

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: 21589 - 21592

APPLICATION OF TEXAS STANDARD OPERATING NM LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NOS: 21513 - 21517

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

JANUARY 21, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
BILL BRANCARD and TECHNICAL EXAMINER KATHLEEN MURPHY on  
Thursday, January 21, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE  
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For Manzano LLC:

PADILLA LAW FIRM  
ERNEST PADILLA  
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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	09

1 HEARING OFFICER BRANCARD: Okay. With that, we  
2 can move on to case Number 21589, Texas Standard, and it's  
3 the Alpha Dog, James Bruce.

4 MR. BRUCE: Yes, I'm entering an appearance on  
5 Texas Standard's behalf in that case and the four -- the  
6 three other succeeding cases.

7 HEARING OFFICER BRANCARD: Okay. So it's 21589,  
8 21590, 591, 592. Are you looking to have those all  
9 consolidated, Mr. Bruce?

10 MR. BRUCE: Yes.

11 HEARING OFFICER BRANCARD: Okay. And it looks  
12 like we have Manzano. Mr. Padilla, are you --

13 MR. PADILLA: I'm entering an appearance for  
14 Manzano, and, Mr. Examiner, those cases should be combined  
15 with cases on the second page, Cases 33, 34, 35, 36, 37 --  
16 yes.

17 HEARING OFFICER BRANCARD: Are you starting  
18 with -- which numbers are you starting with, Number 33,  
19 21514?

20 MR. PADILLA: Correct. 21514 through 21517.

21 HEARING OFFICER BRANCARD: Okay. And you're not  
22 including 21513; is that correct?

23 MR. PADILLA: Yeah, I'm including that one as  
24 well.

25 HEARING OFFICER BRANCARD: Okay. So I have, if

1 my addition is correct, six cases then.

2 MR. PADILLA: Right.

3 HEARING OFFICER BRANCARD: Combined with four  
4 cases from Texas Standard. Mr. Bruce, is that acceptable?

5 MR. BRUCE: Yes.

6 HEARING OFFICER BRANCARD: All right. Well,  
7 let's look to see other parties then. It appears on cases  
8 32 through 37, 21513 through 21517, we have a few other  
9 parties here. Is Holland & Hart appearing at all in these  
10 cases?

11 MR. PADILLA: No, Your Honor. I took over these  
12 cases for Holland & Hart.

13 HEARING OFFICER BRANCARD: Thank you for  
14 clarifying that.

15 MS. BENNETT: Good morning, Mr. Examiner. This  
16 is Deana Bennett on behalf of Marathon Oil Permian LLC, and  
17 Marathon Oil Permian LLC is in the Manzano cases 32 through  
18 37 on the docket. Thank you.

19 HEARING OFFICER BRANCARD: Okay. And do you have  
20 any objection to combining those with the Texas Standard  
21 cases?

22 MS. BENNETT: No objection.

23 HEARING OFFICER BRANCARD: All right. Are there  
24 any other appearances in these cases? I believe there's ten  
25 of them now.

1 (No audible response.)

2 HEARING OFFICER BRANCARD: Hearing none, that's  
3 simple, we are down to three parties. So are these  
4 overlapping applications?

5 MR. PADILLA: Yes. Yes, they are, Mr. Examiner.  
6 But, you know, we filed a -- Mr. Bruce actually filed it --  
7 a motion to vacate the status conference for the setting for  
8 today based on agreement between Texas Standard and Manzano  
9 LLC.

10 They were supposed to close yesterday and the --  
11 and Mr. Bruce's motion is designed to allow a future setting  
12 of the status conference in the event that they don't  
13 ultimately close, and I don't know what Marathon's position  
14 would be on that.

15 HEARING OFFICER BRANCARD: Well, let's start with  
16 Manzano's position on that. Mr. Padilla?

17 MR. PADILLA: As far as we're concerned, and I  
18 haven't gotten word from my client, that if -- that Manzano  
19 has bought out Texas Standard, and they were supposed to  
20 close yesterday. I haven't heard from my client whether  
21 they did or not, but as far as I'm concerned, or at least  
22 what my knowledge is is that it's a done deal. Mr. Bruce  
23 may have additional comments on that.

