

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

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

CASE NOS. 21393, 21394, 21361,
21362, 21363, 21364

APPLICATION OF ASCENT ENERGY, LLC,
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

and

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING.
(Status Conference)

THURSDAY, SEPTEMBER 10, 2020
SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, Felicia Orth,
Hearing Examiner, Scott Cox Technical Examiner, on
Thursday, September 10, 2020 via Webex Virtual Event.
Platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR NO. 122
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 A P P E A R A N C E S.

2 FOR ASCENT ENERGY:

3 Darin C. Savage, Esq.
4 Abadie & Schill
5 214 Mackenzie Street
6 Santa Fe, NM 87501
7 (970) 385-4401
8 darin@abadieschill.com.

9 FOR MEWBOURNE OIL:

10 Dana S. Hardy, Esq.
11 Hinkle, Shanor
12 P.O. Box 2069
13 Santa Fe, NM 87501
14 (505) 982-4544
15 dhardy@hinklelawfirm.com

16 FOR APACHE OIL COMPANY:

17 Earl E. DeBrine, Jr., Esq.
18 Modrall Sperling
19 P.O BOX 2168
20 Albuquerque, NM 87102
21 (505) 848-1810
22 earl.debrine@modrall.com

23 FOR EOG RESOURCES:

24 Ernest L. Padilla, Esq.
25 P.O. Box 2523.
Santa Fe, NM 87104
(505) 988-7577
padillalaw@questoffice.net

C O N T E N T S

21	CASE NOS. 21361, 21362, 21363, and 21364	PAGE
22	CALLED	3
23		
24	REPORTER'S CERTIFICATE:	12
25		

1 (Time noted 9:48 a.m.)

2 HEARING EXAMINER ORTH: Let's move to the next
3 two matters 21393 and 21394. The Applicant is Ascent
4 Energy, Compulsory Pooling Application; the well is Anvil
5 Fed, for Federal.

6 Mr. Savage, are you here on behalf of the
7 Applicant?

8 Oh, no, it's Mr. DeBrine. Sorry. Let's
9 see. Is there someone I need to unmute? Hold on.

10 I really did unmute everyone. If --

11 MR. DeBrine: This is Earl DeBrine for Apache,
12 Madam Examiner.

13 HEARING EXAMINER ORTH: Okay. Mr. Savage, if
14 you're on I've unmuted you specifically.

15 MR. SAVAGE: Yes. Thank you, Madam Examiner.
16 Darin Savage of Abadie & Schill for Ascent Energy, LLC.

17 So these cases, in line with the recent
18 Division Order, what is it, 21454, we requested a status
19 conference to work out some of the details as we go
20 forward on those matters.

21 HEARING EXAMINER ORTH: All right. Hang on,
22 would you?

23 MS. HARDY: I'm sorry. Dana Hardy for
24 Mewbourne, also.

25 HEARING EXAMINER ORTH: All right. Yes, thank

1 you.

2 So I was going to call for the rest of the
3 appearances and of course note that really we may want to
4 talk about the next six matters all together.

5 So again this was 21393 and 21394, Ascent
6 Energy was the Applicant.

7 We also have Mewbourne in the matter, and
8 that's you, Ms. Hardy. Then Apache, and I believe I heard
9 Mr. DeBrine enter an appearance for Apache.

10 MR. DeBRINE: Yes, Madam Examiner.

11 HEARING EXAMINER ORTH: Then we've the next four
12 cases. Would you agree that we should handle or discuss
13 all six of these cases together insofar as what we are
14 responding to as the Order from the Oil Conservation
15 Commission?

16 MS. HARDY: Yes, I agree, Madam Examiner.

17 HEARING EXAMINER ORTH: All right. So the next
18 four cases are 21361, 21362, 21363, and 21364, Mewbourne
19 Oil is the Applicant in these four cases, all of them
20 Compulsory Pooling Applications. The name of the well is
21 Sidecar or Sidecar 33.

