

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: 20904-20911

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

APRIL 16, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DYLAN COSS and LEONARD LOWE, on Thursday, April 16, 2020, 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: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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505-843-9241

1 A P P E A R A N C E S

2 For the Applicant:

3 JAMES BRUCE  
 4 P.O. Box 1056  
 5 Santa Fe, NM 87504-1056  
 6 505-982-2151  
 7 jamesbruce@aol.com

8 For EOG Resources:

9 KAITLYN LUCK  
 10 HOLLAND & HART  
 11 110 North Guadalupe, Suite 1  
 12 Santa Fe, NM 87501  
 13 505-954-7286

14 For Marathon Oil:

15 JENNIFER BRADFUTE  
 16 MARATHON OIL COMPANY  
 17 5555 San Felipe Street, RM 2518  
 18 Houston TX 77056

19 I N D E X

20 CASE CALLED	03
21 SUMMARY OF CASE AND EXHIBITS	03
22 TAKEN UNDER ADVISEMENT	06
23 REPORTER CERTIFICATE	07

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

25 All Exhibits and Attachments	Admitted 06
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1                   HEARING EXAMINER ORTH: Let's move on then to  
2 Case Numbers 20904, 20905, 20906, 20907, 20908, 20909,  
3 20910, 20911. This is Matador Production, compulsory  
4 pooling matter. All of those matters are for a well named  
5 Michael K.

6                   Mr. Bruce?

7                   MR. BRUCE: Yes, representing the applicants and  
8 submitting the case by affidavit.

9                   HEARING EXAMINER ORTH: All right. Now, I also  
10 have appearances from Marathon. Is there someone here for  
11 Marathon?

12                  MS. BRADFUTE: Madam Examiner, this is Jennifer  
13 Bradfute with Marathon Oil Company.

14                  HEARING EXAMINER ORTH: Thank you. And, Ms.  
15 Bradfute, do you have any objection to the matter proceeding  
16 by affidavit?

17                  MS. BRADFUTE: No, Marathon does not. Thank you.

18                  HEARING EXAMINER ORTH: Thank you. And then an  
19 appearance from Holland & Hart for EOG.

20                  MS. LUCK: Good morning, Madam Examiner, Kaitlyn  
21 Luck on behalf EOG Resources Inc. EOG does not have an  
22 objection to the case being presented by affidavit based on  
23 the understanding there will be a special payment provision  
24 included in the order, and EOG has submitted an exhibit with  
25 that payment provision.

1 MR. BRUCE: Jim that's acceptable to Matador.

2 HEARING EXAMINER ORTH: Thank you very much, Ms.  
3 Luck. And Mr. Bruce, if you would proceed.

4 MR. BRUCE: These eight cases collectively cover  
5 all of Sections 21 and 22, in 20 South, Range 29 East. The  
6 first four cases involve pooling of the Bone Spring  
7 formation. These are two-mile lateral wells in -- in  
8 laydown well units. The final four cases involve the  
9 Wolfcamp, pooling of the Wolfcamp formation.

10 The usual exhibits are submitted. There is a  
11 landman affidavit, a geology affidavit. The exhibit package  
12 is rather large because notice was given to over 100  
13 persons, and so that is probably over 100 pages of land,  
14 certified mailings in this exhibit package. And there is  
15 also -- there are also two affidavits of publication that  
16 were submitted to the Carlsbad newspaper, just to make sure  
17 that, when you are mailing that many notices out, there are  
18 certain ones that are bound to come back, and there was a  
19 bunch of them that came back. So people were noticed either  
20 by certified mail or by publication.

21 And then of course the applications are enclosed,  
22 and there is a pooling checklist for each case at the end of  
23 the exhibit package. And with that, I would ask if the  
24 Division has any questions.

25 HEARING EXAMINER ORTH: Mr. Coss, do you have any

1 questions of Mr. Bruce?

2 EXAMINER COSS: You know, I don't know a  
3 question, so much as a curiosity. That special payment  
4 provision indicated by Ms. Luck, do you have any details on  
5 that? Are the details of it provided in the packet?

6 MR. BRUCE: I did not include them, but I believe  
7 yesterday Ms. Luck submitted them on line to the Division,  
8 and so they should be in the Division's files. And, as I  
9 said, Matador has agreed to that language.

10 MS. LUCK: Can I --

11 MR. BRUCE: Go ahead, Kate.

12 MS. LUCK: This is Kaitlyn. I submitted as EOG's  
13 Exhibit 1, and it has the language of the payment provision  
14 included, and that was e-mailed in to the division on  
15 April 14.

16 EXAMINER COSS: Thank you, Kaitlyn. I guess I  
17 bring this up because there was a question that was brought  
18 to my attention earlier this week by an interest holder in  
19 some wells, a member of the general public, really, who was  
20 curious to know about some of the payment provisions he saw  
21 in the order. He was asked, so it's a newly-found interest  
22 to see how some of those work, knowing that it's not  
23 necessarily my purview. So I will take a look at it. Thank  
24 you, Kaitlyn.

25 HEARING EXAMINER ORTH: Thank you, Mr. Coss. Mr.

1     Lowe, do you have questions of Mr. Bruce?

2                   EXAMINER LOWE:   No, I do not.   Thank you.

3                   HEARING EXAMINER ORTH:   All right.   Thank you,  
4     Mr. Bruce.   Your packet is accepted and will be taken under  
5     advisement.

6                   MR. BRUCE:   Thank you.

7                   (Exhibits admitted.)

8                   (Taken under advisement.)

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1 STATE OF NEW MEXICO )  
 )SS  
2 COUNTY OF SANTA FE )

3 I, IRENE DELGADO, certify that I reported the  
4 proceedings in the above-transcribed pages, that pages  
5 numbered 1 through 6 are a true and correct transcript of my  
6 stenographic notes and were reduced to typewritten  
7 transcript through Computer-Aided Transcription, and that on  
8 the date I reported these proceedings I was a New Mexico  
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 16th day of  
11 April 2020.

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Irene Delgado, NMCCR 253  
Expires: 12-31-20

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