER:

1 Thank you.

2 BY MR. SAVAGE:

3 Good morning, Mr. Examiner.
4 Darin Savage with the Sante Fe office of Abadie
5 and Schill, attorney on behalf of Cimarex
6 Energy Company.

7 BY THE HEARING EXAMINER:

8 Thank you.

9 BY MR. SUAZO:

10 Good morning, Mr. Examiner.
11 Miguel Suazo with Beatty and Wozniak on behalf
12 of XTO Energy --

13 BY THE HEARING OFFICER:

14 It looks like there's other
15 parties that have entered.

16 BY MR. SUAZO:

17 Mr. Examiner, can you hear me?

18 BY THE HEARING EXAMINER:

19 I believe we have XTO?

20 BY MR. SUAZO:

21 Yes. Can you hear me?

22 (No response.)

23 BY THE HEARING EXAMINER:

24 Mr. Savage, am I correct -- oh,
25 there's Mr. Suazo there.

1 BY MR. SUAZO:

2 Can you hear me now?

3 BY MS. TSCHANTZ:

4 I think he's having audio
5 problems.

6 BY THE HEARING EXAMINER:

7 I think he is too.

8 BY MR. SUAZO:

9 Let me log back in.

10 BY THE HEARING EXAMINER:

11 I saw Mr. Suazo. I believe he's
12 here with us, whether he can -- whether we can
13 hear him or not is a different issue.

14 BY MS. BENNETT:

15 Mr. Examiner, this is Deana
16 Bennett. Can you hear me?

17 (No response.)

18 BY THE HEARING EXAMINER:

19 Mr. Suazo, I can see you, but I
20 can't hear you. Do you want to use your phone
21 or something else to speak with us?

22 BY MR. SUAZO:

23 Sure.

24 BY THE HEARING EXAMINER:

25 Freya, did you get the message

1 from Dean? He said there's something about the
2 speaker in Pecos Hall, people are talking
3 virtually but you cannot hear them.

4 BY MS. TSCHANTZ:

5 Let me check.

6 BY THE HEARING EXAMINER:

7 Thank you.

8 BY MS. TSCHANTZ:

9 I think it may be working now.

10 BY THE HEARING EXAMINER:

11 Okay.

12 BY MS. TSCHANTZ:

13 Mr. Suazo, do you want to try
14 again?

15 BY MR. SUAZO:

16 Sure. Can you hear me now?

17 BY THE HEARING EXAMINER:

18 Yes.

19 BY MR. SUAZO:

20 Okay. Good. Good morning,
21 Mr. Examiner. Miguel Suazo with Beatty and
22 Wozniak appearing on behalf of XTO Energy in
23 Cases 25035 and 37 only and appearing only for
24 monitoring purposes.

25 BY THE HEARING EXAMINER:

1 Okay. Thank you. I noticed that
2 you had an objection and you withdrew it.

3 BY MR. SUAZO:

4 Correct.

5 BY THE HEARING EXAMINER:

6 All right. Sounds good. So,
7 Ms. Vance, this is a final status conference.
8 I think we're set for May 13 --

9 BY MS. VANCE:

10 No.

11 BY THE HEARING EXAMINER:

12 -- oh, we're not set for May 13.
13 It's in my notes that I'd like this to be set
14 for May 13.

15 BY MS. VANCE:

16 We are -- I think our pref -- I
17 say "I think." Our preference would be to push
18 to either a June or a July contested hearing.

19 BY THE HEARING EXAMINER:

20 All right. Okay. Let's go to
21 Mr. Savage.

22 BY MR. SAVAGE:

23 Yes. Thank you, Mr. Examiner.
24 Mr. Examiner, we had entered an objection on
25 this. And after review of the facts of this

1 situation, we think -- we object to MRC's
2 believing they have a right to pool the east
3 half of Section 10. And we think this is a
4 rather serious legal question that has arisen
5 in this case.

6 So Cimarex has been looking
7 closely at the economics of its east half unit.
8 They own 100 -- they own 97 percent in the east
9 half of Section 10, and they have entered a JOA
10 that has -- that had controls of a hundred
11 percent of the east half of Section 10 under a
12 voluntary agreement. And Cimarex believes it
13 to be economical to develop this as a discrete
14 unit.

15 So this -- this creates kind of
16 an unusual situation for the Division in this
17 matter because under the Oil & Gas Act,
18 development under a Voluntary Agreement
19 overrides and supercedes a party trying to
20 force pool by using state police powers to
21 force pool owners who have already volunteered
22 to develop this agreed unit.

23 So -- and, again, how we're --
24 how we're looking at this to -- so the parties
25 come under the jurisdiction of the -- of the

1 OCD when they can't reach a full Voluntary
2 Agreement and they have to force pool other
3 parties, and then so competing applications
4 become under the jurisdiction of the OCD when
5 both parties have to force pool. Okay? That
6 allows -- that allows -- at that point, that
7 allows the OCD to decide which development plan
8 is the one that would best prevent waste.

9 But the party that has a JOA in
10 place and has a hundred percent and it's a pres
11 -- it's a cooperative spacing unit, then
12 there's -- then that becomes a private matter
13 involving vested property rights, and the
14 operator can go ahead and develop it. And
15 that's what Cimarex is -- is at this point
16 planning to do.

17 So we think that setting a
18 hearing date is really kind of outside the
19 jurisdiction of the OCD at this point.

20 BY THE HEARING EXAMINER:

21 So, Mr. Savage, are you saying --
22 and I want to be clear about the locations and
23 -- and the scale of what you're talking about.
24 Are you talking about the exact same area as
25 this application?

1 BY MR. SAVAGE:

2 So the application that -- that
3 MRC filed, it purports to pool stand up 2 mile,
4 Section 3, east half of Section 3, and the east
5 half of Section 10. Okay?

6 BY THE HEARING EXAMINER:

7 How many acres are we talking
8 about?

9 BY MR. SAVAGE:

10 What is that? That's 640 acres.

11 BY THE HEARING EXAMINER:

12 Okay. And that's the east half
13 of both sections, 3 and 10?

14 BY MR. SAVAGE:

15 That's correct.

16 BY THE HEARING EXAMINER:

17 Ms. Vance, is that correct?

18 BY MS. VANCE:

19 So our applications -- and I'm
20 reviewing them right now -- they pool the east
21 half of Sections 3 and 10.

22 BY THE HEARING EXAMINER:

23 Okay.

24 BY MS. VANCE:

25 So it's more acreage than what

1 Mr. Savage is referring to. He is specifically
2 referring to some type of contractual agreement
3 that his party has regarding section -- the
4 east half of Section 10. But we're trying to
5 pool both the east half of Section 10 and
6 Section 3.

7 BY THE HEARING EXAMINER:

8 Okay. I'll come to you in just a
9 minute. I just wanted a "yes" or "no" if -- if
10 you agreed with his characterization of your
11 application being the east half of Sections 3
12 and 10. Okay. I'm with you so far. Go ahead.

13 BY MR. SAVAGE:

14 And there's actually three
15 applications.

16 BY THE HEARING EXAMINER:

17 Yes.

18 BY MR. SAVAGE:

19 One is the east half of Sections
20 3 and 10 --

21 BY THE HEARING EXAMINER:

22 Yes.

23 BY MR. SAVAGE:

24 -- and the others are the east
25 half of -- the east half of Sections 3 and 10

1 and the west half east half of Sections 3 and
2 10.

3 BY THE HEARING EXAMINER:

4 Okay.

5 BY MR. SAVAGE:

6 So it's all the east half of --
7 of Sections 3 and 10.

8 BY THE HEARING EXAMINER:

9 You lost me on that third
10 application.

11 BY MR. SAVAGE:

12 So the one application is the
13 Bone Spring, and it's the east half of Sections
14 3 and 10.

15 BY THE HEARING EXAMINER:

16 Okay. All right.

17 BY MR. SAVAGE:

18 Okay? And then there's two
19 applications for the Wolf Camp --

20 BY THE HEARING EXAMINER:

21 Ah.

22 BY MR. SAVAGE:

23 -- and one of them is the east
24 half -- east half of east half of 3 and 10.
25 That's the -- and then the other is the west

1 half east half of 3 and 10. So that also
2 covers -- those two applications also cover the
3 entire east half.

4 BY THE HEARING EXAMINER:

5 In what formation is that -- that
6 second one you said?

7 BY MR. SAVAGE:

8 So -- so the first one is the
9 Bone Spring and the other two are the Wolf
10 Camp.

11 BY THE HEARING EXAMINER:

12 That's what I was asking.

13 BY MR. SAVAGE:

14 And they're all -- they're all
15 oil pools.

16 BY THE HEARING EXAMINER:

17 So, ultimately, all three, if you
18 add up all three applications, you have that
19 640 acres in both the Bone Spring and the Wolf
20 Camp. Okay. Now, what are you saying?

21 BY MR. SAVAGE:

22 Okay. So Ms. Vance is correct,
23 we have a Joint Operating Agreement that covers
24 the east half of Section 10.

25 BY THE HEARING EXAMINER:

1 Okay.

2 BY MR. SAVAGE:

3 So that's what we're
4 developing --

5 BY THE HEARING EXAMINER:

6 Right.

7 BY MR. SAVAGE:

8 -- is the east half of Section
9 10. We're doing it under a Voluntary
10 Agreement.

11 BY THE HEARING EXAMINER:

12 Right.

13 BY MR. SAVAGE:

14 Okay? A JOA -- once a JOA is
15 formed, a JO -- it consists of -- of a number
16 of discrete property rights. But once the JOA
17 is formed, there's good authority that says it
18 itself becomes a property right.

19 BY THE HEARING EXAMINER:

20 Okay.

21 BY MR. SAVAGE:

22 Okay? And then the operator-ship
23 rights in the JOA also become a property right.

24 BY THE HEARING EXAMINER:

25 Okay. So you're saying that --

1 that they can't be force pooled because they're
2 committed. They're not uncommitted.

3 BY MR. SAVAGE:

4 They can -- right, they cannot be
5 force pooled because MRC cannot terminate a
6 property right within a Voluntary Agreement.

7 BY THE HEARING EXAMINER:

8 I understand.

9 BY MR. SAVAGE:

10 Okay.

11 BY THE HEARING EXAMINER:

12 I get it. So we're just talking
13 about Section 10 in the JOA. Section 3 is
14 still -- okay. Now, Ms. Vance, what have you
15 got to say?

16 BY MS. VANCE:

17 Well, I'm -- I'm not even sure
18 where to start because, first of all, this is
19 the first I'm hearing of this from opposing
20 counsel. It was my understanding that we were
21 going to come here today and discuss and come
22 to terms on a contested hearing, you know.
23 It's -- it's too -- too --

24 BY THE HEARING EXAMINER:

25 May I make a suggestion that

1 since it's -- I understand. You're a little
2 bit blind-sighted by this.

3 So, Mr. Savage, why don't you
4 speak with Ms. Vance at some point while we
5 call these cases before the end of the day.
6 You're both going to be here until the end of
7 the day, so maybe you could take a few minutes
8 sometime before the end of the day to discuss
9 this. And then, Ms. Vance, I'll ask for your
10 -- your applications.

11 BY MS. VANCE:

12 Thank you.

13 BY THE HEARING EXAMINER:

14 And were you saying the JOA is
15 for both formations in the east half of 10 or
16 just one formation?

17 BY MR. SAVAGE:

18 Yes, it's for both the Bone
19 Spring and the Wolf Camp.

20 BY THE HEARING EXAMINER:

21 So it completely occupies the
22 east half of Section 10 in both formations,
23 your JOA?

24 BY MR. SAVAGE:

25 That's correct.

1 BY THE HEARING EXAMINER:

2 And that's completed? That's
3 signed? It's a deal?

4 BY MR. SAVAGE:

5 Yes, it's -- it's signed. It's a
6 file of record. It's actually a title document
7 of record.

8 BY THE HEARING EXAMINER:

9 So then we'll let Ms. Vance has
10 some time to discuss this with --

11 BY MS. VANCE:

12 And I just want to be clear that
13 based off of what Mr. Savage has said, the --
14 this JOA that covers the east half of Section
15 10, it's my understanding you said they have 97
16 percent?

17 BY THE HEARING EXAMINER:

18 No, a hundred percent I think it
19 said.

20 BY MR. SAVAGE:

21 So -- well, the JOA -- a JOA is a
22 Voluntary Agreement of -- of interest, right?
23 I'm just -- I'm trying to be as clear as
24 possible.

25 BY MS. VANCE:

1 So I --

2 BY THE HEARING EXAMINER:

3 Sure. No, I think we -- we --

4 BY MR. SAVAGE:

5 I said -- I said 97 percent, but
6 we also have joined the remaining 3 percent so
7 it's a hundred percent.

8 BY MS. VANCE:

9 Well, that doesn't matter because
10 it still competes with our overlapping
11 applications.

12 Again, I'll -- I will gladly wait
13 and have a conversation with Mr. Savage, but
14 our preference, just so it's on the record,
15 would be to set a contested -- a contested
16 hearing either in June or July.

17 BY THE HEARING EXAMINER:

18 Okay. It sounds to me like --
19 and, Ms. Vance, you're asking for a June or
20 July instead of May, and we're only in -- we're
21 still in March. Why do you want to wait that
22 long?

