

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

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS: 21347 - 21350

APPLICATION OF CATENA RESOURCES
OPERATING LLC FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

AUGUST 6, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DEAN McCLURE, JOHN GARCIA and KATHLEEN MURPHY on Thursday, August 6, 2020, hosted by the New Mexico Energy, Minerals, and Natural Resources Department, through Cisco Webex electronic platform.

Reported by: Irene Delgado, NMCCR 253
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STATUS CONFERENCE

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REPORTER CERTIFICATE

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1 HEARING EXAMINER ORTH: We will begin at the
2 beginning here with matter 21347, 21348, 21349 and 21350.
3 The applicant is Catena Resource, it's a compulsory pooling
4 application. The well name is Crisscross. Who is here from
5 Holland & Hart for the applicant?

6 MR. FELDEWERT: May it please the Examiner,
7 Michael Feldewert with the Santa Fe office of Holland &
8 Hart.

9 HEARING EXAMINER ORTH: Good morning, Mr.
10 Feldewert. We have a number of other parties. Is Mr. Bruce
11 here for Ascent?

12 MR. BRUCE: Yes, I am, Madam Examiner.

13 HEARING EXAMINER ORTH: And who here is from
14 Hinkle Shanor for Armstrong?

15 MS. HARDY: Good morning, Madam Examiner. Dana
16 Hardy for Armstrong Energy Corporation.

17 HEARING EXAMINER ORTH: Good morning. And do we
18 have Ms. Munds-Dry or Mr. Rodriguez for COG?

19 MR. RODRIGUEZ: Good morning. This is Michael
20 Rodriguez with COG Operating LLC.

21 HEARING EXAMINER ORTH: Hello. And for Marathon,
22 someone from Modrall Sperling?

23 MS. BENNETT: Good morning, Madam Examiner. This
24 is Deana Bennett on behalf of Marathon Oil Permian LLC.

25 HEARING EXAMINER ORTH: Good morning. Let me

1 pause just a moment to see if there are any other
2 appearances.

3 (No audible response.)

4 HEARING EXAMINER ORTH: No? All right. And we
5 are down here for a status conference. Mr. Feldewert, I
6 believe it's your -- beginning with (inaudible).

7 MR. FELDEWERT: Sure, Madam Examiner. There have
8 been a number of parties that have appeared in this case,
9 some in opposition to the case proceeding by affidavit, not
10 all, but some. And I will let them articulate their
11 concerns, but it's apparent to me that, given the number of
12 parties, that this case is going to be contested.

13 And so to get a firm hearing date, I would ask
14 that it be set for a hearing, a contested hearing. This is
15 not a competing pooling circumstance. I don't think it's
16 going to take very long. At least from my perspective, you
17 may want to quiz the other parties and see if they intend to
18 call witnesses and what their issues are, but I don't see
19 this taking any more than a couple of hours.

20 HEARING EXAMINER ORTH: Okay. Thank you.

21 MR. BRUCE: This is Jim Bruce.

22 HEARING EXAMINER ORTH: Yes.

23 MR. BRUCE: I generally agree with Mike. Of
24 course, with this many parties, and you get questions, I
25 would say probably three hours would be more likely, but I

1 would be presenting a witness, probably primarily an
2 engineer, maybe a geologist.

3 HEARING EXAMINER ORTH: All right. Thank you.
4 Let's see. Ms. Hardy?

5 MS. HARDY: Thank you. Armstrong does oppose the
6 application and intends to present witnesses, but the issues
7 are limited really to good faith negotiation prior to
8 pooling, so I have identified three witnesses. I think it's
9 more likely that I will have two, and I don't think their
10 testimony would take very long, maybe 15 or 20 minutes.

11 HEARING EXAMINER ORTH: All right. Thank you.
12 Mr. Rodriguez?

13 MR. RODRIGUEZ: COG Operating has no witnesses,
14 and we also do not oppose the application. We are just here
15 to preserve our rights to appeal at a later date if
16 necessary.

17 HEARING EXAMINER ORTH: Okay. And Ms. Bennett?

18 MS. BENNETT: Thank you. Marathon does not
19 oppose the applications either. We are just entering our
20 appearance to preserve our right to an appeal in the event
21 we thought it was necessary.

