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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 NO: 21897

APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-21274 EDDY COUNTY, NEW MEXICO

CASE NO: 21898

APPLICATION OF MATADOR PRODUCTION COMPANY TO AMEND ORDER NO. R-21268 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

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1 APPEARANCES 2 For Matador Production Company: 3 JAMES BRUCE P.O. Box 1056 4 Santa Fe, NM 87504-1056 505.982.2151 5 jamesbruce@aol.com 6 7 For EOG Resources: 8 ADAM RANKIN Holland & Hart 9 110 N. Guadalupe Street, Suite 1 Santa Fe, NM 87501 505.954.7286 10 11 12 INDEX 13 14 CASE CALLED 15 03 SUMMARY OF CASE AND EXHIBITS 16 17 03 18 TAKEN UNDER ADVISEMENT 19 06 20 REPORTER CERTIFICATE 21 08 22 23 EXHIBIT INDEX 24 Admitted 25 Exhibits and Attachments

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Page 4 HEARING EXAMINER BRANCARD: Following that, we 1 2 have two other proposed amendments to orders also from Matador Production. And this is Items 32 and 33, Cases 3 21897, 21898, Matador Production. 4 5 Mr. Bruce, are you here for them? 6 JAMES BRUCE: Yes. HEARING EXAMINER BRANCARD: Thank you. 7 8 EOG Resources? 9 Holland & Hart? 10 ADAM RANKIN: Sorry, Mr. Examiner. Again, Adam Rankin, Holland & Hart. 11 I'm having a hard time finding the mute 12 13 button. 14 I'm appearing on behalf of the EOG in these 15 cases. 16 HEARING EXAMINER BRANCARD: Thank you. 17 We'll pause a second to see if there's any other parties interested in these two cases. 18 19 Hearing none, Mr. Bruce, you may proceed. 20 JAMES BRUCE: Mr. Examiner, in these cases --21 and there are two related cases that are set for a 22 hearing on June 3rd. Matador had pooled Wolfcamp 23 formation in, collectively, the north half of 24 Sections 21 and 22 in 20 South range, 29 East, which is the exact same land, just a different formation as the 25

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102 1 prior four cases.

2 The exhibit packages contain the applications, 3 the original pooling orders, the land man's affidavit, and, again, the request is basically due to economic 4 5 reasons. Again, in the affidavit of notice, there's a 6 separate -- same parties, but I had to notify them a 7 8 second time for another -- so I do owe the division all of the green cards and other receipts, which I will get 9 10 to them ASAP. 11 Then there is a publication notice, again, rather lengthy, and everyone received either actual 12 13 notice or publication notice. 14 So I believe the exhibit package is correct, and I move for admission of the exhibits and ask the 15 case be taken under advisement. 16 17 HEARING EXAMINER BRANCARD: Thank you. Is there also a special provision for EOG in 18 19 this order? 20 JAMES BRUCE: These orders, yes. 21 These two cases call -- cover the north half, 22 north half, and the south half, south half of sections. 23 The others cover the intervening lands. 24 But, yes, each of those four orders did 25 contain a special payment provision for EOG, which we

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1 knew Matador did not object to.

2 HEARING EXAMINER BRANCARD: Okay. And you're
3 extending the deadline to what date?

JAMES BRUCE: I forget the exact dates. 4 They're in April. The applications were filed, and 5 this is when I had that -- most of it was my massive 6 computer problems that I couldn't put these cases on. 7 8 So I think they were timely -- we would have 9 been timely if I hadn't had the computer problems, but 10 the dates are in -- mainly late April and early June --I mean May, early May. 11 12 HEARING EXAMINER BRANCARD: Thank you. 13 Actually, I had that in my notes. Thanks.

14 Okay. Mr. Rankin? Are you okay with these15 cases going forward by affidavit?

16 ADAM RANKIN: Mr. Brancard, yes. No objection17 to the cases proceeding by affidavit.

18 We appreciate Mr. Bruce's recognition of the19 state of the special provisions.

20 HEARING EXAMINER BRANCARD: Mr. Simmons, any 21 questions? 22 TECHNICAL EXAMINER SIMMONS: No. Everything 23 appears in order as long as he gets us those all 24 important green cards.

25 HEARING EXAMINER BRANCARD: Okay. Thank you.

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Page 7 And so with that, in Cases 21897, 21898, the exhibits will be admitted. The record will be kept open for the submittal of the green cards, and the cases will be taken under advisement. Thank you. б JAMES BRUCE: Thank you. (Hearing concluded)

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