23 BY MS. VANCE:

24 It's -- it's my understanding
25 there still are some negotiations going on in

1 the background. So, again, this is why I was
2 blind-sighted --

3 BY THE HEARING EXAMINER:

4 Right.

5 BY MS. VANCE:

6 -- because I was under the
7 impression that the parties were discussing.
8 So this argument is completely new to me.

9 BY THE HEARING EXAMINER:

10 I understand. I've been there
11 before. Okay.

12 BY MS. VANCE:

13 Thank you.

14 BY THE HEARING EXAMINER:

15 Okay. So, Mr. Savage, you
16 mentioned that this is a legal issue in your
17 estimation, so maybe you filing motions,
18 briefing -- briefing this issue --

19 BY MR. SAVAGE:

20 Yes, sir.

21 BY THE HEARING EXAMINER:

22 -- so that we can make a -- and
23 then we can make a ruling on it. But I'm still
24 going to let the parties discuss this and come
25 back.

1 So we're off the record in --
2 well, Mr. Suazo, do you have anything to say
3 about this?

4 BY MR. SUAZO:

5 No, Mr. Examiner.

6 BY THE HEARING EXAMINER:

7 Did you know about this?

8 BY MR. SUAZO:

9 I did -- I did not.

10 BY THE HEARING EXAMINER:

11 Okay. Thank you. So we're --
12 we're going to be at recess on 35, 37 and 38,
13 but we're going to come back to those a little
14 bit later.

15 Okay. So let's move on to 25151.
16 This is V-F Petroleum. Entries of appearances,
17 please. Mr. Savage?

18 BY MR. SAVAGE:

19 Was there one --

20 BY MS. VANCE:

21 I believe we --

22 BY MR. SAVAGE:

23 -- no, did we skip something?

24 BY THE HEARING EXAMINER:

25 I don't know. Did we? I don't

1 think we did. I called 35, 37 and 38. Okay.
2 This is No. 4 on my docket. Do you have a
3 different order somewhere?

4 BY MR. SAVAGE:

5 No, this is Holliday Energy Law.

6 BY THE HEARING EXAMINER:

7 25151 is Holiday?

8 BY MR. SAVAGE:

9 Oh, 25 --

10 BY MS. VANCE:

11 The next one --

12 BY THE HEARING EXAMINER:

13 Okay. Stop.

14 BY MS. VANCE:

15 The next one on our list is
16 25182.

17 BY THE HEARING EXAMINER:

18 Well, my list is in a different
19 order, so I'm -- so I have 25151. Freya, is
20 that not on the -- ah, you have a different
21 order for me? Okay. It's 251 -- is 25151 on
22 the docket at all because everyone seems
23 surprised that I'm calling it?

24 BY MS. VANCE:

25 Mr. Examiner, I don't see it on

1 the docket, the version I'm looking at.

2 BY THE HEARING EXAMINER:

3 Wow. It was on the docket just a
4 few days ago. Will you look up the case 25151,
5 please? It's V-F Petroleum, if there was a
6 status conference, Mr. Savage, Paula Vance for
7 Apache. We were going to set a contested
8 hearing. I mean -- okay. Okay. Can you find
9 out, Freya, what happened to 25151 for me --

10 BY MS. TSCHANTZ:

11 Yes.

12 BY THE HEARING EXAMINATION:

13 -- because it seems to have
14 disappeared. Okay.

15 No. 4 on our docket is 25182,
16 Cimarex Energy. Entries, please.

17 BY MR. HOLLIDAY:

18 Good morning, Mr. Examiner. Ben
19 Holliday on behalf of the Applicant.

20 BY THE HEARING EXAMINER:

21 Thank you.

22 BY MS. VANCE:

23 Good morning, Mr. Hearing
24 Examiner. Paula Vance with the Sante Fe office
25 of Holland and Hart on behalf of Matador.

1 BY THE HEARING EXAMINER:

2 Thank you. Are there any other
3 -- Mr. Holliday, any other parties that you
4 know of?

5 BY MR. HOLLIDAY:

6 I believe EOG has entered an
7 appearance.

8 BY THE HEARING EXAMINER:

9 Okay. Is that Ms. Kessler?

10 BY MR. HOLLIDAY:

11 Yes.

12 BY THE HEARING EXAMINER:

13 Okay. Ms. Kessler, are you here?
14 (No response.)

15 BY THE HEARING EXAMINER:

16 Okay. Mr. Holliday.

17 BY MR. HOLLIDAY:

18 Yes, I think this should be
19 pretty easy. Ms. Vance let me know last night
20 that they had withdrawn their objection --

21 BY THE HEARING EXAMINER:

22 Oh, good.

23 BY MR. HOLLIDAY:

24 -- to this matter. It came by
25 Affidavit. And so we would just like to set

1 this for the next available Hearing By
2 Affidavit date, preferably the 10th.

3 BY THE HEARING EXAMINER:

4 Freya?

5 BY MS. TSCHANTZ:

6 I'm sorry?

7 BY THE HEARING EXAMINER:

8 Mr. Holliday wants to move this,
9 to continue this case because it is not
10 objected any longer to the next Hearing By
11 Affidavit date.

12 BY MS. TSCHANTZ:

13 Okay. April 10th?

14 BY THE HEARING EXAMINER:

15 April 10th. Mr. Holliday, April
16 10th?

17 BY MR. HOLLIDAY:

18 Yes, sir, please.

19 BY THE HEARING EXAMINER:

20 All right. Mr. Holliday, you
21 will move the case. And, Ms. Vance, have you
22 filed the withdrawal?

23 BY MS. VANCE:

24 Yes, we --

25 BY THE HEARING EXAMINER:

1 Excellent.

2 BY MS. VANCE:

3 -- filed it yesterday.

4 BY THE HEARING EXAMINER:

5 Thank you very much.

6 Mr. Holliday, anything further?

7 BY MR. HOLLIDAY:

8 Nothing further. Thank you.

9 BY THE HEARING EXAMINER:

10 All right. Thank you. I'm now
11 going to call the Paloma Permian cases. There
12 are many of them: 25187, 88, 89, 90, 91 and
13 92. Entries of appearances, please.

14 BY MR. JIMMERSON:

15 Good morning, Mr. Hearing
16 Examiner. Michael Jewell, Jewell Jimmerson
17 Natural Resources Law on behalf of the
18 Applicant for Cases 25187 through 92.

19 BY THE HEARING EXAMINER:

20 Good morning, Mr. Jewell. Okay.

21 BY MS. HARDY:

22 Good morning, Mr. Examiner. Dana
23 Hardy with Hardy McLean on behalf of Devon
24 Energy Production.

25 BY THE HEARING EXAMINER:

1 Dana, thank you.

2 BY MS. HATLEY:

3 Good morning, Mr. Examiner. Keri
4 Hatley entering an appearance on behalf of COG
5 Operating and Concho Oil & Gas.

6 BY THE HEARING EXAMINER:

7 Thank you. Mr. Jewell, are there
8 any other parties that you know of?

9 BY MR. JEWELL:

10 Not that I'm aware. I think we
11 have COG and Devon's representatives, so that's
12 all that I'm aware at the moment.

13 BY THE HEARING EXAMINER:

14 Okay. Ms. Hardy, you objected to
15 this case. Why?

16 BY MS. HARDY:

17 Yes, Devon has some competing
18 well proposals, and those were sent out in mid
19 March. And we would be filing competing
20 applications that would initially be set, I
21 believe, on the -- probably the first May
22 docket.

23 BY THE HEARING EXAMINER:

24 Oh, they won't make the April
25 docket?

1 BY MS. HARDY:

2 No, because the deadline's
3 already passed for April, so we'd be looking
4 for filing for the --

5 BY THE HEARING EXAMINER:

6 But the deadline hasn't passed
7 for the April status. I mean, we -- it
8 certainly wouldn't be on the April Hearing By
9 Affidavit, would it? I mean, we know that it
10 can't --

11 BY MS. HARDY:

12 Presumably not, but I think that
13 the proposals went out March 13th, so if we
14 waited 30 days to file under the typical
15 practice, that would push those to -- to May,
16 so --

17 BY THE HEARING EXAMINER:

18 Okay. The first May docket?

19 BY MS. HARDY:

20 The first May docket, yes.

21 BY THE HEARING EXAMINER:

22 How many cases did you file?

23 BY MS. HARDY:

24 Well, they haven't filed yet, but
25 there are competing proposals. And I believe

1 that they address all of the same acreage and
2 that there would be a number of applications
3 for specific space units for different wells,
4 so it would be, I think, a number of them.

5 BY THE HEARING EXAMINER:

6 So you anticipate filing the
7 competing applications, on what date did you
8 say?

9 BY MS. HARDY:

10 We would file them in time to
11 make the May 8th docket, so by April 8th.

12 BY THE HEARING EXAMINER:

13 So 20 days before the April --
14 sorry --

15 BY MS. HARDY:

16 Thirty days --

17 BY THE HEARING EXAMINER:

18 -- twenty days before the May
19 docket?

20 BY MS. HARDY:

21 Thirty days before the May
22 docket.

23 BY THE HEARING EXAMINER:

24 Thirty days.

25 BY MS. HARDY:

1 Thirty for filing.

2 BY THE HEARING EXAMINER:

3 Okay. But we have the published
4 notice 20 days before.

5 BY MS. HARDY:

6 Exactly.

7 BY THE HEARING EXAMINER:

8 And so do you, right?

9 BY MS. HARDY:

10 Yes.

11 BY THE HEARING EXAMINER:

12 That's what I thought. All
13 right. So then we're -- Freya, when is the
14 May -- what is the May Hearing By Affidavit
15 docket?

16 BY MS. TSCHANTZ:

17 That's May 8.

18 BY THE HEARING EXAMINER:

19 May 8. OKAY. So we have an idea
20 that it will be filed by April 8 then,
21 basically?

22 BY MS. HARDY:

23 Yes.

24 BY THE HEARING EXAMINER:

25 Okay. And then instead of

1 waiting, Mr. Jewell, how do you want to
2 proceed?

3 BY MR. JEWELL:

4 In conferring with counsel, it
5 seemed like we should have another status
6 conference because our clients are -- are
7 discussing these proposals, and despite the
8 competing applications, it sounds like we are
9 negotiating in good faith and our spring breaks
10 had a little bit of difficulty in getting our
11 land teams online.

12 But I know these applications are
13 forthcoming, but it looks like we have a
14 deadline in sight to seeing how we can move
15 forward; so I think a status conference for
16 April or May depending on counsel's best
17 interest here would be advisable.

18 BY THE HEARING EXAMINER:

19 All right. I'll set a final
20 status conference for May. That gives the
21 parties two months further to negotiate. This
22 objection was filed by Devon on March the 6th,
23 so it's already been in the works for a while.

24 So what will happen is these
25 cases will be noticed for the May 8th docket,

1 but then -- Freya, I think it's you who moves
2 them to the second May docket automatically; is
3 that right?

4 BY MS. TSCHANTZ:

5 Yes. Once an objection is filed,
6 I will move it to the May 22nd docket.

7 BY THE HEARING EXAMINER:

8 May 22nd for a status conference.
9 Any reason, Mr. Jewell, that we shouldn't join
10 Ms. Hardy's cases with yours.

11 BY MR. JEWELL:

12 I think that's logical. Sounds
13 great.

14 BY THE HEARING EXAMINER:

15 Okay. We'll join them for the
16 purposes of the hearing. And that will be a
17 final status conference, so the parties will
18 either tell me that they don't need a contested
19 hearing or we will set a contested hearing.
20 And it won't be far down the line that we set
21 it. We'll probably look for June.

22 So let me give you some dates now
23 so you can actually think about them if
24 negotiations don't go as you suspect that they
25 will. All right. We have in June the 10th --

1 well, we only have one day in June, and that
2 would be June 10. So I'm going to make a note
3 that I've offered you June 10 for a contested
4 hearing, and we'll see how that works on May
5 22nd at the status conference.

6 Anything further, Mr. Jewell?

7 BY MR. JEWELL:

8 I was just checking real quick,
9 but that sounds good to me, sir. Thank you.

10 BY THE HEARING EXAMINER:

11 Yeah, you're welcome. And
12 welcome to the forum. Ms. Hardy?

13 BY MS. HARDY:

14 Nothing further from me. Thank
15 you.

16 BY THE HEARING EXAMINER:

17 Thank you. We're off the record
18 in these cases.

19 Moving now to -- oh, Freya, did
20 you find out what happened to 25151?

21 BY MS. TSCHANTZ:

22 I did. It was -- let me go back
23 to it. There was an objection withdrawal on
24 March 19th, so it was moved from the docket
25 around that time.

1 BY THE HEARING EXAMINER:

2 Okay. So is it going to be heard
3 by Affidavit?

4 BY MS. TSCHANTZ:

5 Yes, on April 10th.

6 BY THE HEARING EXAMINER:

7 Perfect. All right. Excellent.
8 Thank you for clearing that up for me. Okay.

9 So moving now to No. 11 on our
10 docket, this is V-F Petroleum 25193. Entries
11 of appearances.

12 BY MR. SAVAGE:

13 Good morning, Mr. Hearing
14 Examiner. Darin Savage with Abadie & Schill on
15 behalf of V-F Petroleum.

16 BY THE HEARING EXAMINER:

17 Good morning.

18 BY MS. VANCE:

19 Good morning, Mr. Hearing
20 examiner. Paula Vance with the Sante Fe office
21 of Holland and Hart of behalf of Apache.

