

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: 22879, 22880

APPLICATIONS OF PRIDE ENERGY COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
JULY 7, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER DEAN McCLURE on
Thursday, July 7, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS
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I N D E X

CASE CALLED	
STATUS CONFERENCE	03
CERTIFICATE	07

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

1 HEARING EXAMINER BRANCARD: Items 20 and 21,
2 Cases 22879, 22880, Pride Energy Company.

3 MR. BRUCE: Mr. Examiner, Jim Bruce on behalf of
4 Pride Energy Company.

5 HEARING EXAMINER BRANCARD: We've got a few other
6 parties here. Let's start with Earthstone Operating.

7 MS. HARDY: Good morning, Mr. Examiner. Dana
8 Hardy with the Santa Fe office of Hinkle Shanor on behalf of
9 Earthstone.

10 HEARING EXAMINER BRANCARD: Marathon Oil Permian.

11 MS. BENNETT: Good morning, Mr. Examiner. Deana
12 Bennett on behalf of Marathon Oil Permian.

13 HEARING EXAMINER BRANCARD: I think I have MRC
14 Explorer's Resources et al.

15 MR. FELDEWERT: Good morning, Mr. Examiner,
16 Michael Feldewert with the Santa Fe office of Holland & Hart
17 for the MRC and Delaware Resource entities.

18 HEARING EXAMINER BRANCARD: Thank you. And then
19 I have Yates Energy Corp and Jalapeno Corporation.

20 MR. BECK: Good morning, Mr. Examiner, Matt Beck
21 on behalf of Jalapeno Corp and Yates Energy.

22 HEARING EXAMINER BRANCARD: Thank you. Any other
23 interested -- let me see, for 22880 we also have COG
24 Operating.

25 MR. RITTENHOUSE: Yes, that's correct. This is

1 Joby Rittenhouse appearing on behalf of COG in just 880.

2 Thank you.

3 HEARING EXAMINER BRANCARD: Any other interested
4 persons for Cases 22879, 22880.

5 (No audible response.)

6 HEARING EXAMINER BRANCARD: Hearing none, I think
7 we have objections to this case from both Jalapeno and Yates
8 entities and from Earthstone. Mr. Bruce, you get to start.

9 MR. BRUCE: Yes, Mr. Examiner, I haven't had much
10 of a chance to talk with Yates and Jalapeno, yet, but I
11 understand, having dealt with the Jalapeno for quite some
12 time, I understand their position, and I think that can be
13 worked out. It's a matter of Jalapeno and Yates wanting to
14 join in a well, but they would rather have another operator.

15 As to Earthstone, I understand that they are --
16 they will be filing counter-applications, and I have also
17 been delightfully informed that Mewbourne Oil Company may be
18 filing counter applications, which would kick me out of this
19 case, and I won't have to deal with the panel of attorneys
20 who are here today.

21 So, anyway, that's what's going on, so it has to
22 be continued, and I will turn it over to Earthstone to tell
23 you when they may look at a hearing date.

24 HEARING EXAMINER BRANCARD: Thank you. Ms.
25 Hardy, is Earthstone considering competing applications

1 here?

2 MS. HARDY: Yes, Mr. Examiner, they are, and I
3 believe they are sending out competing proposing within the
4 next couple of weeks which I think would make this ripe for
5 a contested hearing in October by the time we leave 30 days
6 for the proposal and 30 days for filing.

7 HEARING EXAMINER BRANCARD: Thank you. Mr. Beck,
8 Yates and Jalapeno, they are not filing competing
9 applications, they just want to negotiate.

10 MR. BECK: That's right, Your Honor --
11 Mr. Hearing Examiner, I think a contested hearing in October
12 will give everyone time to see how that plays out.

13 HEARING EXAMINER BRANCARD: Thank you. Other
14 comments from -- let's start with Marathon?

15 MS. BENNETT: Thank you, Mr. Examiner. This is
16 Deana Bennett on behalf of Marathon, and Mr. Bruce correctly
17 summarized that the case or the cases, from Marathon's
18 perspective, and Marathon would be fine with agreeing that
19 the cases need to be continued at least until October.

20 HEARING EXAMINER BRANCARD: Thank you. MRC?

21 MR. FELDEWERT: Mr. Examiner, the MRC entities
22 have no objection to a continuance.

23 HEARING EXAMINER BRANCARD: Going around the
24 horn. COG?

25 MR. RITTENHOUSE: No objection and nothing

1 further to add.

2 HEARING EXAMINER BRANCARD: Any other persons for
3 Cases 22879, 22880 that I have missed?

4 (No audible response.)

5 HEARING EXAMINER BRANCARD: I guess Mewbourne is
6 the silent voice in the background.

7 MR. BRUCE: Silent. As you know, I represent
8 them, they informed me of this a week ago.

9 HEARING EXAMINER BRANCARD: All right. Well, we
10 wouldn't want to put you in a position of having to
11 represent two parties, Mr. Bruce. How about if we set this
12 for a contested hearing on October 20?

13 MR. BRUCE: I think that's about as early as it
14 could be set.

15 MS. HARDY: That's fine with Earthstone.

16 HEARING EXAMINER BRANCARD: I will issue a
17 prehearing order.

18 MR. BRUCE: Thank you, Mr. Examiner.

19 HEARING EXAMINER BRANCARD: Thank you. Any other
20 comments on 22879, 22880?

21 (No audible response.)

22 HEARING EXAMINER BRANCARD: Okay. All right.

23 (Concluded.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

5

6 I do hereby certify that I reported the
7 foregoing virtual proceedings in stenographic shorthand and
8 that the foregoing pages are a true and correct transcript
9 of those proceedings to the best of my ability.

10 I FURTHER CERTIFY that I am neither employed by
11 nor related to any of the parties or attorneys in this case
12 and that I have no interest in the final disposition of this
13 case.

14 I FURTHER CERTIFY that the Virtual Proceeding was
15 of poor to good quality.

16 Dated this 7th day of July 2022.

17

/s/ Irene Delgado

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Court Reporter
License Expires: 12-31-22

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