

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: 21513 - 21518

APPLICATION OF MANZANO LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 5, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS DYLAN ROSE-COSS on Thursday, November 5, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
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A P P E A R A N C E S

For the Applicant:

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For Marathon:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	08

1 HEARING EXAMINER ORTH: Let's move to the next
2 set of matters. This is 21513, 21514, 21515, 21516, 21517,
3 21518. Manzano is the applicant. These are compulsory
4 pooling applications related to a well named Vindicator.
5 Holland & Hart entered an appearance on behalf of the
6 applicant.

7 MR. FELDEWERT: Yes, Madam Examiner. Michael
8 Feldewert of the Santa Fe office of Holland & Hart.

9 HEARING EXAMINER ORTH: Thank you, Mr. Feldewert.
10 I saw entries by Modrall Sperling on behalf of Marathon.
11 Ms. Bennett, is that you?

12 MS. BENNETT: Yes, Madam Examiner. Deana Bennett
13 on behalf Marathon Oil Permian LLC.

14 HEARING EXAMINER ORTH: All right. And an entry
15 of appearance from Mr. Bruce on behalf of Texas Standard.

16 MR. BRUCE: Yes, I'm here.

17 HEARING EXAMINER ORTH: Hello. Are there any
18 other entries this morning?

19 (No audible response.)

20 HEARING EXAMINER ORTH: I don't hear any. And as
21 I understand it, we are having a status conference this
22 morning.

23 MR. FELDEWERT: Yeah. Yes, Madam Examiner, just
24 a little context here. These pooling applications filed by
25 Manzano deal with a state exploratory unit, the Vindicator

1 Canyon State Exploratory Unit that's pending before the
2 Division because it's been previously heard in the Division
3 without objection.

4 These pooling applications essentially seek to
5 develop acreage within the pending exploratory unit as well
6 as some window acreage -- what I would call window acreage
7 just outside the -- kind of between some of the unit
8 acreage.

9 My understanding is I guess Texas Standard now is
10 going to file some competing proposals, pooling
11 applications, and as I understand it, it includes the same
12 acreage in the state exploratory unit and the window acreage
13 that Manzano is seeking to develop.

14 I'm not sure what Texas Standard intends to argue
15 since the development plans are basically the same. It's
16 the same acreage. It's the same orientation. It's the same
17 well pattern. And Manzano is soon to be the operator of the
18 state exploratory unit that's being approved by the Division
19 and State Land Office.

20 So I guess we have to have a hearing, but I'm not
21 sure exactly what Texas Standard is going to argue.

22 MR. BRUCE: Oh, attorneys can always find
23 something to argue about.

24 HEARING EXAMINER ORTH: All right.

25 MR. BRUCE: They are going to be arguing for

1 operations, and we'll get into that, but, yeah, we need to
2 set a special hearing date. I don't believe -- and, Mike,
3 speak up -- I believe it is rather straightforward, but
4 since we would be pre-filing testimony, I do not think it
5 would take all that long to present. Would you agree with
6 that?

7 MR. FELDEWERT: Yes.

8 HEARING EXAMINER ORTH: All right. Do you have a
9 proposed date, or do we -- a couple of months or so?

10 MR. BRUCE: No, I haven't.

11 MR. FELDEWERT: No, you're right, and we had not.
12 And I understand from the discussions earlier that sometime
13 apparently in January, there's a few other things going on
14 in January that might cause a problem for me personally,
15 like with there's a matter that's going to be pending --
16 that is pending before the Commission that's going to last a
17 couple weeks.

18 But there's -- there's a -- like I said, I guess
19 we are going to go to hearing. If there is a hearing date
20 sometime later January after the 15th, that would be
21 helpful. I know that Manzano has been visiting with the
22 State Land Office. The State Land Office was hoping to have
23 the initial well, unit well drilled the first part of
24 January. My assumption is they will be able to get an
25 extension of that if we are able to inform them we have this

1 objection and we have to go to hearing.

2 So but a hearing date in the latter part of
3 January would be helpful.

4 HEARING EXAMINER ORTH: All right. So let me
5 effectively state what I said earlier to the other parties.
6 The second hearing session in January is the 23rd. We
7 already have one contested hearing set on that date to
8 follow the regular session.

9 Having said that, these matters often settle and
10 presumably would not take two days in any event. So if you
11 wanted to have this matter set on the 21st, it would follow
12 the regular session which usually takes us to about 10 a.m.
13 The other contested hearing that's already been set there,
14 if it's settled by then, and we would continue through the
15 21st and through the 22nd if necessary.

16 The alternative is to identify a date or two when
17 you all are in agreement that it could be heard, to propose
18 that date in an e-mail in that prehearing order, let me
19 check that date with Marlene and the court reporter, and we
20 can give you a different date if that works.

21 MR. FELDEWERT: To make things easy, the 21st
22 would work for Manzano.

23 MR. BRUCE: And that works for my client, also.

24 HEARING EXAMINER ORTH: Ms. Bennett?

25 MS. BENNETT: (No audible response.)

1 HEARING EXAMINER ORTH: Ms. Bennett?

2 MS. BENNETT: Hi. Sorry about that, I was still
3 muted. Marathon is entering its appearance in these
4 cases -- well, I'm basically just along for the ride. So I
5 will agree to whatever works for the other two who are more
6 in the weeds on this one. Thank you for asking.

7 HEARING EXAMINER ORTH: All right. So it sounds
8 like January 21 would be a good date, and if you would then,
9 please, Mr. Feldewert, submit a prehearing order with that
10 date.

11 MR. FELDEWERT: Sure.

12 HEARING EXAMINER ORTH: And we will get that
13 executed and on the track.

14 MR. FELDEWERT: Appreciate that. Thank you.

15 HEARING EXAMINER ORTH: Thank you. Thank you
16 all.

17 (Concluded.)

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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, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

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

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 5th day of November 2020.

18

/s/ Irene Delgado

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

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