22 BY THE HEARING EXAMINER:

23 Thank you.

24 BY MS. HATLEY.

25 Good morning, Mr. Examiner. Keri

1 Hatley on behalf of Marathon Oil Permian,
2 Concha Oil & Gas and COG Operating.

3 BY THE HEARING EXAMINER:

4 Thank you. Okay. Let's --

5 BY MS. HARDY:

6 I'm sorry. Mr. Examiner, Dana
7 Hardy on behalf of Permian Resources Operating.

8 BY THE HEARING EXAMINER:

9 Thank you. Now, it's easier just
10 to ask you, Mr. Savage. Who filed objections
11 in these cases?

12 BY MR. SAVAGE:

13 So, Mr. Hearing Examiner, Apache
14 filed an objection, but they withdraw it.

15 BY THE HEARING EXAMINER:

16 Okay.

17 BY MR. SAVAGE:

18 And I believe Permian Resources,
19 I believe, has an objection in place.

20 BY THE HEARING EXAMINER:

21 I see that it does on this piece
22 of paper here. Okay. And that's you,
23 Ms. Hardy, right?

24 BY MS. HARDY:

25 That's correct.

1 BY THE HEARING EXAMINER:

2 What's your intention?

3 BY MS. HARDY:

4 The parties have been negotiating
5 the acreages involved in -- along with other
6 acreage that's being discussed by -- I think by
7 Permian Resources and V-F Petroleum. So we
8 maintain our objection at this point. I don't
9 -- at this point, I think there's not a point
10 to file competing applications, although if the
11 negotiations don't work out, then I think
12 that's certainly possible.

13 BY THE HEARING EXAMINER:

14 Well, Ms. Hardy, how long do you
15 want me to leave for negotiations?

16 BY MS. HARDY:

17 I think that Permian Resources
18 will be fine setting this for another status
19 conference in another month --

20 BY THE HEARING EXAMINER:

21 Okay.

22 BY MS. HARDY:

23 -- if that's acceptable to the
24 other counsel.

25 BY THE HEARING EXAMINER:

1 Mr. Savage?

2 BY MR. SAVAGE:

3 Yes, so it's my understanding
4 that V-F Petroleum has a significant amount of
5 working interest and that Permian Resources has
6 very little. I mean, Dana can, you know,
7 correct me if I'm wrong on that, but I believe
8 that that is the matter.

9 So we don't really see Permian
10 Resources coming in and being competitive on
11 any application situation. We would like an
12 earlier contested hearing date. And if Permian
13 Resources wants to -- I mean, obviously,
14 they're -- that's not their first interest and
15 not their first pursuit for their interest. So
16 if they want to do that, they can do that. But
17 at least it would be set, the date would be
18 set.

19 BY THE HEARING EXAMINER:

20 All right. Well, Ms. Hardy, as
21 you know, I tend to give preference to
22 applicants when it comes to how we proceed
23 whether it's another status conference or
24 whether it's a contested hearing.

25 So the applicant's asked me for a

1 contested hearing. When? What month?

2 BY MR. SAVAGE:

3 We would like an earlier one. So
4 if there's something available in April, that
5 would be great. I don't think there probably
6 is.

7 BY THE HEARING EXAMINER:

8 The soonest one is May 13.

9 BY MR. SAVAGE:

10 That would be perfect for us.

11 BY THE HEARING EXAMINER:

12 Okay. Ms. Vance -- I'm sorry.
13 Not Ms. Vance because you withdrew your opp --
14 you withdrew your -- your objection.
15 Ms. Hardy?

16 BY MS. HARDY:

17 I would need to confirm with our
18 witnesses, but for now that sounds --

19 BY THE HEARING EXAMINER:

20 Okay. So we'll issue a
21 Pre-Hearing Order. Mr. Savage, do you want me
22 to set this for another status before the May
23 13 contested hearing?

24 BY MR. SAVAGE:

25 Yeah, that might be useful.

1 BY THE HEARING EXAMINER:

2 Okay. What about the April
3 status conference docket? I don't know the
4 date of it. Freya, do you know the date of the
5 April?

6 BY MS. TSCHANTZ:

7 I do. It's April 24th.

8 BY THE HEARING EXAMINER:

9 All right. And so, Mr. Savage,
10 would you move -- this is a single case; is it
11 not?

12 BY MR. SAVAGE:

13 Yes.

14 BY THE HEARING EXAMINER:

15 Okay. Would you move this case
16 to the April -- I'm sorry. What did you say,
17 Freya? April what?

18 BY MS. TSCHANTZ:

19 April 24th.

20 BY THE HEARING EXAMINER:

21 The 24th. Mr. Savage, we will
22 move this case to the April 24 docket for a
23 final status conference, but we will also issue
24 a Pre-Hearing Order for a May 13 contested
25 hearing.

1 And, Ms. Hardy, hopefully your
2 negotiations work out. And if for some reason,
3 Ms. Hardy, your witnesses are not available on
4 May 13, let me know. I think we could find
5 something else. I can't promise it, but we
6 will look for something in that timeframe but
7 before the June dates because Mr. Savage would
8 like it sooner than later.

9 BY MR. SAVAGE:

10 And, Mr. Examiner, I said perfect
11 out of appreciation, but I do also need to
12 check on availability.

13 BY THE HEARING EXAMINER:

14 Of course, I expect that. But
15 the parties will file a motion if -- if May 13
16 doesn't work out. Okay?

17 BY MR. SAVAGE:

18 Yes, sir.

19 BY MS. HARDY:

20 Thank you.

21 BY THE HEARING EXAMINER:

22 Okay. And obviously, Ms. Hardy,
23 if you -- if you file competing applications,
24 we can add those to the Pre-Hearing Order as
25 well as long as the negotiation works out.

1 BY MS. HARDY:

2 Understood. Thank you.

3 BY THE HEARING EXAMINER:

4 All right. Okay. Anything
5 further, Mr. Savage?

6 BY MR. SAVAGE:

7 No, thank you.

8 BY THE HEARING EXAMINER:

9 Ms. Hardy?

10 BY MS. HARDY:

11 No, thank you.

12 BY THE HEARING EXAMINER:

13 All right. Very good. We're off
14 the record in 25193.

15 Moving on to No. 12, BTA Oil
16 Producers, two cases: 25194, 25195. Entries
17 of appearances, please.

18 BY MS. HARDY:

19 Mr. Examiner, Dana Hardy on
20 behalf of BTA Oil Producers, LLC.

21 BY MR. SAYER?

22 Mr. Examiner, Matthias Sayer --
23 Mr. Examiner, Matthias Sayer on behalf of
24 Bradfute Sayer on behalf of Coterra Energy.

25 BY THE HEARING EXAMINER:

1 Coterra. And how do you say your
2 name? "Matthias"?

3 BY MR. SAYER:

4 "Matthias."

5 BY THE HEARING EXAMINER:

6 And what was the last name?

7 BY MR. SAYER:

8 "Sayer."

9 BY THE HEARING EXAMINER:

10 "Sayer." Thank you.

11 BY MS. BENNETT:

12 Good morning, Mr. Examiner. This
13 is Deana Bennett of Modrall Sperling on behalf
14 of Avant Operating Two.

15 BY THE HEARING EXAMINER:

16 Avant. Thank you. Ms. Bennett,
17 did you file an objection?

18 BY MS. BENNETT:

19 I did file an objection on March
20 4th, but I withdrew the objection on March
21 13th.

22 BY THE HEARING EXAMINER:

23 Oh, thank you. Okay.

24 BY MS. BENNETT:

25 So moni -- monitoring the case.

1 BY THE HEARING EXAMINER:

2 Monitoring. Thank you,
3 Ms. Bennett. And, Mr. Sayer, did you file an
4 objection?

5 BY MR. SAYER:

6 Mr. Examiner, yes, we filed
7 objections in both cases.

8 BY THE HEARING EXAMINER:

9 All right. And on what basis did
10 you file an objection?

11 BY MR. SAYER:

12 Coterra Energy is preparing well
13 proposals, so it's competing cases.

14 BY THE HEARING EXAMINER:

15 You're going to have competing
16 applications?

17 BY MR. SAYER:

18 Correct.

19 BY THE HEARING EXAMINER:

20 In the whole -- in the whole same
21 area or will it be overlapping?

22 BY MR. SAYER:

23 My understanding is it's the same
24 area.

25 BY THE HEARING EXAMINER:

1 Ms. Hardy, were you aware of
2 that?

3 BY MS. HARDY:

4 I was aware that was a
5 possibility.

6 BY THE HEARING EXAMINER:

7 Okay. How do you want to
8 proceed?

9 BY MS. HARDY:

10 Well, I think BTA owns the vast
11 majority of the interest that is proposed in
12 it, so we're 77 percent. So they are ready to
13 develop this acreage and are prepared to do so
14 and would like a hearing date as soon as
15 possible.

16

17 BY THE HEARING EXAMINER:

18 Okay. Let me see what notes I
19 have here. There we are, there we are. Okay.
20 And, Ms. Hardy, when were your cases filed?

21 BY MS. HARDY:

22 Oh, it would have been -- I think
23 this is the first -- this is the first docket
24 setting for them.

25 BY THE HEARING EXAMINER:

1 So they were -- so they must have
2 been on for the earlier March, but then they
3 were bumped to later in March because of the
4 objection that Mr. Sayer filed or maybe you --

5 BY MS. HARDY:

6 Correct.

7 BY THE HEARING EXAMINER:

8 -- Avant filed?

9 BY MS. HARDY:

10 Yes, that's correct.

11 BY THE HEARING EXAMINER:

12 All right. So it was filed on
13 February 9th --

14 BY MS. HARDY:

15 Yes, that's correct, early
16 February.

17 BY THE HEARING EXAMINER:

18 Okay. Mr. Sayer, Ms. Hardy wants
19 a contested hearing, but you said you were --
20 you were sure that you're file competing
21 applications?

22 BY MR. SAYER:

23 Yes, Mr. Examiner. We have well
24 proposals that are being sent out early next
25 week.

1 BY THE HEARING EXAMINER:

2 Oh, they're just now being sent
3 out. So then if I'm not mistaken, we need a
4 month before you file those here at the
5 Division. All right. So then if we have early
6 April, then we have early May, and then that's
7 going to be early -- okay.

8 Well, Ms. Hardy, and -- now,
9 Ms. Hardy, correct me if I'm wrong, but if they
10 file -- well, we still have to provide 20 days
11 notice of your filed applications. And that's
12 not until -- so it looks like June. Ms. Hardy,
13 it looks like June would be the earliest we
14 could set this as a contested hearing based on
15 the competing applications.

16 BY MS. HARDY:

17 I think that they could file
18 earlier than that if they -- if the notice
19 period could run concurrently with the proposal
20 period which happens occasionally, to do
21 that --

22 BY THE HEARING EXAMINER:

23 But he just said that next week
24 they're going to file -- they're going to mail
25 out the proposals to you.

1 BY MS. HARDY:

2 So that's the first weeks in
3 April.

4 BY THE HEARING EXAMINER:

5 Right, right.

6 BY MS. HARDY:

7 I suppose then they could file
8 for the -- I'm trying to think of the timing
9 here -- for the first -- they would be filing
10 for the first May docket. I mean, if you -- if
11 you propose the well, then filed and the notice
12 period ran at the same time. And I think that,
13 you know, here BTA filed -- they did -- they
14 filed February 11th, so we would be looking at,
15 really, a June hearing four months after --

16 BY THE HEARING EXAMINER:

17 I agree.

18 BY MS. HARDY:

19 -- filing.

20 BY THE HEARING EXAMINER:

21 Well, you know we, Ms. Hardy, I
22 like to have hearings right away.

23 BY MS. HARDY:

24 I know.

25 BY THE HEARING EXAMINER:

1 But -- but I want to be careful
2 about the notice issue. So you're -- so you're
3 suggesting that Mr. Sayer could provide notice
4 for an early May docket and the Division could
5 too, but he wouldn't have filed those
6 applications with the Division. So how would
7 Freya notice those?

8 BY MS. HARDY:

9 Well, what I'm thinking is that
10 so there are two issues, right? There's the
11 proposal period. You sent out well proposals.
12 Typically you wait 30 days, but that's not
13 necessarily required in all circumstances. And
14 then there is a mandatory 30 days before
15 filing, right?

16 So if they're sending out well
17 proposals next week, if they got them out early
18 in the week which it sounds like they could do
19 because they know they're going to file them,
20 so they could send those out early in the week
21 and then file their applications by April 8 for
22 the May 8 docket.

23 BY THE HEARING EXAMINER:

24 I see. Okay. Mr. Sayer?

25 BY MS. SAYER:

1 Yeah, Mr. Examiner. So we would
2 essentially be curtailing to some degree of
3 limiting the period under for the well
4 proposals, the 30 days, is what's being
5 suggested?

