

STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

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

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

CASE NOS. 22267-22268

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
DECEMBER 16 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 EXAMINER KATHLEEN MURPHY on
Thursday, December 16, 2021, through the Webex Platform.

Reported by: PAUL BACA
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A P P E A R A N C E S

For the Applicant:

Kaitlyn Luck
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Post Office Box 2208
Santa Fe, New Mexico 87504-2208

For Kaiser Petroleum:

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I N D E X

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1 HEARING EXAMINER BRANCARD: I will call now
2 Cases -- Items Number 34 and 35 on our agenda, Case Numbers
3 22267, 22268, Matador Production Company.

4 MS. LUCK: Good morning again. Kaitlyn Luck with
5 the Santa Fe office of Holland and Hart on behalf of the
6 applicant in these two cases, Matador Production Company.

7 HEARING EXAMINER BRANCARD: Thank you. I do not
8 see any other entries of appearance here. Are there any
9 other interested parties in Cases 22267, 22268?

10 MR. BRUCE: Mr. Examiner, Jim Bruce representing
11 Kaiser Petroleum LLC entering an appearance. Do not object
12 to the case being presented by affidavit.

13 HEARING EXAMINER BRANCARD: Thank you. Are there
14 any other interested persons in Cases 22267 and 22268?

15 (No audible response.)

16 HEARING EXAMINER BRANCARD: Hearing none, you may
17 proceed, Ms. Luck.

18 MS. LUCK: Thank you. Matador understood there
19 would not be objection to the cases proceeding by affidavit,
20 and so the standard set of exhibits were filed with the
21 Division on Tuesday.

22 Unfortunately, I just noticed that the checklist
23 for the cases didn't make it into the packages, so we will
24 need to file the Exhibit A's with the Division following the
25 hearing. It was just an oversight of when we compiled the

1 PDF, so I will send that in immediately.

2 But following what should have been Exhibit A are
3 the Exhibit Bs which are copies of the applications in both
4 cases.

5 And then Exhibit C is the affidavit of the Ms.
6 Sarah Hartfield. She is the landman for Matador in these
7 cases, and she testifies about how Matador is seeking to
8 pool two spacing units in Sections 14 and 23 underlying
9 Township 23 South, Range 34 East in Lea County, New Mexico.

10 In the first case, which is 22267, Matador is
11 seeking to pool only the Bone Spring formation and the W/2
12 of the E/2 in those two sections. And Matador will dedicate
13 the spacing unit to two wells. Those are the Florence 113
14 and the Florence 123. And the details are provided in
15 C-102s, which are attached as Ms. Hartfield's Exhibit C-1.

16 In the next case, which is 22268, Matador is only
17 seeking to pool the Bone Spring formation in the E/2 E/2
18 spacing unit in the two sections. And this spacing unit
19 will be dedicated to the Florence 114 and the Florence 124H
20 wells.

21 Again the details for the wells are provided in
22 the C-102s which are attached as Exhibit C-1. Matador
23 provides the standard land exhibits which start off with the
24 tract map for the spacing unit -- or both spacing units of
25 C-2, and Exhibit B-3 are the working interest owners that

1 Matador seeks to pool.

2 Matador also has included the overriding royalty
3 interest owners they are pooling in these cases, and at this
4 point it's my understanding that Matador is not seeking to
5 pool Mr. Bruce's client's working interest, only their
6 overriding royalty interest.

7 And then finally the last two exhibits are the
8 well proposal letter and then her chronology of contact with
9 working interest owners that haven't yet been joined that
10 Matador is seeking to pool.

11 Next in the exhibits is Matador Exhibit D, which
12 is the geologist affidavit. That is Mr. Parker, and in his
13 exhibits are the standard geology exhibits for the Bone
14 Spring formation, and he testifies that the Bone Spring is
15 appropriate for horizontal well development in this area.

16 And then the last exhibits in the packet are E
17 and F which are the notice information showing that my
18 office provided notice of this hearing to the interest
19 owners that Matador is seeking to pool and notice of
20 publication was also provided to be sure that notice was
21 timely provided.

22 So with that, I would move the admission of
23 Matador Exhibit A through F and request this case or both of
24 these cases be taken under advisement.

25 HEARING EXAMINER BRANCARD: Thank you. Mr.

1 Bruce, any questions or concerns?

2 MR. BRUCE: None.

3 HEARING EXAMINER BRANCARD: Thank you. Ms.

4 Murphy?

5 TECHNICAL EXAMINER MURPHY: Good morning, Ms.
6 Luck. When you resubmit the document, can you put a couple
7 of sentences of a summary of what was left out and why you
8 are resubmitting?

9 MS. LUCK: Oh, yeah. I specifically submit an
10 affidavit from me that says we are submitting the packet
11 again because x.

12 TECHNICAL EXAMINER MURPHY: Thank you. My other
13 question, are there any unknown parties that you were not
14 able to identify for pooling?

15 MS. LUCK: No, I think everyone was identified,
16 we just published to make sure that everybody got notice of
17 the hearing.

18 TECHNICAL EXAMINER MURPHY: Okay. Thank you. No
19 more questions.

20 HEARING EXAMINER BRANCARD: Thank you. And once
21 again, are there any other interested persons for Cases
22 22267 and 22268?

23 (No audible response.)

24 HEARING EXAMINER BRANCARD: Hearing none, the
25 exhibits will be admitted into the record. We will keep the

1 record open for the checklist. Is that all we need, Ms.
2 Luck, is the checklist?

3 MS. LUCK: Yes, that's correct, just the
4 checklist was left out of the packet, so we will file those
5 today as Exhibit A's to be admitted into the record in these
6 two cases.

7 HEARING EXAMINER BRANCARD: Okay. Once that
8 happens these cases will be taken under advisement.

9 MS. LUCK: Thank you. Appreciate.

10 HEARING EXAMINER BRANCARD: Thank you.

11 (Exhibits admitted.)

12 (Taken under advisement pending filing of
13 checklist.)

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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, PAUL BACA, New Mexico Certified Court
7 Reporter, do hereby certify that I reported the foregoing
8 virtual proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 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 16th day of December 2021.

18

/s/ Paul Baca

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Paul Baca
License Expires: 12-31-22

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