

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: 21704

APPLICATION OF VANDERA RESOURCES III, LP,
VANDERA MANAGEMENT III, LLC, AND HIGHMARK
ENERGY OPERATING LLC, APPLY FOR AN ORDER
APPROVING A FORM C-145 NAMING HIGHMARK ENERGY
OPERATING LLC AS SUCCESSOR UNIT OPERATOR OF THE
CENTRAL VACUUM UNIT AND REMOVING THE CURRENT
UNIT OPERATOR,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
March 4, 2021
Santa Fe, New Mexico

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on
Thursday, March 4, 2021, 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:

JAMES BRUCE
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For Chevron USA:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	07

E X H I B I T I N D E X

Admitted

All Exhibits and Attachments

1 HEARING EXAMINER ORTH: Move to case 21704. The
2 applicant is Vandera or Highmark. This was an application
3 in the category of miscellaneous. Mr. Bruce, you are here
4 for the applicant?

5 MR. BRUCE: That is correct.

6 HEARING EXAMINER ORTH: Good morning. And I saw
7 an entry of appearance by Chevron USA. Mr. Rankin, you are
8 here for Chevron?

9 MR. RANKIN: Good morning, Madam Hearing Officer.
10 Adam Rankin from the law firm of Holland & Hart appearing on
11 behalf of Chevron USA in this matter.

12 HEARING EXAMINER ORTH: Good morning. And let me
13 pause for a moment in the event there are other appearances.

14 (No audible response.)

15 HEARING EXAMINER ORTH: No? So I understand we
16 are doing a status conference this morning. Do we need
17 to -- I trust we need to talk about hearing dates. Is there
18 anything else we need to discuss?

19 MR. BRUCE: Yes, and, Adam, jump in whenever you
20 want. There is two things. I think we need to set a
21 hearing date and before then maybe the prehearing order
22 should also set a schedule for briefing the motion that
23 Chevron -- motion to dismiss that Chevron did file.

24 And I did speak with Adam, and I told him I
25 wouldn't have a chance to get to that motion for a couple of

1 weeks, and he agreed to not press it until we get to this
2 hearing and set a conference or set a scheduling calendar.

3 HEARING EXAMINER ORTH: All right. Mr. Rankin?

4 MR. RANKIN: Thank you, Madam Hearing Officer.
5 Yes, Mr. Bruce and I discussed to some extent, and I am
6 willing to grant him the time to complete his response.
7 However, I think it's important at this stage given the
8 nature of the application and the issues that have
9 implications that we, rather than set a hearing on, an
10 evidentiary hearing on a contested matter, maybe we should
11 take it one step at a time and first set a hearing on the
12 motion to dismiss before we proceed to set a hearing on
13 actually the contested evidentiary hearing. I wouldn't
14 object to that.

15 HEARING EXAMINER ORTH: All right.

16 MR. RANKIN: Madam Hearing Examiner, to fill that
17 out a little bit, given the nature of the issues raised by
18 the application in their motion, and our argument is that
19 it's a purely legal issue at this point. So we first need
20 to resolve the motion that's pending, and only then and
21 after we determine whether and to what extent the Division
22 has any authority or jurisdiction, can we set a hearing on
23 the evidentiary matter so we know what facts may be heard by
24 the Division remain.

25 HEARING EXAMINER ORTH: That makes sense. Do you

1 have a proposed date for the briefing schedule?

2 MR. BRUCE: I would like -- unfortunately I'm
3 going to be pretty busy next week, also, but I was thinking
4 maybe if I could have until a week from Monday, which would
5 be the 15th, 15th of March to respond to Adam's motion.

6 HEARING EXAMINER ORTH: Mr. Rankin?

7 MR. RANKIN: That's fine with me, Madam Hearing
8 Officer, and I would like an opportunity to file a written
9 reply. And I think, after that, I think it may be
10 appropriate, given the one of the issues for the Division,
11 maybe have a hearing on the argument if the Division
12 determines that it would be helpful.

13 So in light of that, you know, I think if we can
14 file a reply brief, you know, maybe ten days after Mr. Bruce
15 submits his, maybe the 24th, then we can schedule a hearing
16 on argument if the Division thinks it's necessary or helpful
17 thereafter.

18 HEARING EXAMINER ORTH: All right.

19 MR. BRUCE: And I would only request that a
20 hearing not be set for May or June because I don't think,
21 even if there was oral argument, it would consume that much
22 time that would be needed.

23 HEARING EXAMINER ORTH: All right. So I will ask
24 Ms. Salvidrez to put it on the docket following March 24 in
25 that case.

1 MR. BRUCE: Thank you.

2 HEARING EXAMINER ORTH: Okay. Is there anything
3 else we should talk about?

4 MR. BRUCE: I can't think of anything.

5 MR. RANKIN: Nor can I, Madam Hearing Officer. I
6 think that's, setting out the briefing schedule and
7 potentially a day for argument is all we need to discuss
8 today.

9 HEARING EXAMINER ORTH: All right. So March 15
10 for the response, March 24 for the reply, and we will put it
11 on the docket following March 24 for oral argument if
12 necessary and not schedule a hearing before we address that.

13 All right. Thank you very much.

14 (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 4th day of March 2021.

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/s/ Irene Delgado

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

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