

STATE OF NEW MEXICO.

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

Application of Matador Production  
Company to Amend Order R-21275  
Eddy County, New Mexico Case No. 21952

Application of Matador Production  
Company to Amend Order R-21276  
Eddy County, New Mexico Case No. 21953

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, SEPTEMBER 23, 2021

EXAMINER HEARING

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Esq. Hearing Examiner, Leonard Lowe,  
Technical Examiner, on Thursday, September 23, 2021,  
via Webex Virtual Conferencing Platform hosted  
by the New Mexico Department of Energy, Minerals and  
Natural Resources

Reported by: Mary Therese Macfarlane  
New Mexico CCR #122  
PAUL BACA COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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A P P E A R A N C E S

FOR MATADOR PRODUCTION COMPANY:

James Bruce, Esq.  
Post Office Box 1056  
Santa Fe, NM 87504  
(505) 982-2043  
jamesbruc@aol.com

FOR EOG RESOURCES:

Jobediah Rittenhouse, Esq.  
Beatty & Wozniak, PC  
216 16th Street, Suite 1100  
Denver, CO 80202  
(303)407-4499  
jrittenhouse@bwenerylaw.com

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1 (Time noted 9:13 a.m.)

2 EXAMINER BRANCARD: So I will call Cases 21952  
3 21953, Matador Production Company.

4 MR. BRUCE: Mr. Examiner, Jim Bruce here on  
5 behalf of Matador.

6 EXAMINER BRANCARD: Thank you.

7 And I see we have a Entry of Appearance for  
8 EOG Resources.

9 MR. RITTENHOUSE: Yes. This is Joby Rittenhouse  
10 appearing on behalf of EOG.

11 EXAMINER BRANCARD: Thank you. Are there any  
12 other interested persons for cases 21952, 21953? (Note:  
13 Pause.) Hearing none, I will turn to Mr. Bruce.

14 But I will first ask Mr. Bruce: What are  
15 we are seeking here?

16 MR. BRUCE: Yes, Mr. Examiner.

17 EXAMINER BRANCARD: Okay. You have an  
18 Application for Compulsory Pooling, you have a Prehearing  
19 Statement that talks about compulsory pooling, and when I  
20 get to the exhibits it looks like we are actually talking  
21 about an area that has already been compulsory pooled.

22 MR. BRUCE: That is correct, Mr. Examiner. My  
23 mistake. Let me explain.

24 First of all, the first case involves the  
25 Wolfcamp Formation underlying the north half/south half of

1 Sections 15 and 14 of 20 South, 29 East.

2 The second case involves a pooling -- or it  
3 involves the Wolfcamp Formation in the south half/south  
4 half of Sections 15 and 14 of 20 South, 29 East.

5 They were originally pooled by Order No.  
6 R-21275 as to the first case and R-21276 as to the second  
7 case, and I am merely -- there were two things. There was  
8 one additional working interest owner who needed to be  
9 pooled into those Orders, and then some 9 or 10 record  
10 title owners who needed to be force pooled into the wells  
11 for purposes of approval of a communitization agreement  
12 from the federal government.

13 So I am not seeking a new Order. All I  
14 really need is to add in these additional parties to the  
15 existing Orders. And there are already -- the original  
16 Orders do contain Pooling Checklists, so I did not submit  
17 new Pooling Checklists. What I have submitted to you is a  
18 landman's affidavit which has the usual exhibits, of  
19 course, and it does, on the property -- or I should say  
20 the description of those lands being pooled, it's a  
21 landman's affidavit as Exhibit A, and it's Part 3. It  
22 does list uncommitted working interest owner, which is  
23 OXY-Y1 Company, plus all the record title owners who do  
24 not own any working interest, they just are pooled for  
25 communitization purposes.

1                   And that's what's going on here.

2                   I did include the geologist's affidavit  
3 from the prior hearing.

4                   I gave Notice to the additional 10 or 11  
5 parties, and that's marked Exhibit C.

6                   One thing, I didn't know whether the Post  
7 Office was being slow or I had a gremlin in my office  
8 stealing my green cards, but as of the filing date for  
9 this, of the exhibit package, I had not received any green  
10 cards. So what I have done was copy from the U.S. Postal  
11 service online website information showing the receipt of  
12 almost all of the letters that I sent out except for one.

13                   Now, yesterday late I went to the Post  
14 Office, and I did receive a -- have a few of the green  
15 cards in my office, so I apparently don't have a gremlin  
16 in my office, it was just the Postal Service just  
17 returning things more slowly than I would like.