6 BY THE HEARING EXAMINER:

7 The policy of the Division is to
8 allow parties to have 30 days, basically,
9 before those are filed. However, there are
10 already competing applications anyway. So I
11 think -- I think that policy can be adjusted in
12 that case.

13 But I'm asking you, are you
14 objecting to that? Are you agreeing to that?
15 What are you saying?

16 BY MR. SAYER:

17 I think as an initial response
18 that our -- our kind of preference would be
19 that we have 30 days for the well proposals and
20 then, you know, the statutory 30 days for the
21 application.

22 BY THE HEARING EXAMINER:

23 So, Ms. Hardy, it looks like
24 based on the objection to your creative
25 thinking, it looks like June will be the

1 earliest we can hold this as a contested
2 hearing. So we have June 10, Mr. Sayer. Does
3 that work?

4 BY MR. SAYER:

5 Mr. Examiner, that -- that works.

6 BY THE HEARING EXAMINER:

7 Ms. Hardy?

8 BY MS. HARDY:

9 We can -- we can -- I believe we
10 can make that work.

11 BY THE HEARING EXAMINER:

12 All right. Sounds good. So,
13 Mr. Sayer, what I'd like to you do is, when you
14 file your applications in a month or so from
15 next week, please file a motion to consolidate
16 those cases, join them, with the Pre-Hearing
17 Order that we're going to issue in Ms. Hardy's
18 case -- cases. Excuse me.

19 So I'm going to issue a
20 Pre-Hearing Order in the 25195 and 94 for the
21 June 10 contested hearing. And then we will
22 join your cases, Mr. Sayer, once they're filed
23 with the motion. And we'll amend the
24 Pre-Hearing Order at that time. But we're
25 going to keep the date of June 10. Obviously,

1 if it doesn't work for your witnesses or,
2 Ms. Hardy, you'll let me know. We'll find a
3 day around that time, but we're not going to
4 make it later than June 10 because Ms. Hardy's
5 applications were filed in February and we like
6 to move these things along.

7 BY MR. SAYER:

8 Yes, Mr. Examiner, understood.
9 Thank you.

10 BY THE HEARING EXAMINER:

11 Anything further?

12 BY MR. SAYER:

13 No.

14 BY THE HEARING EXAMINER:

15 No.

16 BY MS. HARDY:

17 Thank you.

18 BY THE HEARING EXAMINER:

19 Thank you very much. All right.
20 We're off the record in those cases.

21 Let's move on to number -- to
22 Mewbourne Oil cases. We have many of them, but
23 we're only going to deal with the first two at
24 a time, 25217, 25218. Entries?

25 BY MS. HARDY:

1 Mr. Examiner, Dana Hardy with
2 Hardy McLean on behalf of Mewbourne.

3 BY THE HEARING EXAMINER:

4 Thank you.

5 BY MR. SAVAGE:

6 Mr. Darin Savage on behalf of
7 Devon Energy Production Company, LP.

8 BY THE HEARING EXAMINER:

9 Mr. Savage, did you object?

10 BY MR. SAVAGE:

11 We did.

12 BY THE HEARING EXAMINER:

13 You did. Okay. When did you
14 object?

15 BY MR. SAVAGE:

16 It was, I don't know, a few weeks
17 ago.

18 BY THE HEARING EXAMINER:

19 All right. What's the basis of
20 the objection?

21 BY MR. SAVAGE:

22 The basis of the objection is
23 completing applications.

24 BY THE HEARING EXAMINER:

25 Oh, you have them now or you --

1 BY MR. SAVAGE:

2 We have sent out -- so for one
3 set of cases, we have sent out well proposals
4 already. For the other set, we have also sent
5 them out but we Fed-Ex'd them yesterday or the
6 day before.

7 BY THE HEARING EXAMINER:

8 Okay. So when you say one set of
9 case, you mean one case you've already sent
10 them out and the other case you Fed-Ex'd them?

11 BY MR. SAVAGE:

12 That's correct.

13 BY THE HEARING EXAMINER:

14 Okay. Very good. And does it
15 overlap exactly or is it -- does it cover the
16 same acreage?

17 BY MR. SAVAGE:

18 I believe it does. There's some
19 -- there's some variations in there because I
20 believe we -- we had a longer lateral in some
21 instances and --

22 BY THE HEARING EXAMINER:

23 I see, I see. Ms. Hardy, were
24 you aware of the competing applications?

25 BY MS. HARDY:

1 I was not aware that they'd sent
2 out proposals. I knew it was a possibility.

3 BY THE HEARING EXAMINER:

4 Okay. Well, you've learned today
5 that --

6 BY MS. HARDY:

7 Now I know.

8 BY THE HEARING EXAMINER:

9 You've learned it. All right.
10 So, Ms. Hardy, how do you want to proceed?

11 BY MS. HARDY:

12 Mr. Examiner, Mewbourne and Devon
13 are negotiating, and so I had discussed with
14 Mr. Savage, and I think our clients have
15 agreed, that we could set these for another
16 status conference. And we'd be willing to do
17 that on the May 22nd docket, if that works for
18 the Division. I think that's the May status
19 conference docket.

20 BY THE HEARING EXAMINER:

21 It would be, yeah, that would be
22 almost two months from now. So you want to
23 wait that long? Okay?

24 BY MS. HARDY:

25 That's fine with the parties.

1 BY THE HEARING EXAMINER:

2 So we have -- we'll put this down
3 for a status conference May, you said, 22nd;
4 didn't you?

5 BY MS. HARDY:

6 Yes.

7 BY THE HEARING EXAMINER:

8 Okay. And that will be a final
9 status conference, so I'll let you know now.
10 And by then -- so -- so, Mr. Savage, with the
11 mail in thing you just said, you're going to
12 file your cases in about a month, basically?

13 BY MR. SAVAGE:

14 That's correct.

15 BY THE HEARING EXAMINER:

16 Two cases, basically?

17 BY MR. SAVAGE:

18 I'll have a little bit -- enough
19 cases to cover the -- the make -- it a
20 competing application.

21 BY THE HEARING EXAMINER:

22 But will you file a motion to
23 join those two cases with Ms. Hardy's cases --

24 BY MR. SAVAGE:

25 Yes, sir.

1 BY THE HEARING EXAMINER:

2 -- so we can track them together?

3 And then at the May docket, I'm going to want
4 to set these for a contested hearing if, in
5 fact, the parties still need a contested
6 hearing. And we'll be looking at July 1st or
7 July 15th. I'm going to throw those two dates
8 out now, 7/1 or 7/15, contested hearing.
9 That's what we'll offer you for these cases.

10 Anything further, Ms. Hardy?

11 BY MS. HARDY:

12 No, thank you.

13 BY THE HEARING EXAMINER:

14 Mr. Savage?

15 BY MR. SAVAGE:

16 No, thank you.

17 BY THE HEARING EXAMINER:

18 All right. Excellent.

19 Let move on to other Mewbourne
20 Oil cases, 25228.

21 BY MS. VANCE:

22 Good morning, Mr. Hearing
23 Examiner. Paula Vance with the Sante Fe office
24 of Holland and Art -- Hart on behalf of the
25 applicant, Mewbourne.

1 BY THE HEARING EXAMINER:

2 Thank you.

3 BY MR. SAYER:

4 Mr. Matthias Sayer from Bradfute
5 Sayer on behalf of PBEX.

6 BY THE HEARING EXAMINER:

7 Thank you.

8 BY MS. HATLEY:

9 Good morning, Mr. Examiner. Keri
10 Hatley entering an appearance on behalf of
11 ConocoPhillips and COG operating.

12 BY THE HEARING EXAMINER:

13 Thank you. Ms. Hatley, did you
14 -- are you monitoring?

15 BY MS. HATLEY:

16 We are monitoring only.

17 BY THE HEARING EXAMINER:

18 And, PBEX, are you objecting?

19 BY MR. SAYER:

20 Mr. Examiner, we have -- PBEX
21 will be filing completed -- or competing
22 applications tonight.

23 BY THE HEARING EXAMINER:

24 So did you object?

25 BY MR. SAYER:

1 I bel -- I believe objections
2 were entered, yes.

3 BY THE HEARING EXAMINER:

4 Okay. But you yourself did not?

5 BY MR. SAYER:

6 I did not, no.

7 BY THE HEARING EXAMINER:

8 Okay. Ms. Vance, what do you
9 know?

10 BY MS. VANCE:

11 Well, I -- I believe one of the
12 things I talked with Mr. Matthias's coun -- or
13 co-counsel and we discussed setting another
14 status conference for the April date, so that's
15 what we'd like to do.

16 BY THE HEARING EXAMINER:

17 Okay. But I'm still not getting
18 an answer to the question I asked.

19 BY MS. VANCE:

20 I'm sorry. I was trying to do
21 two things at once.

22 BY THE HEARING EXAMINER:

23 Are you -- are you aware of the
24 objection?

25 BY MS. VANCE:

1 Yes.

2 BY THE HEARING EXAMINER:

3 Was there an objection filed?

4 There was.

5 BY MS. VANCE:

6 Yes.

7 BY THE HEARING EXAMINER:

8 All right. By what party, do
9 you --

10 BY MS. VANCE:

11 Ms. Bradfute.

12 BY THE HEARING EXAMINER:

13 Oh, she -- she filed it. Okay.

14 Mr. Sayer, I'm going to be asking if you're
15 stepping in for Ms. Bradfute, I'm going to ask
16 you these questions.

17 When you have an online imaging
18 system so you can always look to see what you
19 have filed or what your co-counsel has filed.
20 Okay. And so I believe you just said,
21 Mr. Sayer, that you believe PBEX is going to
22 send out competing applications?

23 BY MR. SAYER:

24 Yeah, I'm filing com -- or
25 competing applications today.

1 BY THE HEARING EXAMINER:

2 Today. Okay. So when you -- did
3 you say "file it" or did you say "send out the
4 proposal"?

5 BY MR. SAYER:

6 File.

7 BY THE HEARING EXAMINER:

8 Here in the --

9 BY MR. SAYER:

10 Correct.

11 BY THE HEARING EXAMINER:

12 -- Division. Okay. Well, okay.
13 Ms. Vance, how do you want to proceed -- oh,
14 you said you wanted a status conference in
15 April.

16 BY MS. VANCE:

17 Yes.

18 BY THE HEARING EXAMINER:

19 Okay. Do you feel that's enough
20 time to negotiate?

21 BY MS. VANCE:

22 Yes.

23 BY THE HEARING EXAMINER:

24 We'll have a status con -- you'll
25 move your case. Your case, Mr. Sayer, if you

1 file it today, it should be just -- well, no,
2 it wouldn't work that way, would it? We
3 would -- so, Freya, what would happen with
4 Mr. Sayer's brand new case that he's filing
5 today?

6 BY MS. TSCHANTZ:

7 It would be placed on the May 8th
8 docket.

9 BY THE HEARING EXAMINER:

10 Okay. Mr. Sayer, will you file a
11 motion to consolidate that case with
12 Ms. Vance's case so we keep them together?

13 BY MR. SAYER:

14 Mr. Examiner, we can do that.

15 BY THE HEARING EXAMINER:

16 All right. And at the April 23rd
17 status conference, even though your case has
18 not reached the notice period yet, I am going
19 to ask if you're prepared for a contested
20 hearing at that time.

21 BY MR. SAYER:

22 Understood.

23 BY THE HEARING EXAMINER:

24 All right. And we can set it in
25 July or something like that, whatever works for

1 the parties. I'm not rushing it, but I do want
2 to keep track of it that way.

3 Anything further, Ms. Vance?

4 BY MS. VANCE:

5 No.

6 BY THE HEARING EXAMINER:

7 All right. Thank you. Let's
8 move on. We're off the record in that case.

9 Mewbourne has two more cases:
10 25234 and 25235. Entries, please.

11 BY MS. HARDY:

12 Dana Hardy on behalf of
13 Mewbourne.

14 BY THE HEARING EXAMINER:

15 Thank you.

16 BY SAVAGE:

17 Darin Savage on behalf of Devon
18 Energy Production Company, LP.

19 BY THE HEARING EXAMINER:

20 Thank you.

21 BY MR. RODRIGUEZ:

22 Michael Rodriguez on behalf of
23 Civitas Permian Operating, LLC.

24 BY THE HEARING EXAMINER:

25 Okay. Thank you.

1 BY MS. HATLEY:

2 And Keri Hatley entering an
3 appearance on behalf of COG Operating and
4 Concho Oil & Gas.

5 BY THE HEARING EXAMINER:

6 And, Ms. Hatley, are you
7 monitoring?

8 BY MS. HATLEY:

9 Monitoring only.

10 BY THE HEARING EXAMINER:

11 Okay. Mr. Rodriguez?

12 BY MR. RODRIGUEZ:

13 We filed an objection, but I
14 think to streamline this, I believe the parties
15 that have filed objections and the applicant
16 have agreed to a 5 -- May 22nd status
17 conference.

18 BY THE HEARING EXAMINER:

19 Oh, so you're not withdrawing
20 your objection?

21 BY MR. RODRIGUEZ:

22 No, we're going to maintain it
23 for now.

24 BY THE HEARING EXAMINER:

25 So you're hoping for a May 23rd

1 status conference. All right. What about you,
2 Mr. Savage?

