

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:

Application of CENTENNIAL RESOURCE	Case No. 22252
PRODUCTION, LLC for Compulsory	Case No. 22253
Pooling, Lea County, New Mexico	

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, NOVEMBER 4, 2021

STATUS CONFERENCE

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Dean McClure Technical Examiner, on Thursday, November 4, 2021, via Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources

Reported by: Mary Therese Macfarlane.
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

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CASE NOS. 22252, 22253 PAGE
CASE CALLED: 3

1 (Time noted 8:23 a.m.)

2 EXAMINER BRANCARD: Next up we have again
3 Centennial Resources, Cases 22252 and 22253.

4 MS. LUCK: Good morning again, Mr. Examiner.
5 Kaitlyn Luck with the Santa Fe office of Holland & Hart
6 for the Applicant in these cases, Centennial Resources
7 Production Company.

8 EXAMINER BRANCARD: Thank you. And I have an
9 entry of appearance for Atlas OBO Energy.

10 MR. COCHRAN: Yes, sir. Good morning, Mr.
11 Examiner. This is Joshua Cochran, and I'm with the
12 Houston office of Kearney, McWilliams and Davis on behalf
13 of Atlas OBO Energy.

14 EXAMINER BRANCARD: Thank you. Are there any
15 other interested persons for Cases 22252 or 22253? (Note:
16 Pause.)

17 Hearing none, okay Ms. Luck. Atlas
18 O-B-O -- am I pronouncing that correctly or do you call it
19 Oboe?

20 MR. COCHRAN: O-b-o, Yes sir.

21 EXAMINER BRANCARD: -- has objected to this case
22 going forward by, affidavit and Centennial has objected to
23 the fact that they are objecting.

24 Standard policy is that when somebody files
25 an objection to a hearing we have a status conference and

1 schedule a hearing.

2 Do you have any other points to make today,
3 Ms. Luck?

4 MS. LUCK: The only two points that I think are
5 important to make are that Centennial has a lease
6 expiration coming upon April 1st and that's why we would
7 like to go ahead and proceed.

8 And then also the issue that Atlas is
9 raising is a title issue, which is outside the Division's
10 jurisdiction, and Centennial's witnesses are here today to
11 be cross-examined in terms of any questions that may
12 arise, which is why Centennial has asked to proceed at the
13 hearing today.

14 EXAMINER BRANCARD: Thank you.

15 So, Mr. Cochran, am I understanding that
16 Atlas OBO is not going to be filing competing
17 applications, instead you have other issues you need to
18 evaluate?

19 MS. COCHRAN: Well, I think, uhm, that first
20 issue with their competing application is still something
21 that we're going to have to get full resolution on with
22 the client. Our firm was retained fairly recently.
23 Ideally I think that Atlas still believes that an
24 agreement can be reached, even with the April of 2022
25 lease expiration. What we were looking for was initially

1 just a continuance, maybe a little bit more time to let
2 the parties discuss.

3 EXAMINER BRANCARD: Are you still of that
4 position?

5 MR. COCHRAN: As of yesterday and as of this
6 morning, from discussions with the client. I have had
7 communications with Kaitlyn and Centennial. I don't know
8 if it's amenable for both sides but that's our primary
9 interest at this point.

10 EXAMINER BRANCARD: All right. Well, why don't
11 we set this case for December 2nd. All right? Will that
12 work, Ms. Luck?

13 MS. LUCK: That works for our office.

14 EXAMINER BRANCARD: Mr. Cochran?

15 MR. COCHRAN: Yes, sir. We'll make that work.

16 EXAMINER BRANCARD: Thank you.

17 And so that's it. Just a reminder. You
18 know, folks, our policy on how we handle these cases has
19 been written down and up on our website for over a year.
20 Somebody files an objection to an affidavit hearing we
21 have a status conference. It's in the policy. So it's
22 simply the way it works.

23 Also, Ms. Luck, I will note that I think
24 one of your newspaper publications was a day late in one
25 of these cases, so I don't know that we could have gone

1 forward anyway today.

2 So with that we will set this for a hearing
3 on December 2nd.

4 MR. BRUCE: Mr. Brancard, Jim Bruce. I'm sorry,
5 I had trouble connecting with the Division.

6 I simply wanted, in three of these
7 Centennial cases, to enter an appearance for Matador
8 Production and MRC Permian Company. We are not taking an
9 active role in the case.

10 EXAMINER BRANCARD: Which of these three cases
11 were those?

12 MR. BRUCE: 1, 4 and 5, -251 through -253.

13 EXAMINER BRANCARD: Okay.

14 MR. BRUCE: Thank you.

15 EXAMINER BRANCARD: And you'll file a written
16 entry? (Note: No response.)

17 Mr. Bruce?

18 MR. BRUCE: Yes, I will. Sorry.

19 EXAMINER BRANCARD: Sorry you had trouble
20 getting in, though. With that we will set Cases 22252 and
21 22253 for a hearing on December 2nd, and hopefully the
22 parties can work things out beforehand.

23 MS. LUCK: Thank you.

24 MR. COCHRAN: Thank you, Mr. Examiner.

25 (Time noted 8:28 a.m.)

1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

November 4, 2021, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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I FURTHER CERTIFY that I am neither employed by

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nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

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that I have no interest whatsoever in the final

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disposition of this case in any court.

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/s/Mary Macfarlane_____

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MARY THERESE MACFARLANE, CCR

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