

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

PRE-HEARING TRANSCRIPT

THURSDAY, NOVEMBER 14, 2019

SANTA FE, NEW MEXICO

BEFORE: LEONARD LOWE, CHIEF EXAMINER  
KATHLEEN MURPHY, EXAMINER  
PHILLIP GOETZE, EXAMINER  
ERIC AMES, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Examiners Leonard Lowe, Kathleen Murphy, Phillip Goetze, and Legal Examiner Eric Ames, on Thursday, November 14, 2019, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

1                   HEARING EXAMINER LOWE: Good morning. This is  
2   OCD Hearing Docket Number 42-19. Today is November 14,  
3   2019. We are on the record; we will conduct today's  
4   hearings.

5                   My name is Leonard Lowe and I will be your  
6   Hearing Examiner today. Today with me we have our attorney  
7   Eric Ames, Phillip Goetze helping us out, and Kathleen  
8   Murphy and an elite team on that side over there.

9                   This morning I'm going to have Kathleen call out  
10  the dismissals and continuances that we were made aware of  
11  prior to today's docket. Ms. Murphy.

12                  EXAMINER MURPHY: The following cases are  
13  dismissed: Case 20828, Ridge Runner; Case 20815, Novo Oil &  
14  Gas; 20816, Novo Oil & Gas; 20890, Devon Energy; 20900,  
15  Black River Water Management; 20901 Texland Petroleum; 20849  
16  Kaiser-Francis; 20850, Kaiser-Francis; 20851,  
17  Kaiser-Francis; 20852, Kaiser-Francis; 20853,  
18  Kaiser-Francis; 20912, BTA Oil, and 20913.

19                  The following cases have been continued. I will  
20  read the case number, and the date that they are continued  
21  to tentatively.

22                  The following cases are continued to December 12,  
23  2019, and those are cases 20856, COG, and 20857, also COG.

24                  The following case is continued to January 23,  
25  2020, and that is Case 20827 Advanced Energy Partner.

1           The following cases are continued to February  
2 2 -- February 20, 2020. These are all Marathon Oil Permian  
3 LLC cases, 20840, 20841, 20842, 20843, 20844, 20845, 20846,  
4 20847, 20848.

5           Also to February 20, 2020, 20830 Centennial  
6 Resources; 20831, Centennial Resources; 20833, Titus Oil &  
7 Gas; 20834, Titus Oil & Gas; 20835, Titus Oil & Gas; 20817  
8 Novo Oil & Gas Northern Delaware; 20861, VF Petroleum; 20862  
9 VF Petroleum; 20873, Novo Oil & Gas Northern Delaware;  
10 20874, Novo Oil & Gas Northern Delaware; 20876, COG  
11 Operating; 20877, COG Operating; 20878, Titus Oil & Gas;  
12 20879, titus Oil & Gas; 20880, Titus Oil & Gas and 20881  
13 Titus Oil & Gas.

14           And also continued to February 20, 2020; 20882,  
15 Titus Oil & Gas; 20897, Titus Oil & Gas; 20898, Titus Oil &  
16 Gas; 20899, Titus Oil & Gas.

17           And then the rest of these are Matador  
18 Production: 20904, 20905, 20906, 20907, 20908, 20909, 20910  
19 and 20911.

20           Those are the continuances and dismissals that we  
21 have at this time. Are there any additions or subtractions  
22 to that?

23           (No audible response.)

24           HEARING EXAMINER LOWE: Thank you, Kathleen.

25           Thank you. All righty then. Can I just -- items.

1           MR. AMES: So, Counsel, we have taken the liberty  
2 of ordering the remaining 42 cases on the docket, and we  
3 have a spreadsheet that we would like to distribute which  
4 shows the order we will take the cases. We will show how we  
5 are going to do.

6           I only have 12 copies, so if I can hit primary  
7 counsel, there are a few I know who has cases on the docket.

8           EXAMINER MURPHY: Eric, there are copies in the  
9 back.

10          MR. AMES: I grabbed them. Who else needs a  
11 copy? I have a few more. Other counsel? Next time we will  
12 make more copies. Kathleen suggested that earlier. Sorry  
13 Kathleen.

14          Anybody else? There's a couple of extra copies.  
15 Who else needs a copy? Well, there is two more here if you  
16 folks want them. I guess we do have enough. So you will  
17 notice that the cases are numbered 1 to 42. All the  
18 hearings are at the end from 38 to 42.

19          We will have a discussion after the conclusion of  
20 the cases 1 through 37 about the order in which we will take  
21 the hearings. My understanding is that some counsel have  
22 issues with witnesses tomorrow, and so we will need to have  
23 a discussion among the counsel for the cases set for hearing  
24 on how best to take them.