3 BY MR. SAVAGE:

4 The two are related to the
5 Buffalo cases, and we also would hope for a May
6 status conference.

7 BY THE HEARING EXAMINER:

8 Let's go back to the question at
9 hand. Did you enter an objection?

10 BY MR. SAVAGE:

11 Yes, we did.

12 BY THE HEARING EXAMINER:

13 Okay. You did. Okay. And
14 you're maintaining your objection?

15 BY MR. SAVAGE:

16 Yes, we have competing
17 applications in this.

18 BY THE HEARING EXAMINER:

19 You have competing applications.

20 BY MR. SAVAGE:

21 Or we'll be -- we'll be filing
22 competing applications in this.

23 BY THE HEARING EXAMINER:

24 The proposals were sent out?

25 BY MR. SAVAGE:

1 The proposals were sent out about
2 two days ago Federal Express.

3 BY THE HEARING EXAMINER:

4 Okay. Very good. So let's see.
5 So Devon has competing applications. They'll
6 be filed in about a month. That's right. So
7 they'll end up on the May docket.

8 BY MR. SAVAGE:

9 In other words, those would -- so
10 30 days for the well proposals, and then
11 they'll be filed in a month, correct.

12 BY THE HEARING EXAMINER:

13 Thank you, sir. Okay. Oh, so
14 they won't make the May docket you're saying.
15 They won't make the May docket?

16 BY MR. SAVAGE:

17 For -- no.

18 BY THE HEARING EXAMINER:

19 They'll make the June docket?

20 BY MR. SAVAGE:

21 Yes.

22 BY THE HEARING EXAMINER:

23 All right. Well, we're going to
24 come back on May 23rd. So, Mr. Savage, when
25 you file your cases, how many are we talking

1 about? Two?

2 BY MR. SAVAGE:

3 I need to sit down and look at
4 the development plans and see exactly how
5 they're wanting to space units and all that,
6 but at least two.

7 BY THE HEARING EXAMINER:

8 At least two.

9 BY MR. SAVAGE:

10 At least two.

11 BY THE HEARING EXAMINER:

12 At least two. That's fine. So
13 when you file your -- in a month when you file
14 your applications with the Division, would you
15 file a motion to consolidate those cases with
16 Ms. Hardy's cases?

17 BY MR. SAVAGE:

18 Yes. And we move those to the --
19 to the status conference.

20 BY THE HEARING EXAMINER:

21 We will do that because we'll
22 know that they're contested based on the fact
23 that they're competing with Ms. Hardy, and
24 Freya will automatically move them to the June
25 something or other docket. But in May we'll

1 look to set up -- in May we'll look to set a
2 contested hearing date probably for July and --
3 but I -- but, you know, we'll see how things
4 go, I guess.

5 So, Ms. Hardy, May 23rd you'll
6 move your cases?

7 BY MS. HARDY:

8 Yes.

9 BY THE HEARING EXAMINER:

10 Okay. And does that work for
11 you, May 23rd?

12 BY MS. HARTLEY:

13 Yes, does that work now.

14 BY THE HEARING EXAMINER:

15 I know everyone else suggested
16 it, but they are your cases.

17 BY MS. HARDY:

18 I think it's May 22nd.

19 BY THE HEARING EXAMINER:

20 Oh, I'm sorry. I said May 23rd.

21 BY MS. HARDY:

22 But I think everyone was saying
23 May 23rd, but it is the 22nd.

24 BY THE HEARING EXAMINER:

25 You're correct. You're correct.

1 BY MS. HARDY:

2 And that's fine with Mewbourne.

3 Thank you.

4 BY THE HEARING EXAMINER:

5 Well, thank you. Okay. We are
6 off the record in those Mewbourne cases.

7 I'm now -- now, you haven't had
8 time to talk to Mr. Savage yet about those
9 first three cases yet.

10 BY MS. HARDY:

11 We had one bit of correspondence,
12 I think, corresponding with my client. I do
13 have one follow-up. If we could take maybe
14 just, like, a five or ten-minute break --

15 BY THE HEARING EXAMINER:

16 Yes, of course. Sure.

17 BY MS. HARDY:

18 -- that would be appreciated.

19 BY THE HEARING EXAMINER:

20 Lets do that because then we're
21 going to go to the motion hearing --

22 BY MS. HARDY:

23 Yes.

24 BY THE HEARING EXAMINER:

25 -- and anyone's witnesses who are

1 available, I'd recommend that you let them know
2 that we're about to start that hearing. Is
3 there anything else before we go to the motion
4 hearing?

5 (No response.)

6 BY THE HEARING EXAMINER:

7 I don't hear anything. Okay.
8 Thank you. We're off the record for five
9 minutes.

10 (A break was taken.)

11 BY THE HEARING EXAMINER:

12 Okay. We're on the record now.
13 And we are going to have a motion hearing in
14 the following cases. These are Permian
15 Resource, V-F Petroleum and Carolyn Beall is
16 intervening in these case -- in some of these
17 cases.

18 I'm going to call the cases: 29
19 -- 24941, 42; 24994, 95; 25115, 16, 17; 25145,
20 46, 47, 48.

21 Entries of appearance, please.

22 BY MS. VANCE:

23 Good morning, Mr. Hearing
24 Examiner. Paula Vance with the Sante Fe office
25 of Holland & Hart on behalf on Permian.

1 BY THE HEARING EXAMINER:

2 Thank you.

3 BY MR. SAVAGE:

4 Good morning, Mr. Hearing
5 Examiner. Good morning, Mr. Technical
6 Examiner. Darin Savage with Abadie & Schill
7 appearing on behalf the V-F Petroleum,
8 Incorporated.

9 BY MR. HEARING EXAMINER:

10 Thank you.

11 BY MS. LUCK:

12 Good morning, Hearing Examiner.
13 Kaitlyn Luck on behalf of Carolyn Beall.

14 BY THE HEARING EXAMINER:

15 Oh, you say "Beall." It's not
16 "Beall"?

17 BY MS. LUCK:

18 I think it's "Beall," but I could
19 be wrong. I'll -- I'll defer to Mr. Savage.
20 His -- his client is Mr. Tombo, I think, but --

21 BY THE HEARING EXAMINER:

22 Oh, okay.

23 BY MR. SAVAGE:

24 I think it's "Beall."

25 BY THE HEARING EXAMINER:

1 It's "Beall." All right.

2 BY MR. SAVAGE:

3 I believe so.

4 BY THE HEARING EXAMINER:

5 I've been saying "Beall." Okay.

6 BY MR. SAVAGE:

7 I've said "Beall" too, so --

8 BY MS. LUCK:

9 Well, there's a store named
10 "Beall's," like, you know, it's like a little
11 department store, you know, like that, but I'm
12 not totally sure. But I think it's "Beall."

13 BY THE HEARING EXAMINER:

14 Usually when I see Bell, it's
15 B-E-L-L; and here it's B-E-A-L-L. And that's
16 why I've been saying "Beall." But if I --
17 anyway, very good. Thank you very much. Okay.
18 So let's talk about where we are, and then
19 let's talk about these motions and let's
20 proceed from there.

21 So first of all -- oh, and
22 Ms. Vance, don't let me forget to recall those
23 first three cases. Okay?

24 BY MS. VANCE:

25 I will not.

1 BY THE HEARING EXAMINER:

2 Because I want -- I want to deal
3 with those before we -- before we finish for
4 the day.

5 So first of all, these are
6 completing applications between V-F and
7 Permian. And Ms. Beall seems to be on the side
8 of V-F. And we have had two full days of
9 testimony, the first one on January 28 and the
10 second one on February 27. Witnesses appeared
11 for all parties, including Ms. Beall. You had
12 Mr. Shaw, if I'm not mistaken, is that right?

13 BY MS. LUCK:

14 That's correct, yes.

15 BY THE HEARING EXAMINER:

16 Okay. Very good. Parties were
17 instructed to supplement their evidence by
18 Mr. -- by Mr. McClure, our Technical Examiner,
19 and there was quite a long list of information
20 that he requested from Ms. Vance. He did
21 request a few things from Ms. Luck, but nothing
22 from Mr. Savage. So that's how I remember.
23 And I reviewed the transcript before today's
24 hearing very carefully.

25 So -- so the parties did file

1 supplemental exhibits. They have been
2 reviewed. And then we had some motions come
3 in. And two of the motions deal with an
4 opinion letter that Ms. Vance filed as a
5 Supplemental Exhibit C-12 to her -- to her
6 hearing packet. And we also have a Motion to
7 Strike filed by Ms. Vance on behalf of Permian
8 asking me to strike the intervention of
9 Ms. Beall, Ms. Beall's interests, in one case,
10 25146.

11 Now, as I remember the cases,
12 25145, and these are Reed & Stevens' cases, 241
13 -- 24145 is the north half of the north half of
14 Section 14. 25146 is the south half of the
15 north half of Section 14. Ms. Beall claims an
16 interest in both of those cases. And the
17 Motion to Strike is based on this opinion
18 letter that was submitted.

19 Do I have that right so far,
20 Ms. Vance?

21 BY MS. VANCE:

22 Correct, along with Ms. Beall's
23 expert witness testimony.

24 BY THE HEARING EXAMINER:

25 I understand. Thank you. Okay.

1 Now, we also have Ms. Beall's Motion to Strike,
2 Pages 165 through -- and there's a typo here,
3 Ms. Luck. You have 176, but I think you meant
4 167.

5 BY MS. LUCK:

6 Yes, that's correct.

7 BY THE HEARING EXAMINER:

8 Yeah, you did that a few times in
9 here, but I understood you to mean that,
10 basically, the opinion letter. You felt it was
11 unfair to file that at this -- at that point of
12 the hearing, and you want me to strike it.

13 BY MS. LUCK:

14 And also that the only bases for
15 it being submitted is for cost for a title
16 position.

17 BY THE HEARING EXAMINER:

18 Which is outside this Division's
19 jurisdiction. You made it quite clear in your
20 Motion. I'm just sort of generally going over
21 these things as a -- to give context to anyone
22 who might be listening.

23 We also have a Motion to Strike
24 filed by V-F. Now, V-F's Motion goes a little
25 further than Ms. Beall's Motion. And I will

1 deal with them in the order that I want to deal
2 with them.

3 So today we're going to start --
4 we're going to start with Ms. Vance's Motion to
5 Strike because it affects Ms. Beall. It
6 affects her participation in Case No. 25146.
7 And based on that, it affects her Motion to
8 Strike, et cetera, et cetera.

9 So, Ms. Vance, what I have here,
10 I have summarized your Motion. And here is how
11 I have summarized it so that you don't have to.
12 Of course, the parties have all filed responses
13 to each other's motions, and we have those as
14 well. Okay. Ms. Vance, I'm going to summarize
15 your motion, and tell me if I miss anything.

16 At the January 28, 2025,
17 contested hearing, the Division Hearing
18 Examiner ordered Ms. Beall to file a Notice of
19 Ownership Interest in the cases she either
20 owned or claimed to own an interest. Ms. Beall
21 filed a Notice of Ownership Interest and
22 Objection on February 6, 2025 which included
23 title instruments.

24 At the February 27, 2025
25 contested hearing, Ms. Beall late filed

1 exhibits which I allowed, including an
2 additional instrument related to a claimed
3 interest in Case 25146.

4 Questions arose from the
5 Division's Technical Examiner, Mr. McClure
6 who's with us today, about Ms. Beall's claimed
7 interest in 25146. And Ms. Beall's witness
8 confirmed that the interest could not be
9 substantiated. Ms. Beall, this is a
10 summarization of the assertions in the Motion.
11 I'm not saying that this is what we have found.
12 This is just a summary.

13 As part of Permian's revised
14 hearing pocket requested by the Division
15 Technical Examiner at the 27 February contested
16 hearing to clarify the location of the depth
17 severances and the affected parties, Permian
18 included a Title Opinion in response to
19 Ms. Beall's late filed exhibits. The Title
20 Opinion also confirms that Ms. Beall does not
21 own an interest in Permian's Case 25146.

22 That's the summary of your
23 Motion. Does that effectively capture?

24 BY MS. VANCE:

25 Yes. And may I add --

1 BY THE HEARING EXAMINER:

2 Yes, go ahead.

3 BY MS. VANCE:

4 -- a couple of things.

5 BY THE HEARING EXAMINER:

6 Yes, please.

7 BY MS. VANCE:

8 One, regarding the Notice of
9 Intervention that was originally filed by
10 Ms. Beall -- Ms. Beall. Sorry.

11 So Permian -- this is the first
12 Motion to Strike that Permian has filed. I
13 just want to be clear because it seems there was
14 a little bit of confusion on the other side.
15 This is our first Motion to Strike.

16 In our response to the Notice of
17 Interest with regard to Case 25146, we said we
18 have not seen any instrument in the record to
19 substantiate this claim; but, otherwise, we
20 stayed silent and said we would be prepared to
21 discuss on the record at the next hearing.

