

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 MATADOR PRODUCTION
COMPANY for Compulsory Pooling,
Eddy County, New Mexico Case No. 22559

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, APRIL 7, 2022

STATUS CONFERENCE

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, April 7, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
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A P P E A R A N C E S

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1 (Time noted 9:10 a.m.)

2 EXAMINER BRANCARD: Okay. Case 22559, Titus Oil
3 & Gas.

4 MS. SHAHEEN: Mr. Examiner, Sharon Shaheen on
5 behalf of Titus Oil & Gas Production, LLC.

6 EXAMINER BRANCARD: At the last hearing we told
7 you to go find Franklin Mountain Energy, and I believe you
8 found them. Is Franklin Mountain Energy here today?

9 MS. BENNETT: Good morning, Mr. Examiner. Deana
10 Bennett on behalf of Franklin Mountain Energy.

11 EXAMINER BRANCARD: Okay. And Franklin Mountain
12 Energy has filed an objection to this case going forward
13 by affidavit.

14 MS. BENNETT: Yes, that's right.

15 EXAMINER BRANCARD: Ms. Bennett, can you explain
16 further?

17 MS. BENNETT: Yes.

18 EXAMINER BRANCARD: I mean the problem is we
19 started this hearing already, so where are we going to go
20 with this? I guess that's the...

21 MS. BENNETT: I understand completely the
22 strange procedural posture we find ourselves in, but I
23 also think, and I could be wrong here, but I think the
24 reason for continuing cases for Notice purposes is to
25 ensure that the parties who did not receive Notice have

1 the opportunity to come in and object.

2 And that's precisely what I did. Maybe I
3 could have done it in a little bit more nuanced way, but
4 in the moment that's what I did.

5 So what Franklin Mountain Energy is seeking
6 here is the opportunity -- it's my understanding that
7 Franklin Mountain Energy is now in receipt of a JOA from
8 Titus and Franklin Mountain Energy and Titus are
9 negotiating about the terms of the JOA.

10 And Franklin Mountain Energy I confirmed
11 would have asked for, or would have objected to this case
12 going by hearing had they received proper Notice before
13 the case was put on, so what Franklin Mountain Energy is
14 requesting is essentially a continuance through June 16th
15 to allow the parties to continue to have discussions about
16 the JOA, and if the parties aren't able to reach agreement
17 then Franklin Mountain Energy will consider its other
18 options. But -- so that's it. Franklin Mountain Energy
19 and Titus I think have exactly 50-50 ownership in Titus'
20 proposed unit, so this isn't a matter where a minority
21 interest holder is asking for a continuance to negotiate a
22 JOA. This is an on-par working interest owner asking for
23 more time to negotiate the JOA and to understand the next
24 step.

25 EXAMINER BRANCARD: Thank you. That's a very

1 nice way of presenting this case.

2 Ms. Shaheen do you have objections to what
3 Ms. Bennett has proposed?

4 MS. SHAHEEN: Uhm, Mr. Examiner, Titus doesn't
5 have objections to continuing the case; however, I believe
6 Titus would prefer to have it set for an earlier date. I
7 don't believe that it's necessary to give the parties more
8 than two months here to negotiate a JOA. My understanding
9 is they are also talking about other options, as well, and
10 I think that could be resolved in much less than two
11 months.

12 So I would ask that it be set for a status
13 conference on the second docket in May, and if --
14 assuming -- if the parties have resolved their differences
15 at that, time then I would ask that the case be taken
16 under advisement at that time.

17 EXAMINER BRANCARD: Ms. Bennett.

18 MS. BENNETT: That's okay. I mean, obviously I
19 would prefer June 16th, but as long as we are just setting
20 it for a status conference on the second docket in May,
21 that will be fine, because hopefully by then, as Ms.
22 Shaheen noted, the parties will have either come to
23 agreement or not and we can further discuss next step at
24 the May whatever-it-is docket date. I just wouldn't want
25 it to be set for any type of contested hearing in May

1 because I think that would be too soon.

2 EXAMINER BRANCARD: Okay. So here's my
3 suggestion: That we set this for a status conference on
4 May 19th. Okay.

5 Uh, Ms. Shaheen, because Franklin Mountain
6 Energy was not properly Noticed with the initial hearing,
7 if they contine to object I think basically you will have
8 so start all over with the hearing. Okay? So just to let
9 you know.

10 MS. SHAHEEN: I appreciate that guidance.

11 EXAMINER BRANCARD: So we will set it for May
12 19th and see where the parties are at that point.

13 MS. SHAHEEN: Thank you.

14 MS. BENNETT: Thank you very much.

15 (Time noted 9:16 a.m.)

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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, April 7,

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2022, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

10

shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and correct transcription to

12

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

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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/CCR/Mary Therese Macfarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

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