22 Ms. Hardy, you're here for the Applicant?

23 MS. HARDY: Yes. Thank you.

24 HEARING EXAMINER ORTH: All right. We also have
25 Apache, and Mr. DeBrine has entered his appearance; Ascent

1 Mr. Savage has entered his appearance; and we have EOG,
2 Mr. Padilla.

3 Mr. Padilla? Let's see here. I'm going to
4 unmute Mr. Padilla.

5 Mr. Padilla, you're here for EOG?

6 MR. PADILLA: Yeah, that's correct.

7 Also, in the earlier cases we should be on
8 the Ascent and the Apache cases, we've been in those from
9 the very beginning. But EOG is not -- does not have an
10 active role in this in case, and it's merely preserving
11 appellate rights and monitoring the progress of these
12 cases.

13 HEARING EXAMINER ORTH: All right. Thank you.

14 And so if I might just briefly say what
15 would prompt this discussion is there was a motion for
16 referral directly to the Oil Conservation Commission which
17 has a few related cases before it already. That motion
18 was denied by the Commission with an instruction to have
19 these cases heard by the Division before they go to the
20 Commission, and so, as I understand what we are going to
21 do this morning, we are having a status conference in
22 order to talk about the timing and any other details we
23 need to discuss for the Division hearing before it goes to
24 the Commission.

25 Is that a correct summation?

1 MR. SAVAGE: Madam Examiner, that appears to be
2 correct to me.

3 Also there's two other applications that
4 will be part of this process that weren't mentioned.
5 Apache has two applications outstanding. Ascent would be
6 interested in the status of those applications, as well.

7 MR. DeBRINE: That's correct, Madam Examiner.
8 This is Mr. DeBrine. Apache will be filing its two
9 applications with respect to its competing applications
10 next week once the 30-day notice period expires on its
11 Election Letters. And those were the subject of prior
12 motions filed with regard to these cases. And so those
13 cases will be ready for hearing, you know, in
14 approximately 40 days.

15 HEARING EXAMINER ORTH: All right. Thank you
16 for that.

17 So we don't have numbers yet for those,
18 docket numbers for those two matters, but we are aware
19 that they are connected when they are filed.

20 Do we have a proposal for a hearing date or
21 is there something we need to discuss? I did see some
22 email communication that there would be a Motion for
23 Rehearing but that that motion would not affect our
24 proceeding to a Division hearing.

25 Is there anything we need to talk about,

1 besides setting a date?

2 MR. DeBRINE: I don't believe so.

3 MS. HARDY: I don't believe so.

4 HEARING EXAMINER ORTH: All right. Do you have
5 a date to propose?

6 MR. SAVAGE: Madam Examiner, we are not sure
7 exactly what dates are going to be available. Can you
8 give us an estimation of some time frames in which --

9 HEARING EXAMINER ORTH: Yes.

10 MR. SAVAGE: -- we might be able to -- yeah.

11 HEARING EXAMINER ORTH: Okay. So thank you for
12 asking, Mr. Savage. I guess I have to answer with another
13 question, though: Is the hearing going to consume more
14 than a day?

15 MR. SAVAGE: Madam Examiner, you know regarding
16 the logistics, are we intending to hear all of these
17 applications within -- simultaneously, or would they have
18 to be broken up, or should they be broken up in matters
19 of, you know, what issues they would address, what matters
20 they might address? Logistically this seems to be
21 difficult. This is a very complex situation. I'm not
22 sure what the practice is for hearing that many cases
23 simultaneously.

24 If I could have some additional
25 information.

1 HEARING EXAMINER ORTH: So my understanding from
2 the motion practice that was had this past month, was that
3 these cases, including the two -- we have two cases before
4 the Commission -- were connected insofar as they were
5 competing for, uhm -- competing applications. In fact, I
6 thought that there were 12 of them that were related
7 somehow in the sense that they were competing. So if that
8 is not true, then I hope someone will set that out for me.