22 BY THE HEARING EXAMINER:

23 When did you file that response,
24 just to be clear?

25 BY MS. VANCE:

1 That was just after -- I don't
2 have the exact date, but that was right after
3 -- it would have been before the initial
4 hearing because we had a motion discussion, a
5 preliminary motion's hearing at that contested
6 case in January.

7 BY THE HEARING EXAMINER:

8 But it was before Ms. Beall filed
9 the Ownership Interest document on February
10 6th; is that correct? That's what I'm trying
11 to figure out.

12 BY MS. VANCE:

13 Okay. So --

14 BY THE HEARING EXAMINER:

15 Do you want to look it up just to
16 -- just to be clear?

17 BY MS. VANCE:

18 Yes, I can.

19 BY THE HEARING EXAMINER:

20 Or I'll ask Ms. Beall. Do you
21 know when -- or Ms. Luck. Ms. Luck, do you
22 know when that response was filed to your entry
23 of appearance and objection, I suspect?

24 BY MS. LUCK:

25 Well, I think that the Notice of

1 Interest and Objection was filed early
2 February, and then their response was filed
3 February 13th to our Notice of Intervention and
4 Ownership Interest and Objection.

5 BY MR. HEARING EXAMINER:

6 Is that --

7 BY MS. VANCE:

8 That -- that sound's correct.

9 BY MR. HEARING EXAMINER:

10 Okay.

11 BY MS. VANCE:

12 So it was -- we had a preliminary
13 hearing, as I recall. The Examiner asked for
14 Ms. Beall to substantiate those interests that
15 the Notice of Interest was filed. We filed a
16 response. We had a discussion at the January
17 hearing, and that's when a decision was made to
18 allow Ms. Beall to have her Notice of
19 Intervention in those two cases.

20 BY THE HEARING EXAMINER:

21 Yes, and I based it on the rule
22 which I laid out. So anyway, we're going back
23 to the summary I gave of your Motion.

24 BY MS. VANCE:

25 Yes.

1 BY THE HEARING EXAMINER:

2 So what did I not capture?

3 BY MS. VANCE:

4 So what I wanted to make sure
5 that is in there for full understanding is that
6 in our response we made clear that we were
7 uncertain about this interest up to that point,
8 but we would be prepared to discuss it at the
9 -- at the next hearing.

10 BY THE HEARING EXAMINER:

11 The February 27 hearing?

12 BY MS. VANCE:

13 The February 27 hearing, with the
14 understanding that Permian -- it is not
15 Permian's job, it is not my job to clarify
16 Ms. Beall's interest, understanding that
17 Ms. Beall would be filing something or either
18 reaching out to me, counsel to counsel, to
19 substantiate this claim.

20 None of that happened in that
21 month-long period plus to understand whether or
22 not she truly entered -- truly had an interest
23 in the south half of the north half.

24 BY THE HEARING EXAMINER:

25 Let me stop you -- let me stop

1 you right there, Ms. Vance. Now, you -- I
2 think all the parties here agree, and I think
3 the Division also agrees, that it's not the
4 Division's jurisdiction to figure out who has
5 an interest and who doesn't have an interest.

6 BY MS. VANCE:

7 Absolutely. And I think I made
8 that clear in my filing that --

9 BY THE HEARING EXAMINER:

10 Yes, you did.

11 BY MS. VANCE:

12 -- and I have said it on the
13 record repeatedly that the Division does not
14 have jurisdiction --

15 BY THE HEARING EXAMINER:

16 Right.

17 BY MS. VANCE:

18 -- over title.

19 BY THE HEARING EXAMINER:

20 And we all agree on that.

21 BY MS. VANCE:

22 Okay. And so when we get to the
23 February hearing, it's at the February hearing
24 that Ms. Beall enters this exhibit that we have
25 not seen that she is relying on to substantiate

1 this claim that she has an interest. And up
2 until that point, we haven't heard anything
3 Ms. Beall.

4 BY THE HEARING EXAMINER:

5 I understand.

6 BY MS. VANCE:

7 And so --

8 BY THE HEARING EXAMINER:

9 I understand.

10 BY MS. VANCE:

11 -- and so at the hearing --

12 BY THE HEARING EXAMINER:

13 You're trying to justify why you
14 filed this Opinion Letter on March the 6th; is
15 that right?

16 BY MS. VANCE:

17 Partially.

18 BY THE HEARING EXAMINER:

19 Partially.

20 BY MS. VANCE:

21 And -- and, look, you know, we
22 immediately got that -- this document from
23 Ms. Beall. She filed it as a part of her
24 exhibits. And, of course, what would we do?
25 We're going to look at it. It was sent to our

1 title attorney to evaluate it to determine the
2 veracity of it.

3 But, of course, we came back with
4 the same conclusion that her own witness,
5 Mr. Shaw, stated repeatedly on the record which
6 is they cannot substantiate it. There are
7 gaps. There are clouds. They have no way of
8 confirming she has an interest.

9 BY THE HEARING EXAMINER:

10 I remember the testimony. We
11 were all here for it. We have a transcript
12 filed, so I'm not getting into that part right
13 now.

14 What Mr. McClure is concerned
15 about are the depth severances in the different
16 parts of Section 14.

17 BY MS. VANCE:

18 Understood.

19 BY THE HEARING EXAMINER:

20 That's -- and -- and -- and I can
21 understand that your document would be related
22 to depth severances because if you don't own an
23 interest, then we don't have to worry about a
24 depth severance.

25 BY MS. VANCE:

1 Exactly.

2 BY THE HEARING EXAMINER:

3 I can understand that part, so
4 I'm not -- I'm not --

5 BY MS. VANCE:

6 And in that respect, it was not
7 filed to have a title dispute because, again,
8 we are --

9 BY THE HEARING EXAMINER:

10 I understand that. That's why I
11 just said that. Okay. I'm with you. Okay.
12 So I've -- I've summarized your motion. I
13 don't think I've missed any of the -- of the
14 critical points.

15 We do have Carolyn Beall's
16 response to the Motion to Strike, and I'm going
17 to summarize that too, Ms. Luck, for efficiency
18 here.

19 First of all, you make some
20 procedural objections. You say that the
21 Hearing Examiner previously allowed -- I want
22 to make sure. Yes. This is your response,
23 that the Hearing Examiner previously allowed
24 your intervention in the case on February 14
25 after you filed your Notice of Ownership

1 Interest and Objection on February 6.

2 Permian has not properly filed a
3 Motion for Reconsideration of that decision,
4 instead is attempting to re-argue the issue by
5 filing a second Motion to Strike which is
6 procedurally improper.

7 Permian also failed to request a
8 rehearing for the Commission or follow proper
9 procedures. And here we differ, Ms. Luck. I
10 know you think that you have the right to file
11 an appeal before a final order is issued by the
12 Division, but I've cited to you the Rule
13 1915.423 which clearly states that a final
14 decision is appealable after the hearing is
15 over and that we're not there yet, so I'm not
16 going to continue with that part of the
17 procedural objections.

18 Then you talk about substantive
19 arguments, Ms. Luck. You say that it's a
20 jurisdictional issue, that OCD does not have
21 jurisdiction to cite title disputes. Everyone
22 agrees with you, Ms. Luck. And you cite the
23 Continental Oil versus the Oil Conservation
24 Commission, our jurisdiction is limited to
25 protecting waste and protecting corroborative

1 rights adjudicated property ownership.

2 Then you talk about your
3 ownership claim. You assert that your working
4 interest in the third Bone Spring was properly
5 documented in your Notice of Ownership and
6 supported by testimony by Landman Jordan Shaw.
7 Okay?

8 Then, Ms. Luck, lastly, you talk
9 about improper evidence. The only basis for
10 Permian's Motion is a Title Opinion included in
11 Supplement Exhibit C-12; however, the document
12 was submitted after the hearing had already
13 concluded, never subject to cross-examination,
14 making it an improper basis for striking
15 Beall's intervention.

16 Does that sum up your response?

17 BY MS. LUCK:

18 Yes, that sums up my response.
19 The important issue here is that this is a -- a
20 quiet title matter that Ms. Vance wants to be
21 determined here at the OCD. There is no
22 dispute regarding the fact that there may be
23 gaps in title. And an interest owner can own
24 an interest despite the --

25 BY THE HEARING EXAMINER:

1 Okay.

2 BY MS. LUCK:

3 -- the quiet title proceeding not
4 having been completed yet. There can be gaps
5 in title. And I think there's a fundamental
6 risk of understanding that, you know,
7 Mr. Shaw's testimony at the hearing and what
8 led us here. The proof of her interest was
9 provided prior to the February 27 hearing. And
10 additional documentation filled in some of the
11 gaps as provided at the February 27 hearing
12 just to properly establish that she did have an
13 interest in the south half of the north half
14 case.

15 BY THE HEARING EXAMINER:

16 And you don't -- or you don't
17 disagree with me that I allowed you to file
18 that on the day of the hearing?

19 BY MS. LUCK:

20 Yes, Mr. Hearing Examiner.

21 BY THE HEARING EXAMINER:

22 Okay. And that -- everything you
23 said goes to what's properly in a District
24 Court and not here at the hearing.

25 What we are trying to figure out

1 as a Division so that we can make a judgment
2 call on who has the better competing compulsory
3 pooling plan is whether or not there are depth
4 severances in different parts of Section 14.
5 Your claim to ownership in Section 14 matters
6 based on the depth severances. Do you
7 understand what I'm saying?

8 BY MS. LUCK:

9 Yes, but my understanding is that
10 Technical Examiner McClure requested locations
11 of those depth severances and how they came
12 into being. And Exhibit C-12 does explain
13 that, but then the Title Opinion is where it
14 pushes beyond the reach of the Division's
15 jurisdiction.

16 There was an exhibit that was
17 filed with their Supplemental Exhibits that had
18 just a map, just the locations of the depth
19 severances. That's located at Page 164. And
20 this seems to be, essentially, what Mr. McClure
21 was requesting. Mr. McClure never requested a
22 Title Opinion that gave a definitive answer
23 about how title ran into Ms. Beall. That's
24 something for a District Court to decide.

25 BY THE HEARING EXAMINER:

1 Well, I'm going to leave that to
2 Mr. McClure and his questions of Ms. Vance's
3 witness. So okay.

4 Then we have -- then we have
5 V-F's response to Permian's Motion to Strike.
6 And I have summarized that as well, Mr. Savage.

7 BY MR. SAVAGE:

8 I'm sorry. What?

9 BY THE HEARING EXAMINER:

10 Then we have your response to the
11 Motion to Strike filed by Ms. Vance. And I
12 have summarized that as well.

13 BY MR. SAVAGE:

14 Yes, please. Thank you.

15 BY THE HEARING EXAMINER:

16 Okay. So, basically, basically,
17 Mr. Savage, you assert that the Division has
18 already ruled on Ms. Beall's participation and
19 that her involvement contributes to the
20 protection of correlative rights.

21 You argue that Permian
22 disregarded the Examiner's specific
23 instructions by not providing the request of
24 landmass statement or actual title documents,
25 instead submitting an unauthorized opinion

1 letter.

2 You contend that Permian was
3 aware the opinion letter was unauthorized and
4 irrelevant as Permian's counsel had previously
5 acknowledged the lack of jurisdiction over
6 title issues.

7 You further argue that Permian's
8 Motion to Strike Beall's intervention reveals
9 Permian's improper motive for submitting the
10 improper letter -- the opinion letter. I'm
11 sorry -- which is to induce the Division to
12 adjudicate title and ownership.

13 You assert that the protection of
14 correlative rights is a substantive reason for
15 the Division to have granted Beall's
16 intervention, and you request that the Division
17 grant your Motion to Strike, et cetera.

18 Okay. So does that -- I could go
19 on --

20 BY MR. SAVAGE:

21 Yes.

22 BY THE HEARING EXAMINER:

23 -- because you actually went
24 through the transcript, and you actually
25 pointed out, you know, here, Mr. McClure asked

1 for this. I know -- I carefully reviewed
2 everything you filed and I summarized it; but I
3 don't know that I need to go into that right
4 now. But do I capture the gist of your -- of
5 your response?

6 BY MR. SAVAGE:

7 Yes, but so if I can enhance a
8 little bit on --

9 BY THE HEARING EXAMINER:

10 A little bit.

11 BY MR. SAVAGE:

12 -- a little bit. Okay. So the
13 -- it looked to V-F that the request was -- of
14 the title documents was not for any review of
15 title or ownership. It was for finding the
16 locations of the wells.

17 Now, they did provide a diagram,
18 and they listed locations; but there is no
19 substantiation. Where do those locations come
20 from? The letter opinion does not provide any
21 description of those depths, 9400 feet. So it
22 seems completely gratuitous. And that going
23 through and then clarifying the dialogue from
24 the transcript was why we spent so much time in
25 the beginning.

1 BY THE HEARING EXAMINER:

2 Well, I summarized that. So I'll
3 continue that.

4 According to the document, the
5 Examiner specifically asked for, what,
6 additional testimony or written testimony from
7 the landman describing all depth severances,
8 including Ms. Beall's.

9 Two, the document -- a document
10 showing the 9,397 foot depth severance in the
11 southeast quarter of the southwest quarter.

