

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 for Compulsory Pooling and Case No.22140
Approval of a Non-Standard Location, Case No 22141
Eddy County, New Mexico

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

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Reported by: Mary Therese Macfarlane
New Mexico CCR #122
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A P P E A R A N C E S

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1 (Time noted 9:28 a.m.)

2 EXAMINER BRANCARD: All right. Cases 23 and 24
3 on today's list. These will be Nos. 22140, 22141, Matador
4 Production Company.

5 Appearances for Matador.

6 MR. FELDEWERT: Mr. Examiner, Michael Feldewert
7 of the Santa Fe Office of Holland and Hart appearing on
8 behalf of the Applicant Matador Production Company.

9 And let me apologize in advance. My
10 Internet connection here at the office with my computer is
11 fading in and out. My technical people are looking at it
12 but it hasn't been fixed yet. Fortunately it's very
13 short, so if you don't hear me for 20 seconds, that's why.

14 EXAMINER BRANCARD: We certainly expect to hear
15 you every 20 seconds, so...

16 MS. RYAN: Sounds like excuses to me.

17 MR. FELDEWERT: Oh, C'mon, Beth.

18 EXAMINER BRANCARD: All right. We have an Entry
19 of Appearance for COG Operating, LLC?

20 MS. RYAN: Yes, sir. Beth Ryan entering an
21 appearance on behalf of COG Operating, LLC.

22 EXAMINER BRANCARD: And, see, Ms. Ryan is
23 avoiding her office so she's got better Internet now.

24 MS. RYAN: That's right.

25 EXAMINER BRANCARD: Then we have Franklin

1 Mountain Energy.

2 Ms. Bennett, I believe you're muted.

3 MS. BENNETT: Good morning. Deana Bennett on
4 behalf of Franklin Mountain Energy, LLC.

5 EXAMINER BRANCARD: All right. Are there any
6 other interested persons for Cases 22140, 22141. (Note:
7 Pause.)

8 Hearing none, Mr. Feldewert try your luck.

9 MR. FELDEWERT: Thank you, sir.

10 Mr. Examiner, in these two consolidated
11 cases Matador seeks to pool two 320-acre horizontal well
12 spacing units in the Bone Spring Formation for two-mile
13 wells. So what's involved here is the west half of the
14 east half, and then the east half of the east half of
15 Sections 8 and 17, 25 South, 35 East.

16 In our materials that we filed with the
17 Division you'll see Exhibit A contains the checklist for
18 the two spacing units and identifying the two wells to be
19 initially dedicated to each spacing unit.

20 We then have as Exhibit B the Applications
21 that were filed for these two matters.

22 And the landman's affidavit starts, it's
23 Mr. Carleton, it starts on page 15 of the filed .pdfs, and
24 he provides as Exhibit C-1 the C-102s for the initial
25 wells in each spacing unit. Again, there are two initial

1 wells for the west half of the east half spacing unit, and
2 then two for the east half/east half spacing unit, and
3 they are organized accordingly.

4 His Exhibit C-2 provides a tract and map
5 along with than an inset showing general location. You
6 will see that there are -- this is federal and fee lands
7 that are involved in those two horizontal well spacing
8 units.

9 Exhibit C-3 provides the list of the
10 cost-bearing mineral owners that Matador seeks to pool for
11 each horizontal spacing unit. You will see that there's
12 one group where the west half of the east half, and then
13 when you continue through the exhibit you will see then
14 the cost-bearing interest owners they seek to pool for the
15 east half/east half acreage.

16 Exhibit C-4 contains a list of
17 non-participating mineral interest owners and an
18 overriding royalty interest owner that the company seeks
19 to pool. Again, these would be non cost-bearing interests
20 that are subject to this pooling procedure.

21 C-5 provides an example of the Well
22 Proposal Letter that was went to Ms. Ryan's company, along
23 with the other working interest owners that they seek to
24 pool, and it provided AFEs for each of the initial wells
25 proposed for these two spacing units.

1 Then Matador Exhibit C-6 contains the
2 Chronology of Communications with the cost-bearing parties
3 that they seek to pool.