22 HEARING EXAMINER ORTH: All right. Thank you.
23 So, Mr. Feldewert, having heard that, it sounds like as much
24 as a half a day hearing, but no more.

25 MR. FELDEWERT: I agree with that.

1 HEARING EXAMINER ORTH: Okay. And do you have a
2 proposed day?

3 MR. FELDEWERT: Well, as is normally the case,
4 from my perspective, as soon as possible. You know, we can
5 work with the Division, so it's whatever dates the Division
6 has available, I will certainly endeavor to make work.

7 HEARING EXAMINER ORTH: Okay. Is October 23 too
8 late?

9 MR. FELDEWERT: It's not too late.

10 HEARING EXAMINER ORTH: Okay.

11 MR. FELDEWERT: Yeah, I ask if we could have a
12 time earlier. I know your docket is getting kind of full.
13 So my request would be the earliest available.

14 HEARING EXAMINER ORTH: Okay. You know, without
15 knowing which of these others matters are likely to settle,
16 and not wanting to stack them too much -- let me see here.
17 For the September 24, 25, I have the Devon Cimarex hearing
18 already as a special hearing. Do you have any understanding
19 of how long that's supposed to go?

20 MR. FELDEWERT: Who is on -- who represents
21 Cimarex?

22 HEARING EXAMINER ORTH: I would have to -- sorry,
23 I would have to actually look that up.

24 MR. FELDEWERT: Is the 23rd -- I can't remember.
25 Is the 23rd a regular --

1 HEARING EXAMINER ORTH: 23rd is a Wednesday.

2 MR. FELDEWERT: So I mean, we could -- my guess
3 is given the way the dockets are running, we may have
4 time -- we should have time to get this Catena matter
5 addressed after the close of the regular September 23
6 docket.

7 HEARING EXAMINER ORTH: But the 24th is the
8 Thursday.

9 MR. FELDEWERT: Oh, I'm sorry, and that's --
10 (Audio interference.)

11 HEARING EXAMINER ORTH: And that's where we
12 have -- what is that sound?

13 MR. FELDEWERT: Got me.

14 HEARING EXAMINER ORTH: Okay. Everyone is muted
15 except you and me, Mr. Feldewert, so I don't know what that
16 is.

17 MR. FELDEWERT: I don't hear it anymore.

18 HEARING EXAMINER ORTH: Okay.

19 MR. FELDEWERT: So my guess is -- now I
20 remember (audio interference) that the September 23 would be
21 sufficient and it would spill over to the 24th if needed.

22 HEARING EXAMINER ORTH: The 24th or 25th, but
23 the -- I would have to look into whether the Devon Cimarex
24 matter, what would said about how long that would go. All
25 right. So let me look into that. In the meantime, if you

1 would please submit a draft prehearing order, and having
2 looked into it, I will either have to put down October 22
3 and 23. If it looks like we can slip it in in late
4 September, I will do that, but right now October 23 is the
5 soonest -- the soonest I have.

6 MR. FELDEWERT: Okay.

7 HEARING EXAMINER ORTH: Because we have the Ridge
8 Runner one in earlier October, Chisholm and Ragsdale on the
9 10th and 11th of September, things are just filling in.
10 Okay. All right. I'm sorry, that's -- that's as much as I
11 can bear this morning.

12 MR. FELDEWERT: Oh, I understand. I appreciate
13 the effort.

14 HEARING EXAMINER ORTH: All right. Let's see,
15 does anyone else have anything to add?

16 (No response.)

17 HEARING EXAMINER ORTH: No? Okay. Well, thank
18 you all very much, and we will get this set for hearing
19 anticipating about a half a day.

20 MR. FELDEWERT: Thank you.

21 THE COURT: Thank you.

22 (Adjourned.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, do hereby certify that I reported the foregoing
8 proceedings in stenographic shorthand and that the foregoing
9 pages are a true and correct transcript of those proceedings
10 that were reduced to printed form by me to the best of my
11 ability.

12 I FURTHER CERTIFY that I am neither employed by
13 nor related to any of the parties or attorneys in this case
14 and that I have no interest in the final disposition of this
15 case.

16 I FURTHER CERTIFY that the Virtual Proceeding was
17 of fair quality.

18 Dated this 6th day of August 2020.

19

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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