

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: 21726

APPLICATION TO RE-OPEN CASE 21593:  
APPLICATION OF SOZO I LP AND SOZO  
NATURAL RESOURCES LLC TO REQUIRE A  
COMMON PURCHASER TO RATABLY TAKE GAS  
ON REASONABLE TERMS UNDER THE TERMS OF  
NMSA 1978, 70-2-19.D AND NMAC 19.15.24.12,  
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  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

For the Applicant:

ADAM RANKIN  
HOLLAND & HART  
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For Sozo:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	08

1 HEARING EXAMINER ORTH: The last case is 21726,  
2 Targa Midstream is the applicant. Holland & Hart is here  
3 for the applicant.

4 MR. RANKIN: Good morning, Madam Hearing Officer,  
5 Adam Rankin appearing on behalf of the applicant in this  
6 case, Targa Midstream Services LLC.

7 HEARING EXAMINER ORTH: Thank you. And Sozo is  
8 another party. Mr. Bruce, you are here for Sozo?

9 MR. BRUCE: That is correct.

10 HEARING EXAMINER ORTH: All right. Are there any  
11 other entries?

12 (No audible response.)

13 HEARING EXAMINER ORTH: No? And we are here for  
14 a status conference, and I have a note that I saw motions to  
15 reopen and to dismiss. It appears, Mr. Bruce, there was  
16 never a deadline for you to respond to those motions, so  
17 that's certainly one thing I would like to talk about this  
18 morning.

19 Is there anything else that we can talk about  
20 this morning?

21 MR. RANKIN: Madam Hearing Officer, this is Mr.  
22 Rankin talking about the status of these cases, and it may  
23 be helpful -- it took me a while to understand the status of  
24 the case that we are seeking to reopen here. But based on  
25 my review of that case, Case Number 21593 in which Sozo was

1 the applicant, that case was presented at hearing on January  
2 7, we -- the case was never taken under advisement and was  
3 continued without ascertaining a specific date.

4 My understanding was it was continued so that Mr.  
5 Bruce would file a legal memo addressing some of the  
6 questions that came up during the presentation of that case.  
7 So at the time we filed this application to reopen, we were  
8 not aware that the case that we are seeking to reopen was  
9 already open and hadn't been closed yet.

10 So that's one point of order just to bring to  
11 your attention. So however these cases proceed, my request  
12 is that they be combined essentially so they can be handled  
13 together. I think that's the most appropriate manner  
14 because they are obviously integrated and fully related.  
15 That's the first point I wanted to bring up, number one.

16 Number two, I think similar to the Chevron case  
17 we just discussed, this is a situation where many of the  
18 issues, in my view, are legal threshold issues and should be  
19 addressed first through the briefing that Targa has filed.

20 And then only if the Division determines that  
21 Targa's motion should be denied, then I think it's  
22 appropriate at that point that Targa have an opportunity to  
23 present evidence and cross-exam Sozo's witnesses.

24 HEARING EXAMINER ORTH: All right. Thank you  
25 very much. Mr. Bruce?

1           MR. BRUCE: Yes. Well, I disagree with Mr.  
2 Rankin's characterization of the status of Sozo's case, but  
3 regardless, the motion to dismiss is there.

4           I, again, Mr. Rankin and I have talked a couple  
5 of times about this, and when I found out that Targa was  
6 filing an application to reopen, and not just a motion to  
7 dismiss in my case, I thought they should -- I'm probably  
8 going to file a motion to dismiss or reply -- or I will file  
9 a reply to the motion to dismiss in the Sozo case. I will  
10 also probably file an application, a similar motion to  
11 dismiss Targa's case.

12           And I would just ask a couple of weeks, again,  
13 maybe a slightly longer to respond to Mr. Rankin's motion,  
14 and then, once again, he gets a chance to do his replies.  
15 And again, like in the Vendera case, set it for a possible  
16 oral argument if the Division thinks that it's necessary.

17           HEARING EXAMINER ORTH: All right. Let's talk  
18 about specific dates then while we are together. Mr. Bruce,  
19 have you figured out a date for when you would be able to  
20 file your response to Targa's motion to dismiss and your  
21 corollary?

22           MR. BRUCE: How about giving me one additional  
23 day, say to March 16, the day after I am filing the one in  
24 Vendera, to respond to the motion to dismiss?

25           HEARING EXAMINER ORTH: All right. And when will

1 you be filing your corollary motion to dismiss Targa?

2 MR. BRUCE: How about the 19th?

3 HEARING EXAMINER ORTH: okay.

4 MR. BRUCE: I would say the 17th or 18th, but I'm  
5 afraid with that as a hearing date, I could be -- could be  
6 busy.

7 HEARING EXAMINER ORTH: All right. Mr. Rankin,  
8 would you indicate when you would be able to respond,  
9 please?

10 MR. RANKIN: Madam Hearing Officer, I suggest a  
11 response date, a reply date for our motion to dismiss on the  
12 25th, take that one extra day. And then if Mr. Bruce files  
13 his motion to dismiss on the 19th, I would think, like  
14 until, I don't know, the 29th to file a response, I guess.  
15 I think that's about right.

16 HEARING EXAMINER ORTH: All right. And then Mr.  
17 Bruce, finally, how many days would you need to reply to Mr.  
18 Rankin's response?

19 MR. BRUCE: How about, let me see, 29, 30, 1 --  
20 how about on April 2.

21 HEARING EXAMINER ORTH: All right. Thank you.  
22 And then as necessary, I will put oral argument or at least  
23 a status conference on the next docket following April 2, so  
24 that we can talk about the status of the motion practice,  
25 and, if necessary, and set a hearing date.

1 All right. Is there anything else we should talk  
2 about this morning while we are together?

3 MR. BRUCE: I'm all set.

4 HEARING EXAMINER ORTH: All right. I will get  
5 this typed up. Mr. Rankin, anything else?

6 MR. RANKIN: I don't think so, Madam Hearing  
7 Officer. I believe that as long as these two cases are, you  
8 know, I this maybe perhaps appropriately captioned together,  
9 so at this time as the Division makes a ruling on one or the  
10 other motions to dismiss, I think that's the appropriate way  
11 forward so though each case represents the other to keep  
12 things straight.

13 HEARING EXAMINER ORTH: Right. Right. No, I  
14 understand. Okay. So thank you, gentlemen. I will get  
15 that typed up. So thank you.

16 MR. RANKIN: Okay.

17 HEARING EXAMINER ORTH: Thank you, Mr. Bruce.

18 MR. BRUCE: Bye.

19 HEARING EXAMINER ORTH: I think we have reached  
20 the end of the docket this morning, so I will wish you all a  
21 good rest of the week and a good weekend and we will talk to  
22 you later.

23 MR. BRUCE: Same to you.

24 (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.

18

/s/ Irene Delgado

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

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