18                   What I do plan on doing is once I get at  
19 least the bulk of the green cards back, I was just going  
20 to do a filing, as you suggested, with a little  
21 description of what it is, showing that the green cards  
22 did come back.

23                   There is one other thing about these cases,  
24 is that the original Orders were also -- there is a  
25 21275-A and a 21276-A Order, because Matador had applied

1 to conform the original Orders to the new Amended Order  
2 template back in, oh, March or April.

3 So what I guess I'm asking for is simply an  
4 Order -- a -B Order on each of those Orders I've talked  
5 about, just including the additional 10 or 11 people  
6 that's being included in the pooling of the other Orders.

7 EXAMINER BRANCARD: Okay. Let me turn to Mr.  
8 Rittenhouse.

9 Do you understand what's going on here?  
10 This is actually -- Mr. Bruce is proposing to convert his  
11 Compulsory Pooling Application into an amendment of a  
12 Compulsory Pooling Order. Do you have any issues with  
13 going forward?

14 MR. RITTENHOUSE: I do understand that that is  
15 Mr. Bruce's intention, and EOG was aware of that  
16 proceeding into the hearing.

17 EOG's appearance in this matter is strictly  
18 to protect its rights. I would like to see if you have  
19 any additional questions with respect to the requested  
20 relief, but other than that, I have nothing further to add  
21 on behalf of EOG at this time.

22 EXAMINER BRANCARD: Thank you.

23 Mr. Bruce, did you have any additional  
24 presentation before we go to questions?

25 MR. BRUCE: Uhm, no, I don't. I would just

1 merely note that EOG was involved in the original pooling  
2 application. So they were not notified for purposes of  
3 this hearing, but of course they read the docket sheet and  
4 they know what's going on, so...

5 EXAMINER BRANCARD: Thank you.

6 Mr. Lowe, any questions?

7 EXAMINER LOWE: I think I'm good. No questions  
8 here. Thank you.

9 EXAMINER BRANCARD: Okay. So Mr. Bruce, what  
10 are we missing at this point? The green cards?

11 MR. BRUCE: That's the only thing is the green  
12 cards. Like I said, I picked up three yesterday. I would  
13 hope by maybe by early next week I'll have the bulk of the  
14 green cards back and I would just do a filing to  
15 supplement my Affidavit of Notice which is marked  
16 Exhibit C.

17 EXAMINER BRANCARD: All right. That would be  
18 the way to do it, to submit a revised Affidavit of Notice  
19 or a Supplemental Affidavit of Notice and attach the green  
20 cards.

21 I assume you also did a newspaper  
22 publication on this.

23 MR. BRUCE: Yeah, there is an Affidavit of  
24 Publication, and that is marked Exhibit D, as in dog.

25 EXAMINER BRANCARD: Okay. Are there any other

1 comments? We are doing -952 and -953, correct?

2 MR. BRUCE: Correct.

3 EXAMINER BRANCARD: So are there any other  
4 comments on Cases 21952 and 21953. (Note: Pause.)

5 Hearing none, the exhibits will be  
6 submitted into the record. We will keep the record open  
7 to allow for supplementing the Notice Affidavit.

8 The case we will treat as being converted  
9 from a Compulsory Pooling Application to an amendment of  
10 an existing Compulsory Pooling Order, and the case will be  
11 taken under advisement.

12 And, folks, you really got to do a better  
13 job with your Applications here.

14 Mr. Bruce, when I looked up the previous  
15 case, your new Application was just verbatim what had been  
16 submitted in the previous one.

17 MR. BRUCE: Sloth is a terrible thing to waste.  
18 You know?

19 EXAMINER BRANCARD: Thank you.

20 (Time noted 9:21 a.m.)

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1 STATE OF NEW MEXICO )  
2 : ss  
3 COUNTY OF TAOS )

4  
5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter  
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday,  
8 September 23, 2021, the proceedings in the above-captioned  
9 matter were taken before me; that I did report in  
10 stenographic shorthand the proceedings set forth herein,  
11 and the foregoing pages are a true and correct  
12 transcription to the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by  
14 nor related to nor contracted with (unless excepted by the  
15 rules) any of the parties or attorneys in this case, and  
16 that I have no interest whatsoever in the final  
17 disposition of this case in any court.

18 /s/ Mary Macfarlane  
19 \_\_\_\_\_

20 MARY THERESE MACFARLANE, CCR  
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