9 Let me put it this way: At the moment we
10 could do a one-day hearing in connection with the December
11 3rd docket. If in fact 21390 and -91 go to hearing it
12 would probably be December 4th rather than December 3rd.
13 If 21390 and 21391 don't go to hearing and they manage to
14 settle beforehand, we could actually start right after the
15 regular docket on the 3rd.

16 Same answer for the docket of December
17 17th. If 20676 goes we would handle this one on the 18th.
18 If it doesn't go, as a result of settlement, we could just
19 go ahead and do it on the 17th.

20 We are looking out at December. Now,
21 that's for a one-day hearing. A two- or three-day hearing
22 would require a little more discussion that would include
23 making sure that staff was available and if we had an
24 available court reporter. That's why I was asking about
25 the length of the hearing.

1 MR. DeBRINE: Madam Examiner, this is Earl
2 DeBrine.

3 I believe it's clear from the prior motion
4 practice that the parties were in agreement that the cases
5 were related, and it takes makes sense for administrative
6 efficiency and that is what the Commission contemplated
7 there would be: A single hearing in which all of the
8 applications would be heard together.

9 It's apparent that a one-day will not be
10 sufficient, we will need two days. And I don't think it
11 will take a third day, I think we can get it done in two
12 days, but we would definitely need two full days.

13 MS. HARDY: I would agree.

14 HEARING EXAMINER ORTH: All right. Thank you,
15 Ms. Hardy and Mr. DeBrine.

16 So we could, again, still set it in
17 connection with the December 3rd or December 17th hearing
18 with the understanding that the two special hearings
19 already committed to in connection with those two regular
20 dockets would be heard before this one would, and that
21 would mean again either pushing it from the 3rd to the
22 4th, or to the 4th and perhaps the 7th.

23 I would certainly want a commitment as to
24 our ability to continue the hearing as long as necessary
25 in order to get it done once we started it.

1 How about this? Would it help if counsel
2 were to discuss the possibilities in connection with
3 either December 3rd or December 17th, check on your
4 witness and lawyer availability, and submit a Prehearing
5 Order?

6 Would that be helpful at this time or do we
7 need to keep talking this morning?

8 MS. HARDY: I think that would be helpful, Madam
9 Examiner.

10 MR. DeBRINE: I would agree, Madam Examiner.

11 MR. SAVAGE: I would agree, Madam Examiner.

12 HEARING EXAMINER ORTH: All right. In that case
13 I will await your communication and hope we can get this
14 done before the end of the year, whatever that would look
15 like.

16 And again feel free to propose whatever
17 works best for you. If you want to make more than one
18 proposal, that's fine. I would only be discussing it with
19 staff and the court reporter to figure out which one was
20 the best fit.

21 MR. DeBRINE: Thank you, Madam Examiner. We
22 will do that.

23 MS. HARDY: Thank you.

24 MR. SAVAGE: Thank you.

25 HEARING EXAMINER ORTH: Thank you all very much.

1 That brings us, then, to the end of what we
2 have here as a docket on September 17th. If there's
3 nothing else we should cover, let me thank you again for
4 letting me talk through some of the differences on the
5 Cisco Webex Event format. That was helpful.

6 And I believe we will be doing this at
7 least one more time, and maybe indefinitely into the
8 future.

9 So thank you all very much. Have a great
10 two weeks before I see you again.

11 MR. DeBRINE: Thank you.

12 MR. SAVAGE: Thank you.

13 HEARING EXAMINER ORTH: 'Bye.

14 MR. SAVAGE: 'Bye.

15 MR. COX: Thanks. Have a good day.

16 HEARING EXAMINER ORTH: Thanks, Scott.

17 (Note: Proceedings adjourned.)

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

4
5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, September
8 10, 2020, the proceedings in the above-captioned matter
9 were taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18 /s/ Mary Macfarlane
19 _____

20 Mary Therese Macfarlane
21 NM Certified Court Reporter No. 122
22 License Expires: 12/31/2020

23
24
25