12 Three, if a document was
13 available, the Examiner wanted to see that
14 document.

15 Four, if no document was
16 available, then the description of the depth
17 severances.

18 Five, the Examiner clarified that
19 the title document was requesting -- he was
20 requesting should be, A, something referenced
21 to some well; B, related to some sort of depth
22 severance; C, a document with some sort of
23 ownership that ends at approximately 9,400
24 feet.

25 BY MR. SAVAGE:

1 And then the important thing is
2 there is No. 3, and that is the preference to
3 have the title document instead of the
4 description because the title document would
5 provide that location information of title.
6 And I believe that Permian has or have those
7 title -- and they have those title documents,
8 but they didn't provide them.

9 BY THE HEARING EXAMINER:

10 Okay. Well, that's -- thank you.
11 All right. So, you know -- the -- okay.

12 Now, I am -- I am dealing with
13 the Motion to Strike that Permian filed, and we
14 are going to resolve that with evidence. So we
15 have the opinion here -- opinion from
16 Mr. Hubbell. Do we have Mr. Hubbell on the
17 screen?

18 BY MS. VANCE:

19 He is not available today,
20 unfortunately. He is out and not available.
21 We did try to get him available and would just
22 say if we need to provide written testimony, we
23 are certainly prepared to do that. I did not
24 want to file any revised anything until we had
25 a discussion today, but we will certainly --

1 BY THE HEARING EXAMINER:

2 He's not available. Okay.

3 BY MS. VANCE:

4 He's not available.

5 BY THE HEARING EXAMINER:

6 And, Ms. Luck, your witness is
7 not available either, right?

8 BY MS. LUCK:

9 That's correct. Unfortunately,
10 Mr. Shaw is at his appointment for his
11 citizenship. But we would ask the same
12 courtesy if the Division were to request
13 evidence that we would be able to submit a
14 similar statement from Mr. Shaw explaining gaps
15 in title and his interpretation of the title
16 opinion.

17 BY THE HEARING EXAMINER:

18 Okay. Well, I'm not interested
19 in resolving the title dispute. I want to make
20 this very clear. I'm interested in resolving
21 the depth severances only. Now, if you don't
22 own an interest in the land, then you can't
23 have a depth severance that we need to
24 consider. And that's important for us to
25 understand.

1 So what we need to do is we need
2 to schedule a date in which Mr. Hubbell is
3 available and Mr. Shaw is available and maybe
4 even Mr. Macha is available. And is there any
5 other witness that you think is relevant to the
6 depth severance issue?

7 BY MS. LUCK:

8 No, and we believe that
9 Mr. Shaw's testimony supports that Ms. Beall
10 owns an interest in 25146.

11 BY THE HEARING EXAMINER:

12 Fine. Mr. Savage, did you have a
13 landman that dealt with depth severances?

14 BY MR. SAVAGE:

15 I don't remember.

16 BY THE HEARING EXAMINER:

17 Mr. Shaw --

18 BY MR. SAVAGE:

19 Oh, may I respond to that
20 approach that you've described?

21 BY THE HEARING EXAMINER:

22 Go ahead.

23 BY MR. SAVAGE:

24 Okay. Thank you. So both
25 testimonies, the new testimony which we think

1 is unauthorized that they provided says --
2 talks about gaps, possibilities, currently they
3 believe, but after additional information they
4 might change their mind. Mr. Shaw also talked
5 about gaps, some gaps that they couldn't --

6 BY THE HEARING EXAMINER:

7 Right, that's --

8 BY MR. SAVAGE:

9 -- so it's my understanding that
10 Ms. Beall only needed to meet a threshold of
11 ownership.

12 BY THE HEARING EXAMINER:

13 Why are you arguing Ms. Beall's
14 case? I don't understand.

15 BY MR. SAVAGE:

16 Because it relates to -- it's a
17 -- I explained in the motion that we submitted
18 that it addresses correlative rights and that
19 she kind of stands as a proxy that highlights
20 the violation of correlative rights that V-F
21 competing application does not do that Permian
22 Resources application does.

23 BY THE HEARING EXAMINER:

24 I understand -- I understand how
25 the correlative rights issue helps your

1 competing case. That's obvious to anyone who
2 has sat here for as long as I have during these
3 hearings. But Ms. Beall has counsel. I expect
4 Ms. Beall's counsel will argue for her client.
5 You'll argue for VF. But I understand how the
6 interests blend at points, but I'm not looking
7 to you to argue.

8 What I want to do is I want to
9 take more evidence on a depth severance issue.

10 BY MR. SAVAGE:

11 So can I give an example of what
12 -- of how the OCD in the past has viewed claims
13 of ownership?

14 BY THE HEARING EXAMINER:

15 Okay.

16 BY MR. SAVAGE:

17 So there are some orders
18 regarding parties applying for permits. And I
19 can -- I don't have the name off the top of my
20 head, but I can give you --

21 BY THE HEARING EXAMINER:

22 Sure.

23 BY MR. SAVAGE:

24 -- copies if you request. So in
25 the party operator claim interest, which is a

1 requirement to get a permit, the other party
2 challenged that interest saying he did not own
3 any interest. Okay. What the Division ended
4 up ruling because it cannot adjudicate title,
5 it said we are going to take on good faith
6 that --

7 BY THE HEARING EXAMINER:

8 Claim.

9 BY MR. SAVAGE:

10 -- the operator -- the claim and,
11 therefore, the applicant for the permit meets
12 the threshold to have standing to -- in the
13 case, which the OCD ruled on, the same as,
14 Mr. Hearing Examiner, that you ruled on.

15 So at this point, especially
16 since Permian did not even give the proper
17 pleading to have a reconsideration of the
18 hearing, at this point the -- the owner -- the
19 one owner that appeared that has a severed
20 interest has made an appearance, has made the
21 claim, has met the threshold. V-F is involved
22 in this case. We have a vested interest in
23 preserving the integrity of the hearing.

24 BY THE HEARING EXAMINER:

25 Mr. Savage, whether or not

1 Ms. Beall owns an interest in 25146 matters
2 because we know she -- it's not contested that
3 she owns an interest in 25145 -- (audio break)
4 for clarity, we have to be able to compelling,
5 relevant reliable evidence in the record to
6 make a decision. And at this point, there are
7 still questions.

8 BY MR. SAVAGE:

9 May I add one last point?

10 BY THE HEARING EXAMINER:

11 Of course.

12 BY MR. SAVAGE:

13 So Mr. Shaw will testify he -- he
14 can provide title documents that show those
15 severances that those would be admissible, if
16 they have not already been presented.

17 BY THE HEARING EXAMINER:

18 We're going to schedule a hearing
19 to continue because we don't have any witnesses
20 available today. So I'm going to ask you,
21 Ms. Beall, when Mr. Shaw is going to be
22 available. Okay? And I'm going to ask you
23 when Mr. Hubbell is available.

24 And then if there are --
25 Ms. Luck, if Mr. Shaw has some other document,

1 he needs to share it before the hearing with
2 Ms. Vance so that Ms. Vance can have her party
3 look at it, because we can't keep doing this
4 forever.

5 BY MS. LUCK:

6 No, I understand, Mr. Hearing
7 Examiner. And I -- I believe that what we
8 filed in advance of the hearing properly esta
9 -- and her Notice of Ownership Interest and
10 Objection to the proceedings, that properly
11 those -- there was four documents attached.
12 Those four documents properly established her
13 interest ownership in the two cases where I've
14 been allowed to proceed.

15 BY THE HEARING EXAMINER:

16 Are you talking about what you
17 filed on February 6th?

18 BY MS. LUCK:

19 Yes, sir. Yes. And I can get
20 you those clarifying cases that Darin is
21 talking about where it's properly in
22 established Division policies, precedence, all
23 of those things that under Case 2 -- 12731,
24 12744, the burden is on the operator to
25 establish a good faith claim to title. But the

1 Division has no jurisdiction to determine the
2 validity of any title. And that's the only
3 reason Permian wants us to come back here and
4 offer more testimony is to determine who owns
5 what out there.

6 And Ms. Beall has already
7 properly established she has an ownership in
8 the third Bone Spring, and that's why she has
9 shown up in these proceedings. And I'm sure me
10 and Mr. Savage work together, but I hope that
11 I've properly argued that this is a correlative
12 rights issue, and that's why I continue coming
13 to these hearings because Ms. Beall owns an
14 interest in the third Bone Spring that's being,
15 essentially, just segregated from the third
16 Bone Spring application, cut out, not being
17 allocated to anything to her interest in the
18 third Bone Spring, and we've properly
19 established that. Mr. Shaw showed up and
20 showed -- like, explained very clearly the
21 interest she owes in the third Bone Spring.

22 BY THE HEARING EXAMINER:

23 I was here. I actually have a
24 summary here of Mr. Shaw's testimony.

25 BY MS. VANCE:

1 Mr. Hearing Examiner, since both
2 V-F and Ms. Beall have --

3 BY THE HEARING EXAMINER:

4 I was going to come to you, but I
5 wanted to say something to Ms. Luck. Ms. Luck,
6 we're not here to establish who owns what.
7 We're here to decide if there are depth
8 severances. I must have said this now four
9 times. So, please, don't misunderstand me.
10 We're not here to dispute title ownership.
11 We're here to figure out where the depth
12 severance lay so that we can evaluate the
13 competing cases. That's all we're here for.
14 And we can't do that if there is a dispute over
15 ownership because if there's no ownership, then
16 there can be no depth severance in that
17 section. Does that make sense to you?

18 BY MS. LUCK:

19 No, I understand that. The title
20 opinion doesn't explain the depth severances,
21 so that's why the title opinion should not even
22 come in here. That witness didn't sign the
23 affidavit. The person who signed the affidavit
24 didn't support the title opinion with any
25 additional information.

1 It's -- the title opinion is only
2 being provided for the purposes of determining
3 title which is improper here.

4 BY THE HEARING EXAMINER:

5 We -- since the Division doesn't
6 determine title, it wouldn't be used for that
7 purpose. That's -- so I can't explain --
8 Ms. Vance can speak for herself on why she
9 included that opinion. I'm going to give her
10 an opportunity in a moment. But it seems as
11 though -- when we come back on the record when
12 the witnesses are available, you will have
13 ample opportunity to cross-examine Mr. Hubbell
14 based on his opinion. And you can offer your
15 own Mr. Shaw to counterbalance that testimony
16 as well.

17 So does that make sense to you?

18 BY MS. LUCK:

19 Well, yeah, I just want to be
20 sure that this testimony is being limited only
21 to the location of the depth severances. It
22 looks like on their exhibit there's two depth
23 severances in Section 14, and I want to be sure
24 that we're not talking about striking
25 Ms. Beall's entry for any other title flaws or

1 gaps or disputes with regard to title.

2 BY THE HEARING EXAMINER:

3 All right. I've made myself very
4 clear, Ms. Luck. So I can't -- I can't say it
5 any other way. And I'm -- I'm the one who
6 allowed you to intervene. And I haven't
7 reconsidered that decision, so there's really
8 nothing to talk about there. Ms. Vance?

9 BY MS. VANCE:

10 Yes, I just want to be very
11 clear. Again, we don't dispute that the
12 Division doesn't have jurisdiction over title.
13 We have not included any title instruments
14 because we stand by that statement.

15 Now, there have been a lot of
16 title instruments that have been filed by both
17 of the parties that go to the two title -- the
18 two depth severances that we have described in
19 our own exhibits.

20 So I just want to be clear we are
21 not asking for title adjudication. And what
22 was filed was not filed in bad faith. It was
23 filed to answer a question, a request from the
24 Technical Examiner. And we cannot provide a
25 depth severance if a party does not have an

1 interest.

2 BY THE HEARING EXAMINER:

3 Okay. That's -- that's clear.

4 Okay. Do you know when Mr. Hubbell is
5 available?

6 BY MS. VANCE:

7 I do not, but I will -- I just
8 learned right before we came to this hearing
9 that he wasn't going to be available. But I am
10 happy to talk with my client and find out when
11 he is available and then confer with
12 Ms. Beall's counsel, Ms. Luck.

13 BY THE HEARING EXAMINER:

14 Right. And do you know when
15 Ms. Shaw will be come from El Paso?

16 BY MS. LUCK:

17 I am not sure when he will be
18 back from El Paso. I assume that's soon. But
19 if we could just coordinate with Permian's
20 counsel, that will work. Thank you.

21 BY THE HEARING EXAMINER:

22 All right. In other words -- in
23 other words, the parties will figure out when
24 their witnesses are available and they'll
25 advise the Division. So let me just say now I

1 want to have this hearing as soon as possible.
2 So, Ms. Luck and Ms. Vance and Mr. Savage, I'm
3 looking to have this next week. So let's --
4 your witnesses can appear --

5 BY MS. VANCE:

6 I will be on military leave in a
7 secure space, and I will not be available.

8 BY THE HEARING EXAMINER:

9 Okay. When are you going to be
10 available?

11 BY MS. VANCE:

12 I will be available remotely --
13 well, no. I will be available the week of
14 April 7th. I will be back.

15 BY THE HEARING EXAMINER:

16 Okay. That's fine. It gives you
17 even more time to get your witnesses. It's
18 delaying the consideration of your competing
19 applications, and I'd like not to do that but I
20 don't have a choice. So okay. So the week of
21 April 7. So we're talking about a Tuesday,
22 Wednesday or Thursday. So would that be, what,
23 the 8th, 9th or 10th?

