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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 CASE NO. 16034 COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 4, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER SCOTT DAWSON, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Scott Dawson, Technical Examiner, and David K. Brooks, Legal Examiner, on Friday, May 4, 2018, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR APPLICANT MATADOR PRODUCTION COMPANY: 3 ADAM G. RANKIN, ESQ. HOLLAND & HART, LLC 4 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 5 (505) 988-4421 agrankin@hollandhart.com б 7 8 INDEX 9 PAGE Case Number 16034 Called 3 10 11 Exhibits Offered 4 Proceedings Conclude 4 12 13 Certificate of Court Reporter 5 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 Matador Production Company Exhibit Number 9 4 18 19 20 21 22 23 24 25

Page 3 1 (8:24 a.m.) 2 EXAMINER McMILLAN: Then the next case we're going to call is Case Number 16034, application of 3 Matador Production Company for compulsory pooling, Eddy 4 5 County, New Mexico. 6 Call for appearances. 7 MR. RANKIN: Thank you, Mr. Examiner. Adam 8 Rankin on behalf of the Applicant in this case. I have 9 no witnesses, and one exhibit to supplement the record. 10 EXAMINER McMILLAN: Any other appearances? 11 Please proceed. 12 MR. RANKIN: Mr. Examiner, at the time of this hearing, there was an untimely notice of 13 publication, and as a result unlocatable interests were 14 not notified of the hearing. As a consequence, we 15 16 renoticed the case in the "Carlsbad Current-Argus" showing a hearing date of May 3rd and identifying all 17 the interests by name, along with their heirs and 18 19 devisees. And we ask that I be permitted to supplement 20 the record to indicate that these parties have now been noticed. 21 22 EXAMINER McMILLAN: Please proceed. This is Exhibit Number 9. 23 MR. RANKIN: I'd ask that the record at this time be supplemented with 24 25 Exhibit Number 9 indicating the parties have received

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Page 4 notice by publication. EXAMINER McMILLAN: So Exhibit 9 may now be accepted as part of the record. (Matador Production Company Exhibit Number 9 is offered and admitted into evidence.) EXAMINER McMILLAN: Case Number 16034 shall be taken under advisement. (Case Number 16034 concludes, 8:25 a.m.)

Page 5 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 7 and Registered Professional Reporter, do hereby certify 8 that I reported the foregoing proceedings in 9 stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED THIS 9th day of June 2018. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2018 24 Paul Baca Professional Court Reporters 25