

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DIVISION  
OIL CONSERVATION DIVISION**

**APPLICATIONS OF MATADOR PRODUCTION  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**Case Nos. 16470, 16471,  
16472, 16473, 16474 and  
16475**

**PRE-HEARING STATEMENT**

Jalapeno Corporation ("Jalapeno") provides this Pre-Hearing Statement as required by the rules of the Division.

**APPEARANCES**

**APPLICANT**

Matador Production Co.

**ATTORNEY**

Michael H. Feldewert  
Jordan L. Kessler  
Adam G. Rankin  
Julia Broggi  
Holland & Hart LLP  
P.O. Box 2208  
Santa Fe, NM 87504-2208  
Phone (505) 954-3671

**OPPONENT**

Jalapeno Corp.

**ATTORNEY**

J.E. Gallegos  
Michael J. Condon  
Gallegos Law Firm, P.C.  
460 St. Michael's Drive, Bldg. 300  
Santa Fe, NM 87505  
[jeg@gallegoslawfirm.net](mailto:jeg@gallegoslawfirm.net)  
[mjc@gallegoslawfirm.net](mailto:mjc@gallegoslawfirm.net)

## **STATEMENT OF THE CASE**

Matador has filed six force pooling applications in connection with horizontal oil wells it seeks to drill in the Bone Spring and Wolfcamp formations in Sections 29 and 30, Township 20 South, Range 29 East, Eddy County, New Mexico. Jalapeno owns interests in Section 30 which allow it to participate in the proposed wells. The applications were filed on October 2, 2018. The applications were filed under the new horizontal well rules adopted by the Oil Conservation Commission by Order R-14689.

Jalapeno objects to the applications on the following grounds:

(a) Jalapeno has a deal in place to sell its working interests at issue in these applications to another company. Thus, Jalapeno will shortly own no interest subject to Matador's force pooling applications.

(b) Even if the sale were to fall through, Jalapeno should not be force pooled because in that event it would be willing to participate in the Leatherneck wells and pay its proportionate share of the costs.

(c) Matador did not provide AFEs to Jalapeno until February 4, 2019, less than 30 days prior to the hearing scheduled for February 21, 2019.

## **PROPOSED EVIDENCE**

Jalapeno has no plans to present any witness testimony or exhibits based on the points set forth above.

## **PROCEDURAL MATTERS**

None.

Respectfully submitted,

GALLEGOS LAW FIRM, P.C.

By /s/ Michael J. Condon

J.E. GALLEGOS

MICHAEL J. CONDON

460 St. Michael's Drive, Bldg. 300

Santa Fe, New Mexico 87505

(505) 983-6686

[ieg@gallegoslawfirm.net](mailto:ieg@gallegoslawfirm.net)

[mjc@gallegoslawfirm.net](mailto:mjc@gallegoslawfirm.net)

*Attorneys for Yates Energy Corporation*

### **CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail this 14th day of February, 2019.

Michael H. Feldewert  
Jordan L. Kessler  
Adam G. Rankin  
Julia Broggi  
Holland & Hart LLP

mfeldewert@hollandhart.com  
jlkessler@hollandhart.com  
agrarkin@hollandhart.com  
jbroggi@hollandhart.com

/s/ Michael J. Condon  
Michael J. Condon