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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:

CASE NOS: 21374, 21375

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

AUGUST 6, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, DEAN McCLURE, JOHN GARCIA and KATHLEEN MURPHY on Thursday, August 6, 2020, hosted by the New Mexico Energy, Minerals, and Natural Resources Department, through Cisco Webex electronic platform.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

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Page 2 APPEARANCES For the Applicant: JAMES BRUCE P.O. Box 1056 Santa Fe, NM 87504-1056 505-982-2151 jamesbruce@aol.com STATUS CONFERENCE REPORTER CERTIFICATE

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1 HEARING EXAMINER ORTH: Move then to matters

- 2 21374 and 21375. The applicant is Matador Production, a
- 3 compulsory pooling application. The well name is Jack
- 4 Sleeper. Mr. Bruce?
- 5 MR. BRUCE: Yes, in Case 21374 Matador seeks to
- 6 force pool the Bone Spring formation in the W/2 W/2 of
- 7 Sections 9 and 16, 23 South, 28 East. And in 21375, they
- 8 seek to force pool the Wolfcamp formation in the W/2 of
- 9 Sections 9 and 16, same township and range.
- These were previously heard for these wells,
- 11 these cases were previously heard, and that is discussed in
- 12 the landman's affidavit. But during the course of
- 13 finalizing everything, they realized that one of the parties
- 14 who was pooled in the original cases was now -- was now
- 15 owned by a different company, Chief Capital O&G II LLC, and
- 16 so this is just to get Chief's Oil & Gas' incorporation into
- 17 the well units.
- 18 That is the only party being pooled. The
- 19 landman's affidavit contains all the usual well proposals
- 20 and AFEs and a geologic presentation is made in each case.
- 21 And, again, the party being pooled received actual notice of
- 22 these applications, and so there is no affidavit of
- 23 publication. And the pooling checklists are complete and we
- 24 would simply ask that Exhibits A through E in each case be
- 25 admitted into the record and that the cases be taken under

Page 4 advisement. 2 HEARING EXAMINER ORTH: All right. Thank you. And I didn't see any other appearances in these matters. 3 Exhibits A through E in each matter are admitted. 5 Mr. McClure, do you have questions of Mr. Bruce? 6 MR. McCLURE: No, ma'am. I have no questions at 7 this time. HEARING EXAMINER ORTH: Thank you, Mr. Garcia? 8 9 EXAMINER GARCIA: No questions. HEARING EXAMINER ORTH: All right. Thank you 10 very much, Mr. Bruce. The matters will be taken under 11 12 advisement. 13 (Exhibits A through E admitted.) (Taken under advisement.) 14 15 (Adjourned.) 16 17 18 19 20 21 22 23 24 25

Page 5 STATE OF NEW MEXICO COUNTY OF BERNALILLO 2. 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 7 Reporter, do hereby certify that I reported the foregoing 8 proceedings in stenographic shorthand and that the foregoing 9 pages are a true and correct transcript of those proceedings 10 that were reduced to printed form by me to the best of my ability. 11 I FURTHER CERTIFY that I am neither employed by 12 13 nor related to any of the parties of attorneys in this case 14 and that I have no interest in the final disposition of this 15 case. 16 I FURTHER CERTIFY that the Virtual Proceeding was of fair quality. 17 18 Dated this 6th day of August 2020. 19 /s/ Irene Delgado 20 Irene Delgado, NMCCR 253 2.1 License Expires: 12-31-20 22 23 2.4 25