24 HEARING OFFICER BRANCARD: Mr. Bruce, your  
25 motion.

1 MR. BRUCE: I agree, I agree with Mr. Padilla.  
2 The parties agreed to a settlement about seven or eight days  
3 ago, and they were supposed to close yesterday. I haven't  
4 heard back anything good, bad or otherwise. And I do have  
5 an e-mail in to my client. They do want a short -- I think  
6 both parties want a short continuance of this matter.

7 They believe -- I think there is two things.  
8 They were pretty darn sure they were going to settle, and at  
9 that point all of these cases could be dismissed. And if it  
10 can't be, Manzano has certain deadlines it has to meet, so  
11 it does not want a long continuance. I think that's  
12 correct, is it not, Mr. Padilla?

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

14 HEARING OFFICER BRANCARD: Okay. I will turn  
15 this over to Ms. Bennett.

16 MS. BENNETT: Thank you, Mr. Examiner, Marathon  
17 does not object to a short continuance or a long  
18 continuance, whatever the parties -- whatever Manzano and  
19 Texas Standard are -- yeah -- whatever, I forget now, agree  
20 to is fine with Marathon.

21 HEARING OFFICER BRANCARD: You are the Alpha Dog.  
22 Mr. Padilla is the Vindicator. By short continuance, I  
23 assume you mean our next hearing date; is that correct?

24 MR. BRUCE: That is what I requested in the  
25 motion, and we will be able to hopefully get word in the

1 next day or so, Mr. Padilla and I get word, and really, at  
2 that time, we could -- we would just send in a dismissal.

3 HEARING OFFICER BRANCARD: Okay. I will turn to  
4 my betters here, Ms. Murphy and Marlene and find out if  
5 that's okay for us to this add on to the next agenda?

6 TECHNICAL EXAMINER MURPHY: That would be  
7 Marlene's decision.

8 MS. SALVIDREZ: You want me to continue these to  
9 February 4?

10 HEARING OFFICER BRANCARD: That's the question.  
11 That's the next hearing; correct?

12 MS. SALVIDREZ: Yes.

13 HEARING OFFICER BRANCARD: Is that okay? Can we  
14 do that?

15 MS. SALVIDREZ: I suppose so, yeah. I will move  
16 them to February 4, and I just want to clarify, there is  
17 only nine cases; correct? There was nine and then I heard  
18 someone say ten cases, so --

19 HEARING OFFICER BRANCARD: Yeah, because -- I  
20 think there is six Manzano cases. Is that correct, Mr.  
21 Padilla?

22 MR. PADILLA: That's correct, and there's four  
23 Texas Standard.

24 HEARING OFFICER BRANCARD: Four Texas Standard.  
25 So it's on our docket today, Marlene. It's Cases 17 through

1 20 and Cases 32 through 37.

2 MS. SALVIDREZ: Okay. So I have them correct,  
3 I'm going to move Cases 21589, 21590, 21591, 21592, 21513,  
4 514, 515, 516 and 517 to February 4?

5 HEARING OFFICER BRANCARD: Correct. I think  
6 there was a 518 in there, too.

7 MS. SALVIDREZ: So there are ten cases.

8 HEARING OFFICER BRANCARD: Yes.

9 MS. SALVIDREZ: Am I going to move them as a  
10 status conference or --

11 HEARING OFFICER BRANCARD: Status conference.

12 MS. SALVIDREZ: Okay, thank you. All right. Are  
13 there any other further comments on this grouping of cases?

14 MR. PADILLA: Not from me.

15 HEARING OFFICER BRANCARD: Hearing none, these  
16 ten cases, which Ms. Salvidrez listed so carefully, will be  
17 moved to the next docket, February 4. Thank you.

18 MR. PADILLA: Thank you.

19 (Status conference 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 21st day of January 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-21

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