25          In terms of the remaining cases, you will notice

1 on the right side it says, in the last column, affidavit or  
2 hearing. Cases 1 through 25 have no other entries of  
3 appearance or notices of intervention, and those will be  
4 taken by affidavit in the order given.

5 Cases 26 through 37 say TBD, that is because  
6 there are entries of appearance in those cases and in at  
7 least a couple of them there are prehearing statements  
8 filed. I have talked to counsel for both the applicants and  
9 for the parties, and it's my understanding those cases can  
10 also proceed by affidavit, and so we will take them in the  
11 order given there.

12 What we would like to do is, in taking the cases  
13 by affidavit, is follow the process which we initiated in  
14 the last round of hearings, which is to have counsel make  
15 their appearances, have counsel for the applicant introduce  
16 themselves, the name of their applicant, maybe one or two  
17 sentences about the case, and then a very brief description  
18 of the exhibits, ask us to accept the exhibits into the  
19 record, and take the case under consideration, and then we  
20 will move on.

21 I am hoping that if we keep to a streamlined  
22 approach, we can move through these 37 cases quickly. If  
23 any issues arise during the presentation of a case where  
24 counsel has an issue, just raise it and we'll address it in  
25 that content.

1           So unless there is anything general that anyone  
2           wants to raise regarding this process, we'll jump right in  
3           and start with Mr. Feldewert.

4           MR. RANKIN: Mr. Examiner, one point of  
5           clarification, a couple of these are listed as affidavit  
6           cases when in fact we have live witnesses. I just want to  
7           make that point so you are not surprised.

8           MR. AMES: You intend to present live witnesses?

9           MR. RANKIN: Yes.

10          MR. AMES: Which cases are those?

11          MR. RANKIN: Looking at your list, it's case  
12          numbers 19 through 22 that, in fact, will be presented by  
13          live witness.

14          MR. AMES: Okay. Anyone else?

15          MR. RANKIN: And then, Mr. Ames, case number 26  
16          on your list, it's an affidavit case. It was with the  
17          consent of the State Land Office.

18          MS. ANTILLON: The State Land Office concurs.

19          MR. AMES: So Mr. Rankin, we are going to move 19  
20          through 22 to the very end of the cases by affidavit, and  
21          we'll consider the order of presentation of those hearings  
22          when we get there.

23                 All right.

24                 (Cases by affidavit presented and taken under  
25          advisement.)

1 HEARING EXAMINER LOWE: We are going to take a  
2 ten-minute break while we discuss our next case, and we'll  
3 convene here in about ten minutes.

4 (Recess taken.)

5 HEARING EXAMINER LOWE: We are back on the  
6 record.

7 MR. AMES: To all the counsel this morning, we  
8 were able to go through -- process 30 cases in three hours.  
9 That seems pretty good. There is two more cases pending by  
10 affidavit, and Mr. Bruce has agreed that they will be heard  
11 tomorrow morning at 8:15.

12 We have ten cases for hearing. There has been a  
13 discussion and agreement amongst counsel to the order of  
14 presentation.

15 We are going to begin with NGL 20896 slash 16507.  
16 We will then probably break for lunch around 12 and then --  
17 well, we may start, if we can pick up the COG Case 20832 and  
18 then break for lunch.

19 Start after lunch with Texland Petroleum 20894  
20 and then move to the Hilcorp trio of cases, 20891, 92 and  
21 93. And then finally, we will hear Marathon 20865, 20866  
22 and then Novo 20916 and 20917. Any objections?

23 (No audible response.)

24 (Hearings resumed and Docket 42-19 recessed at  
25 approximately 5:15 p.m. November 14, 2019. Docket 42-19

1 reconvened on November 15, 2019 at approximately 8:30 a.m.  
2 The remaining cases were heard, concluded, and taken under  
3 advisement.)

4 (Docket 42-19 concluded November 15, 2019, at  
5 approximately 4 p.m.)

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1 STATE OF NEW MEXICO )  
 )SS  
2 COUNTY OF SANTA FE )

3 I, IRENE DELGADO, certify that I reported the  
4 proceedings in the above-transcribed pages, that pages  
5 numbered 1 through 8 are a true and correct transcript of my  
6 stenographic notes and were reduced to typewritten  
7 transcript through Computer-Aided Transcription, and that on  
8 the date I reported these proceedings I was a New Mexico  
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 14th and 15th  
11 days of November 2019.

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Irene Delgado, NMCCR 253  
Expires: 12-31-19