

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

**APPLICATIONS OF WPX ENERGY PERMIAN, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case Nos. 25204 & 25205

**APPLICATIONS OF 3R OPERATING, LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

Case Nos. 25123 & 25124

OBJECTIONS TO EXHIBITS SUBMITTED BY 3R OPERATING, LLC

WPX Energy Permian, LLC (“WPX”), through its undersigned attorneys, files with the Oil Conservation Division (“Division” or “OCD”) its objections to certain exhibits submitted by 3R Operating, LLC (“3R”), and respectfully requests that the Division give their inadmissibility due consideration as a preliminary matter prior to the start of the contested hearing on April 29, 2025.

WPX’s objections are as follows:

1. WPX objects to the admission of the sequence of the slides labeled “3R Team Overview.” 3R Hearing Packet, pp. 33 – 36. These slides, submitted as exhibits, are not referenced in or supported by any sworn testimony from 3R’s witnesses. Moreover, no witnesses designated by 3R has claimed authorship or supervisory responsibility for these slides, nor have they adopted them as part of their direct testimony. As such, the slides lack proper evidentiary foundation and must be excluded from the record.

2. Specifically, WPX objects to 3R’s slide titled *The Division’s Factors Weigh in 3R’s Favor* (referred to herein as Slide #1). 3R Hearing Packet, p. 34. This slide is unauthenticated,

unattributed to any witness, and unverified. It presents a range of assertions that—if admissible—would each require expert testimony from different disciplines. Since no single witness has claimed authorship or provided testimony to support all of the slide’s statements, Slide #1 lacks proper evidentiary foundation and is therefore inadmissible. The slide contains a mix of assertions including: (1) geological claims (e.g., “WPX/Devon does not plan to develop the proven the proven productive/economic Wolfcamp B target....”); (2) reservoir engineering conclusions (e.g., “3R plans to capture at least 2.3 times more reserves....”); (3) landman-related claims (e.g., “WPX/Devon’s AFEs suggest they plan to under complete their wells....”); and (4) surface engineering assertions (e.g., “3R has existing oil, gas and water takeaway established in the area....”).

3. Slide #1 is a conglomeration of statements that appears to have been prepared by an unidentified in-house team or other unnamed individuals at 3R, not by any qualified or disclosed witness. As such, it is irreparably unreliable under 19.15.4.17 NMAC and must be excluded. None of the written testimony submitted by 3R’s witnesses’ references, adopts, or even mentions Slide #1. If 3R wishes to present a comparative evaluation of the Division’s criteria for assessing competing applications, that analysis must be supported by admissible evidence offered through the proper channels—namely, the written or oral testimony of individual witnesses. Any conclusory comparison of the type in Slide #1 is to be reserved only for closing statements and must be grounded in verified evidence, not unattributed content.

4. WPX objects to the slide titled *Executive Summary* (“Slide #2”) (3R’s Hearing Packet, p. 35) on the same grounds stated above. None of 3R’s witnesses reference, claim, or adopt this slide in their written testimony, nor is it supported by any testimony given under oath. It appears to be a marketing-oriented PowerPoint slide more suited for a corporate pitch than a legal

proceeding. It is precisely the type of promotional material designed to persuade stakeholders in a boardroom—not to serve as evidence in a proceeding governed by statutory and regulatory standards under the New Mexico Oil and Gas Act (“OGA”). As with Slide #1, Slide #2 appears to have been drafted by an internal marketing team or by unidentified individuals affiliated with 3R. Pursuant to 19.15.4.17 NMAC, it is both “immaterial” and “unreliable” and must be excluded from the record.

5. In addition, WPX also objects to the slide titled *Successful Team with a Proven Track Record* (“Slide #3”). 3R’s Hearing Packet, p. 36. Like the previous slides, this presentation continues 3R’s effort to sway the Division through marketing appeals rather than admissible evidence. It attempts to invoke ethos and pathos rather than rely on the factual and legal standards that govern this proceeding. Of the seven individuals named on Slide #3, four—Scott Germann, Brian Cassens, Brad Grandstaff, and Brian Atwell—are not authorized witnesses and are not participating in the hearing. The remaining three—Jon Slagle, Tyler Lane, and Brian van Staveren—have already introduced themselves through written testimony, making this slide duplicative and “repetitious” under 19.15.4.17 NMAC. The slide’s visual presentation further undermines its evidentiary value. It is saturated with corporate logos from unrelated third-party entities, creating the appearance of brand promotion rather than evidentiary support. This type of visual branding, irrelevant to the legal or technical issues before the Division, further diminishes the slide’s reliability and highlights its improper inclusion in the record. Additionally, as with the previous slides, no witness has claimed authorship of Slide #3 or referenced it in sworn testimony. Since it lacks foundation, Slide #3 is not attributed to any testifying witnesses, and serves a prejudicial promotional purpose, not an evidentiary purpose; thus, Slide #3 must also be excluded from the record.

6. Slides #1, #2 and #3 are inadmissible due to their marketing and promotional character. These slides are not grounded in sworn testimony, are not attributed to any witness, and serve no evidentiary purpose. Under established OCD practice, a proper hearing packet includes a cover page, table of contents, a copy of the applications, the pooling checklist, notice exhibits, and the written testimony and exhibits of expert witnesses—limited to those materials they have personally prepared or supervised. Allowing these unauthenticated and unattributed slides into the record would be highly prejudicial and inconsistent with OCD evidentiary standards. WPX therefore respectfully requests that Slides #1, #2, and #3 be excluded from the evidentiary record in their entirety.

7. WPX further objects to the slide titled *Land/Development – 3R Activity vs WPX Lack of Activity* (“Slide #4”) (3R’s Hearing Packet, p. 55), which was submitted by 3R’s Reservoir Engineer. The content of this slide exceeds the scope of reservoir engineering and instead addresses land matters such as permitting, leasing activity, and the acquisition and status of federal and state leases—topics that fall squarely within the expertise of a landman. It is inappropriate for 3R’s Reservoir Engineer to offer testimony or commentary on land issues, particularly when 3R has designated a Landman who is solely responsible for those matters. The inclusion of such subject matter in engineering testimony is duplicative, exceeds the witness’s scope of expertise, and violates the principles of expert discipline. Pursuant to 19.15.4.17 NMAC, Slide #4 is both “repetitious” and “unreliable” and should be excluded from the record.

8. WPX also objects to the slide titled *Ridge Runner Resources – Extensive New Mexico Track Record* (Slide #5) (3R’s Hearing Packet, p. 54) on similar grounds. This slide contains content that falls outside the scope of 3R’s Reservoir Engineer and ventures into matters properly reserved for a land expert. It includes a map of historical permits and acreage, along with

descriptions of properties 3R has acquired or claims it intends to acquire—subjects clearly within the purview of 3R’s Landmen, not its Reservoir Engineer. The slide further references business transactions, including purchases from Waburg Pincos and arrangements with Marathon, which constitute corporate dealings that only a land witness or corporate representative could competently address. These topics should have been covered—if at all—by 3R’s Landman through proper testimony and exhibits, grounded in personal knowledge and admissible evidence. Since this slide presents information beyond the witness’s expertise and duplicates subject matter assigned to another designated expert, it is both “repetitious” and “unreliable” under 19.15.4.17 NMAC. WPX respectfully requests that Slide #5 be excluded from the evidentiary record.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on April 24, 2025:

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