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: 21724, 21725.

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING EDDY COUNTY, NEW MEXICO

CASE NOS: 21754, 21755, 21756, 21757

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

MAY 20, 2021

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER WILLIAM BRANCARD and TECHNICAL EXAMINER KURT SIMMONS, on Thursday, May 20, 2021, through the Webex Virtual Platform.

REPORTED BY: Carrie Hewerdine, RDR, NMCCR #512
PAUL BACA COURT REPORTERS
500 4th Street, Suite 105
Albuquerque, New Mexico 87102

Page 2 1 APPEARANCES 2 For the Mewbourne Oil Company: 3 JAMES BRUCE P.O. Box 1056 Santa Fe, NM 87504-1056 505.982.2151 5 jamesbruce@aol.com 6 For Matador Production Company: 7 KAITLYN A. LUCK 8 Holland & Hart 9 110 N. Guadalupe Street, Suite 1 Santa Fe, NM 87501 505.954.7286 10 11 12 INDEX 13 CASE CALLED 14 03 15 SUMMARY OF CASE AND EXHIBITS 16 03 17 CASE CONTINUED 18 05 19 REPORTER CERTIFICATE 20 06 21 22 23 24 25

- 1 HEARING EXAMINER BRANCARD: All right. We
- 2 have I think six cases here coming up, 22 through 27 on
- 3 the agenda.
- 4 That would be Cases 21724 and 21725, Mewbourne
- 5 Oil, Cases 21754, 21755, 21756, and 21757, Matador.
- 6 Mewbourne?
- 7 JAMES BRUCE: Jim Bruce representing
- 8 Mewbourne.
- 9 HEARING EXAMINER BRANCARD: Thank you.
- 10 Matador?
- 11 KAITLYN LUCK: Good morning, again.
- 12 Kaitlyn Luck with the Santa Fe office of
- 13 Holland & Hart on behalf of Matador Production Company.
- 14
- 15 HEARING EXAMINER BRANCARD: Okay. And I
- 16 assume you're also MRC Permian?
- 17 KAITYLN LUCK: That's correct.
- 18 HEARING EXAMINER BRANCARD: Thank you.
- 19 Are there any other interested parties in
- 20 these six cases?
- 21 Hearing none, Mr. Bruce, you can start us off.
- 22 JAMES BRUCE: I'm not -- okay. Mewbourne
- 23 would like to proceed with these, and was the first to
- 24 file, and then Matador got its cases filed, but I know
- 25 they both want to operate.

1 Mewbourne's at a little bit of a loss

- 2 because -- and I've asked -- there's two things.
- I'm a little bit at a loss, because I've asked
- 4 Holland & Hart to ask Matador why they're opposing
- 5 because they only own about a 7 or 8 percent working
- 6 interest in the proposed wells.
- 7 I haven't received a response.
- 8 But the other thing is, if there really is
- 9 going to be a fight, Mr. Feldewert at Holland & Hart
- 10 told me not to get out of the case yet, but I'm going
- 11 to have to step aside because I represent both
- 12 companies.
- So I -- I will have to -- if there's a fight,
- 14 I eventually will have to step aside. I'm just kind of
- in as a caretaker right now.
- 16 HEARING EXAMINER BRANCARD: Ms. Luck?
- 17 KAITLYN LUCK: Oh, I'm sorry. I failed to
- 18 actually cc Mr. Bruce on my email to the division
- 19 yesterday. Matador has decided to dismiss these four
- 20 cases that were competing with Mewbourne's Chile Verde
- 21 cases.
- 22 And so at this point, Matador is no longer
- 23 opposed to Mewbourne's cases.
- 24 HEARING EXAMINER BRANCARD: Oh, okay.
- 25 Marlene, did you see that?

1 MARLENE SALVIDREZ: Yes, I did. I forwarded

- 2 it to you, and I actually have an order for you to sign
- 3 on that.
- 4 HEARING EXAMINER BRANCARD: Okay. It must be
- 5 in my stack of emails.
- 6 JAMES BRUCE: Thank you for the info,
- 7 Ms. Luck.
- 8 KAITLYN LUCK: Jim, I'm sorry about that. I
- 9 just forwarded that email over to you.
- 10 JAMES BRUCE: Okay. That being the case,
- 11 Mr. Examiner, could we just continue these to the
- 12 June 17th docket?
- 13 HEARING EXAMINER BRANCARD: Yes. I think
- 14 that's possible.
- JAMES BRUCE: Thank you.
- 16 HEARING EXAMINER BRANCARD: Okay. So,
- 17 Mr. Bruce, you'll move for a continuance on these two
- 18 cases, and then we'll work on the dismissal of the four
- 19 Matador cases.
- JAMES BRUCE: Yes.
- 21 HEARING EXAMINER BRANCARD: Are there any
- 22 other interested parties in this acreage, this event?
- 23 Hearing none, I think we have resolved that.
- 24 Thank you, Ms. Luck.
- 25 KAITLYN LUCK: Thank you.

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Page 7 1 STATE OF NEW MEXICO COUNTY OF BERNALILLO 3 4 REPORTER'S CERTIFICATE 5 I, CARRIE HEWERDINE, RDR, New Mexico Certified 6 7 Court Reporter, CCR 521, do hereby certify that I 8 reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are 9 a true and correct transcript of those proceedings to 10 11 the best of my ability. 12 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in 13 this case and that I have no interest in the final 14 15 disposition of the case. 16 I FURTHER CERTIFY that the Virtual Proceeding 17 was of poor to good quality. 18 Dated this 24th day of May, 2021. 19 20 21 Carrie Hewerdine /s/ 22 Carrie Hewerdine, RDR, NMCCR 521 License Expires: 12-31-21 23 24 25