4 Exhibit D is the affidavit of the geologist
5 Andrew Parker. He provides a nice locator map as Exhibit
6 D-1, and then he discusses, using Exhibit D-2, the
7 structure map that he's prepared for the Bone Spring
8 Formation which shows the spacing unit highlighted in
9 yellow, and then also the wells that were utilized to
10 create a cross section, which he provides as Exhibit D-3
11 and discusses in his affidavit.

12 And you will see that Exhibit D-3, that
13 structural cross section identifies the landing zones for
14 the initial wells in each of these spacing units.

15 Exhibit E is the Notice of Affidavit that
16 indicates that Notice of these hearings was provided to
17 the parties by Certified Mail. If you take a look at the
18 Postal Report, at the end of that you will see that, for
19 whatever reason, the Postal Service is a little slow these
20 days, and so some of the materials, at least on this
21 Postal Report, indicate they are still being delivered.
22 But we've attached as Exhibit F the Affidavit of
23 Publication for each case that directs Notice by name to
24 each of the parties that the company seeks to pool in
25 these two cases.

1 So we ask that Matador Exhibits A through F
2 be admitted into evidence and that these two pooling cases
3 be taken under advisement.

4 EXAMINER BRANCARD: Thank you.

5 Ms. Ryan, I forgot to inquire whether you
6 had any objections to this case going ahead by affidavit.

7 MS. RYAN: That's okay. If I had, I would have
8 piped up. But no, no objections of any kind. Thank you.

9 EXAMINER BRANCARD: Do you have any questions or
10 concerns at this point?

11 MS. RYAN: No, sir.

12 EXAMINER BRANCARD: Thank you.

13 Ms. Bennett, Franklin Mountain Energy, any
14 questions or concerns about this case going forward?

15 MS. BENNETT: Thank you, Mr. Examiner. Franklin
16 Mountain Energy does not object to the case going forward
17 by affidavit but has entered its appearance in these cases
18 to preserve its rights, if needed.

19 EXAMINER BRANCARD: Thank you.

20 Mr. Lowe, any questions for the Applicant
21 in these two cases?

22 EXAMINER LOWE: I have no questions. Everything
23 was clear and concise. Thank you.

24 EXAMINER BRANCARD: Okay. Thank you.

25 So, Mr. Feldewert, are we missing some

1 items in the Notice submittal that we need to supplement
2 the record with?

3 MR. FELDEWERT: No.

4 EXAMINER BRANCARD: So you are not collecting
5 green cards that we can stare at?

6 MR. FELDEWERT: No. What we've attached, you
7 will see, Mr. Examiner, which we've done probably for the
8 last year or so, we provide this Postal Report, which is
9 always interesting reading. A, it's usually behind; and
10 B, you know, you'll see items like, "Your package is on
11 its way," or "it's been delayed," things of that nature.
12 So it's the equivalent of the green cards, provides a
13 little more information. You know, there's always a
14 question about how up-to-date it is, even if we run it the
15 day before or the day we file the package.

16 But in this case, (A) because there is a
17 lot of parties, (B) because there's mineral owners, you
18 know overrides and nonparticipating owners who we believe
19 we have a valid address but not always sure, we provided
20 an Affidavit of Publication directed by name to each of
21 these parties.

22 EXAMINER BRANCARD: Okay. Thank you.

23 Well, do you think if you get better
24 information from the U.S. Postal Service that you would
25 like to submit a more up-to-date, feel free to do so, and

1 do a little Amended Notice Affidavit with that.

2 MR. FELDEWERT: Certainly. We are okay, Mr.
3 Brancard. There's' very few items on here that have yet
4 to be delivered, and none of them indicate we had a bad
5 address that I see initially.

6 EXAMINER BRANCARD: So whenever they track down
7 the missing postman...

8 MR. FELDEWERT: It's our tax-funded system.

9 EXAMINER BRANCARD: Yes, your postage
10 stamp-funded system. Yep.

11 All right. Are there any other questions
12 or concerns on Cases 22140 and 22141? (Note: Pause.)

13 Hearing none, the exhibits will be admitted
14 into the record and Cases 22140 and 22141 will be taken
15 under advisement.

16 MR. FELDEWERT: Thank you.

17 (Time noted 9:37 a.m.)

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1 STATE OF NEW MEXICO)

2 : ss

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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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

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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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

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MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2021

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