24 BY MS. VANCE:

25 That's correct.

1 BY THE HEARING EXAMINER:

2 And the 10th is a docket day, and
3 we hear -- we do Hearings by Affidavit. Freya,
4 how many hearings do we have on April 10 right
5 now?

6 BY MS. TSCHANTZ:

7 I will look it up, but I just
8 wanted to remind you that OCC has a week-long
9 hearing that week. So our docket on Thursday
10 will be virtual.

11 BY THE HEARING EXAMINER:

12 Thank you. So -- okay. So that
13 means any of those days, 8, 9 or 10 will all be
14 virtual then.

15 BY MS. TSCHANTZ:

16 Correct.

17 BY THE HEARING EXAMINER:

18 Okay. Very good. Now,
19 Mr. McClure -- I don't know. Mr. McClure, are
20 you going to be the Examiner on the 10th of
21 April?

22 BY MR. MCCLURE:

23 Mr. Hearing Examiner, that is
24 correct.

25 BY THE HEARING EXAMINER:

1 Okay. Perfect. So depending on
2 how many cases we have, maybe we'll just add it
3 to the end of that docket since you'll already
4 be here for the Hearings by Affidavit. Freya?

5 BY MS. TSCHANTZ:

6 Right now we have approximately
7 70 cases on April 10th.

8 BY THE HEARING EXAMINER:

9 Okay. Why don't we limit that
10 docket -- why don't we limit that docket to
11 make space for this so that we can hear this at
12 the end of that docket. Why don't we limit it
13 to 50. So let's limit it to 50 now. Anything
14 more than 50 move. And who knows, it may come
15 down from the 50 based on continuances or
16 objections or things like that.

17 BY MS. TSCHANTZ:

18 Okay.

19 BY THE HEARING EXAMINER:

20 So, Ms. Vance, Ms. Luck, April
21 10th. Okay? If for some reason Mr. Hubbell
22 and Mr. Shaw just cannot make it on April 10th,
23 then let's then offer them 8 or 9, April 8 or
24 9. And we'll be flexible with the time on 8 or
25 9. But I'd rather not bother Mr. McClure if we

1 don't have to. I'd prefer April 10.

2 BY MS. LUCK:

3 The only problem is that I have
4 court hearings on the afternoon of the 9th, but
5 not on the 10th.

6 BY THE HEARING EXAMINER:

7 Great. Let's get Mr. Shaw and
8 Mr. Hubbell strapped down for the 10th. Okay?
9 And we'll conclude -- sorry. Mr. McClure.

10 BY MR. MCCLURE:

11 Yeah, sorry, Mr. Hearing
12 Examiner. I was just going to mention if we
13 could have Mr. Macha available, that would be
14 good as well.

15 BY THE HEARING EXAMINER:

16 Definitely. Thank you,
17 Mr. McClure. I appreciate that. And the
18 hearing will be on the issue of the depth
19 severances.

20 Now, ostensibly we're dealing
21 with these Motions to Strike, but underlying
22 these Motions to Strike is the depth severance
23 issue and we need to get evidence on that.
24 Okay. Is there anything further from the
25 parties?

1 BY MS. VANCE:

2 No.

3 BY MR. SAVAGE:

4 I don't know if you want me to
5 make -- or ask for -- to be able to respond to
6 one issue?

7 BY THE HEARING EXAMINER:

8 Go ahead.

9 BY MR. SAVAGE:

10 So V-F views that if the Division
11 takes the evidence of Permian and decides that
12 there's no ownership and as a result that
13 there's no depth severance, the decision itself
14 that there's no ownership is an adjudication on
15 ownership and title. So it's kind of a Catch
16 22.

17 BY THE HEARING EXAMINER:

18 But it's not, Mr. Savage, because
19 the Division is looking for evidence of depth
20 severance only. Now, if that entails -- if
21 that entails the fact that -- that -- I
22 understand your perspective. I understand your
23 perspective. But, obviously -- obviously,
24 we're not adjudicating whether or not there's
25 an interest. So if -- if Ms. Beall finds that

1 the Division made the wrong decision about a
2 depth severance, then she can go to court and
3 have that adjudicated there.

4 BY MR. SAVAGE:

5 Let me add one more example and
6 then I'll be quiet.

7 BY THE HEARING EXAMINER:

8 I'm not asking you to be quiet,
9 Mr. Savage.

10 BY MR. SAVAGE:

11 So let's say that the Permian's
12 title -- title opinion's witness attorney says
13 here's a document, it shows that -- so let's
14 say -- say, here's a document -- here's a
15 document that shows that she has an interest,
16 here's a gap, here's a document that shows she
17 doesn't have interest, here's a gap, here's a
18 document that shows she has interest.

19 BY THE HEARING EXAMINER:

20 Okay.

21 BY MR. SAVAGE:

22 Okay. So this document that
23 shows she has interest also has the depth
24 severance. Okay?

25 BY THE HEARING EXAMINER:

1 Okay.

2 BY MR. SAVAGE:

3 So you would rule out validating
4 this last document in the chain and the
5 validity of that depth severance because you
6 would adjudicate that she does not own any
7 ownership, she has no ownership because of this
8 document --

9 BY THE HEARING EXAMINER:

10 I understand --

11 BY MR. SAVAGE:

12 -- but there's -- but there's
13 gaps, and so there's no way to confirm what the
14 title is and that she doesn't have jurisdiction
15 to confirm that.

16 BY THE HEARING EXAMINER:

17 Mr. Savage, now the -- and I'm
18 not going to forget the last three cases.

19 BY MS. VANCE:

20 And may I just say one thing in
21 response to -- I definitely want to be able to
22 respond because Mr. Savage has had a lot of
23 leeways on talking today, and I would like to
24 respond.

25 BY THE HEARING EXAMINER:

1 Let me first -- let me first --
2 Mr. Savage, the Division deals with
3 administrative adjudicatory cases by a
4 preponderance of evidence. Okay?

5 BY MR. SAVAGE:

6 That's the standard of evidence
7 at the -- at the extent for the determination
8 of ownership, there's no preponderance of
9 evidence.

10 BY THE HEARING EXAMINER:

11 We're not dealing with ownership.
12 We're dealing with the depth severance, the
13 location of depth severance. So I understand
14 that in your mind they're so tied together that
15 you don't see one without the other.

16 BY MR. SAVAGE:

17 Well, I do -- I actually do see
18 one without the other. I think you can take an
19 individual title opinion or title document that
20 specifies the location of depth severance at
21 9400 and regardless of whether Beall owns or
22 does not own --

23 BY THE HEARING EXAMINER:

24 That's right.

25 BY MR. SAVAGE:

1 -- you can say that's the
2 location of the depth severance.

3 BY THE HEARING EXAMINER:

4 That's right.

5 BY MR. SAVAGE:

6 Any more, it becomes an
7 adjudication of ownership, taking one side or
8 the other.

9 BY THE HEARING EXAMINER:

10 Okay. I understand that
11 perspective very well. Ms. Vance?

12 BY MS. VANCE:

13 Yes, just a couple of minor -- or
14 a couple of points to make is via Ms. Beall,
15 they want to have it both ways. They want
16 title; they don't want title. Okay?

17 We have provided something not to
18 substantiate title dispute but to discuss
19 whether or not a depth severance exists or not.
20 And that is purely what it was provided for,
21 not to get into the merits of a title dispute
22 which belongs in a District Court.

23 So I just want to make that
24 clear, that that is what we're trying to do.

25 BY THE HEARING EXAMINER:

1 Okay. Thank you. Let's finish
2 the docket by going back to the back three
3 cases of the day.

4 BY MR. SAVAGE:

5 Mr. Hearing Examiner, let me get
6 my files ready.

7 BY MS. HARDY:

8 May I be excused? May I be
9 excused?

10 BY THE HEARING EXAMINER:

11 Are you not involved in the first
12 three cases of the day? I didn't know if you
13 were or not.

14 BY MS. HARDY:

15 I don't believe so, no.

16 BY THE HEARING EXAMINER:

17 Okay. Very good. Yes, by all
18 means. Thank you.

19 BY MS. HARDY:

20 Thank you.

21 BY THE HEARING EXAMINER:

22 We'll see you on April 10, if
23 not, April 8 or -- maybe April 8. I don't
24 know. Okay.

25 I think I called the first three

1 cases on the document, Matador Production,
2 25035, 37, 38. So I'm recalling them now.

3 BY MS. VANCE:

4 Paula Vance on behalf of Matador.

5 BY MR. SAVAGE:

6 Darin Savage on behalf of Cimarex
7 Energy Company.

8 BY MR. SUAZO:

9 Miguel Suazo on behalf XTO
10 Energy.

11 BY THE HEARING EXAMINER:

12 Thank you, Mr. Suazo. I forgot
13 that you were still there.

14 BY MR. SUAZO:

15 No problem.

16 BY THE HEARING EXAMINER:

17 Okay. Mr. Suazo, I think you
18 said that you had withdrew your objection in
19 these cases?

20 BY MR. SUAZO:

21 Correct.

22 BY THE HEARING EXAMINER:

23 Okay. Thank you. And,
24 Mr. Savage, what is your status now on these
25 cases?

1 BY MR. SAVAGE:

2 Well, I think we left this off
3 with the need for a motion hearing.

4 BY THE HEARING EXAMINER:

5 Yes, the legal -- the legal
6 issue.

7 BY MR. SAVAGE:

8 The legal issue to be addressed.

9 BY THE HEARING EXAMINER:

10 We did. But did you discuss it
11 with Ms. Vance?

12 BY MS. VANCE:

13 Yes, and can I just interject and
14 say I don't think we need to get into legal
15 arguments. What I would ask for because I
16 think that we still have some things to hammer
17 out between the parties is that we either -- I
18 know you have it on here that it's the last
19 status conference.

20 BY THE HEARING EXAMINER:

21 I did, yes.

22 BY MS. VANCE:

23 But I would ask for a little bit
24 of grace for us to do one additional status
25 conference because I believe we can probably

1 resolve this issue without having to, you know,
2 get into doing contested hearings or anything
3 like that.

4 BY THE HEARING EXAMINER:

5 And when you say "this issue," do
6 you mean resolving the objection as a whole?

7 BY MS. VANCE:

8 Yes, resolve the objection. I
9 think that the parties just need to
10 communicate. And if we had a little bit more
11 time, I think we can probably resolve this
12 without --

13 BY THE HEARING EXAMINER:

14 Mr. Savage, do you agree?

15 BY MR. SAVAGE:

16 Well, that -- that sounds like a
17 fair offer. If we could have the status
18 conference at a -- at a time when it's a little
19 bit further down the road, say, in June to --

20 BY THE HEARING EXAMINER:

21 That's longer than I was willing
22 to do based on the age of the cases. I already
23 had them marked as a final status now. I will
24 -- I will grant another status conference and
25 not set a contested hearing, but I want it set

1 for May 13. So why don't we say that we'll
2 have a status conference April 22nd. And if
3 you have not resolved your issues, we'll either
4 deal with the legal issue or we'll go to a
5 contested hearing either in June or in July.
6 But that still gives you plenty of time to
7 resolve this before --

8 BY MR. SAVAGE:

9 No, I think that's fair. I think
10 that's -- I appreciate that.

11 BY THE HEARING EXAMINER:

12 So then, Ms. Vance, they're your
13 cases. Would you move them to the April 22nd
14 docket for yet another final status conference?

15 BY MS. VANCE:

16 Yes, thank you.

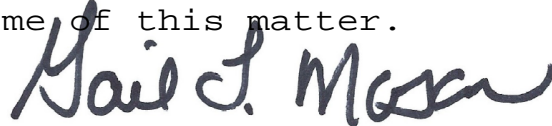
17 BY THE HEARING EXAMINER:

18 And good luck on your military --
19 oh, and we're off the record. Thank you.

20
21 (AT THIS TIME, THE HEARING
22 WAS CONCLUDED AT OR ABOUT 11:45 A.M.,
23 AND THE RECORD WAS CLOSED.)
24
25

REPORTER'S CERTIFICATE

I, Gail F. Mason, RPR, Certified Court Reporter in and for the State of Louisiana, as the officer before whom this hearing was taken, do hereby certify that this proceeding was reported by me in the stenotype reporting method, was prepared and transcribed by me or under my personal direction and supervision, and is a true and correct transcript to the best of my ability and understanding; that the transcript has been prepared in compliance with transcript format guidelines required by statute or by rules of the board; that I am informed about the complete arrangement, financial or otherwise, with the person or entity making arrangements for deposition services; that I have acted in compliance with the prohibition on contractual relationships, as defined by Louisiana Code of Civil Procedure Article 1434 and in rules and advisory opinions of the board; that I have no actual knowledge of any prohibited employment or contractual relationship, direct or indirect, between a court reporting firm and any party litigant in this matter nor is there any such relationship between myself and a party litigant in this matter. I am not related to counsel or to the parties herein, nor am I otherwise interested in the outcome of this matter.



Gail F. Mason, RPR, CCR
Certificate No. 96004