

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: 22269 - 22272

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
DECEMBER 2, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER WILLIAM BRANCARD and TECHNICAL EXAMINERS DEAN McCLURE and DYLAN ROSE-COSS on Thursday, December 2, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For the Applicant:

ADAM RANKIN
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

I N D E X

CASE CALLED
SUMMARY OF CASE AND EXHIBITS
TAKEN UNDER ADVISEMENT
REPORTER CERTIFICATE

E X H I B I T I N D E X

Admitted

Exhibits and Attachments

1 HEARING EXAMINER BRANCARD: With that I will call
2 Cases 22269, 22270, 71, 72, Matador Production Company.

3 MR. RANKIN: Good morning, Mr. Examiner. Adam
4 Rankin of the law firm of Holland & Hart, Santa Fe,
5 appearing on behalf of these cases Matador Production
6 Company.

7 HEARING EXAMINER BRANCARD: Are there any other
8 interested persons in Cases 22269, 70, 71, 72?

9 (No audible response.)

10 HEARING EXAMINER BRANCARD: Hearing none, you may
11 proceed, Mr. Rankin.

12 MR. RANKIN: Thank you very much, Mr. Examiner.
13 These cases are seeking the pooling of four different
14 spacing units, two in the Bone Spring and two in the
15 underlying Wolfcamp. The acreage at issue here is the --
16 the acreage at issue here is within Township 24 South, Range
17 36 in Lea County, New Mexico.

18 In Case 22269, Matador seeks to pool a standard
19 240 acre horizontal spacing unit comprised of the W/2 of
20 SE/4 of Section 30, and the W/2 W/2 of Section 31, which
21 will be dedicated to the Weinberger Fed Com 135H Well, Bone
22 Spring Formation.

23 In Case 22270 Matador seeks to pool a standard
24 240 acre spacing unit comprised of the E/2 SW/4 of Section
25 30, and the E/2 of the W/2 of Section 31 in the Bone Spring

1 formation to be dedicated to the Weinberger Fed Com 136H
2 well.

3 In Case 22271, Matador seeks to pool a standard
4 240 acre horizontal spacing unit comprised of the W/2 of the
5 SW/4 of Section 30 and the W/2 W/2 of Section 31 in the
6 Wolfcamp Formation to be dedicated to the Weinberger Fed Com
7 211H Well.

8 Finally, in Case 22272, Matador seeks to pool a
9 240 acre spacing unit comprised of the E/2 SW/4 of Section
10 30, and the E/2 W/2 of Section 31 of the Wolfcamp Formation
11 to be dedicated to the Weinberger Fed Com 212H Well.

12 Attached in the hearing exhibit packets are the
13 affidavits of Matador's landman, Mr. David Johns, and their
14 geologist, Mr. Andrew Parker.

15 Mr. David Johns has not previously testified
16 before the Division. His qualifications and credentials are
17 included as part of his affidavit, and I ask at this time
18 that Mr. David Johns be accepted as an expert in petroleum
19 land matters.

20 HEARING EXAMINER BRANCARD: Are there any
21 objections?

22 (No audible response.)

23 HEARING EXAMINER BRANCARD: Hearing none, so
24 accepted.

25 MR. RANKIN: Mr. Johns outlines the proposed

1 spacing units and the acreage that Matador seeks to pool in
2 each of these cases. Attached to his affidavit is Exhibit
3 C-1 which contains draft C-102s for each of the proposed
4 wells, indicating they will each be within the standard
5 setbacks required for horizontal oil wells in both pools.

6 The affidavit also identifies a specific pool
7 that each of these spacing units will be dedicated to.
8 Exhibit C-2 identifies the tracts of land comprising each of
9 the proposed horizontal spacing units. Exhibit C-3
10 identifies the working interest owners that Matador seeks to
11 pool in each of the cases.

12 And Exhibit C-5 is the chronology of contacts
13 identified in each of the cases. Exhibit C-4 is the sample
14 well proposal letter and AFEs that were sent to each of the
15 working interest owners that Matador is seeking to pool, as
16 well as identifies the costs for each of the wells. These
17 costs are determined to be consistent with what other
18 operators charge for similar wells in the area.

19 Matador seeks overhead administrative rates of
20 \$8000 per month while drilling and \$800 per month while
21 producing. And so those are Mr. Johns' exhibits.

22 Mr. Parker identifies the target intervals in his
23 affidavit. He has previously testified before the Division.
24 He identifies no pinchouts or impediments of the horizontal
25 development in any of the spacing units.

1 Also, Mr. Examiner, we have identified in Exhibit
2 E and F the notice for each of these cases. That notice was
3 timely provided to all the working interest owners, as well
4 as an affidavit of publication reflecting that each of the
5 parties that Matador seeks to pool has been identified by
6 name and timely published in the paper of general
7 circulation in the county where the well is proposed.

8 If there are no objections, at this time I would
9 move the admission of Matador Exhibits A, B, C, D, E and F
10 into the record and ask that these cases be taken under
11 advisement.

12 HEARING EXAMINER BRANCARD: Thank you. Mr.
13 Rose-Coss, any questions?

14 TECHNICAL EXAMINER ROSE-COSS: No questions.

15 HEARING EXAMINER BRANCARD: Thank you. Are there
16 any other interested persons for Cases 22269, 70, 71, 72?

17 (No audible response.)

18 HEARING EXAMINER BRANCARD: Hearing none, the
19 exhibits will be admitted into the record and cases taken
20 under advisement.

21 (Exhibits admitted.)

22 (Taken under advisement.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of reasonable quality.

17 Dated this 2nd day of December 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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