

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:

APPLICATION OF MATADOR PRODUCTION	CASE NOS. 16451,
COMPANY FOR COMPULSORY POOLING, EDDY	16452,
COUNTY, NEW MEXICO.	16453,
	16454

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 11, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER  
TERRY WARNELL, TECHNICAL EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Terry Warnell, Technical Examiner, and David K. Brooks, Legal Examiner, on Friday, January 11, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR  
New Mexico CCR #20  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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APPEARANCES

FOR APPLICANT MATADOR PRODUCTION COMPANY:

JAMES G. BRUCE, ESQ.  
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EXHIBITS OFFERED AND ADMITTED

Matador Production Company Exhibit Letters A & B  
for each case 5, 6, 6, 7

1 (2:57 p.m.)

2 MR. BRUCE: And then we have to go to the  
3 top of the red list and start off with those Matador  
4 cases, and if you could just consolidate those for  
5 hearing.

6 EXAMINER JONES: Let's call Cases 16451,  
7 16452, 16453 and 16454, consolidated for hearing.

8 Call for appearances.

9 MR. BRUCE: Mr. Examiner, Jim Bruce of  
10 Santa Fe representing the Applicant.

11 This case was originally -- it was heard, I  
12 believe, in November. Unfortunately, due to a  
13 miscommunication between the landman and me, I filed for  
14 one-mile laterals. The wells are actually two-mile  
15 laterals. The wells combined cover -- they're Bone  
16 Spring wells. They cover the Bone Spring Formation in  
17 the west half-west half, east half-west half, west  
18 half-east half and the east half-east half. Evidence  
19 was put on for the two-mile laterals. The applications  
20 were amended and new notice was given.

21 EXAMINER JONES: So it's supposed to be a  
22 one-mile?

23 MR. BRUCE: They told me it was a one-mile,  
24 and so I filed that way. And then the day before the  
25 hearing, I go, "Whoops."

1                   EXAMINER JONES:  Oh.  So you put on the  
2  evidence for two miles?  It's just that the notice had  
3  to be --

4                   MR. BRUCE:  Yes.  We put on evidence for  
5  the two miles.  And we gave new notice so that everyone  
6  would have a chance to object.

7                   EXAMINER BROOKS:  Which no one did?

8                   MR. BRUCE:  No one objected the first time,  
9  and no one has objected this time.

10                  EXAMINER BROOKS:  That's what usually  
11  happens.

12                  MR. BRUCE:  And I'll start off with these  
13  affidavits -- or these exhibits, and then I'll make it  
14  easier from there.

15                  So in the first Case, 16451, which is the  
16  west half-west half, I gave new notice.  Exhibit A is  
17  the Affidavit of Notice.

18                  And Exhibit B, there were -- there was --  
19  these are returned mail or no green cards, so Affidavit  
20  of Notice was published, and so notice is complete.

21                  And I ask that 16451 be taken under  
22  advisement.

23                  EXAMINER JONES:  So Exhibit A and Exhibit B  
24  for Case 16451 are admitted, and the case is taken under  
25  advisement.

1 (Matador Production Company Exhibit Letters  
2 A and B are offered and admitted into  
3 evidence.)

4 MR. BRUCE: And then the same thing for  
5 16452. It was renotified. No one objected. So Exhibit  
6 A is the Affidavit of Notice. There were one or two  
7 returns, but I published notice in the Carlsbad  
8 newspaper. That's Exhibit B.

9 And so notice is complete, and I'd ask that  
10 these two exhibits be admitted and that the case be  
11 taken under advisement.

12 EXAMINER JONES: Did you pick up new  
13 parties?

14 MR. BRUCE: No. No.

15 EXAMINER JONES: The same parties?

16 MR. BRUCE: Matador, or MRC Permian to be  
17 particular, owned all of one section. And all of the  
18 parties being pooled in both the first go-around and the  
19 second go-around were in a different section.

20 EXAMINER JONES: Oh, okay.

21 MR. BRUCE: So there were no additional  
22 parties.

23 EXAMINER JONES: Okay. Exhibits A and B of  
24 Case 16452 are admitted, and the case is taken under  
25 advisement.

1 (Matador Production Company Exhibit Letters  
2 A and B are offered and admitted into  
3 evidence.)

4 MR. BRUCE: And Case 16453, same situation.  
5 And Exhibit A is my Affidavit of Notice. There was one  
6 party that I did not receive a green card back from, so  
7 notice was published. The affidavit of mailing is  
8 Exhibit A.

9 Exhibit B is the Affidavit of Publication,  
10 and everyone received actual or constructive notice.

11 So I'd move the admission of Exhibits A and  
12 B and ask that the case be taken under advisement.

13 EXAMINER JONES: Exhibits A and B are  
14 admitted, and Case Number 16453 is taken under  
15 advisement.

16 (Matador Production Company Exhibit Letters  
17 A and B are offered and admitted into  
18 evidence.)

19 MR. BRUCE: And finally Case 16454, same  
20 story. Notice was re-sent with the amended application  
21 showing a two-mile lateral.

22 And Exhibit A is my affidavit of mailing.  
23 A couple of green cards did not come back.

24 Exhibit B is the Affidavit of Publication  
25 in the Carlsbad newspaper. Everyone received actual

1 notice or constructive notice.

2 I'd move the admission of Exhibits A and B  
3 in 16454 and ask that that case also be taken under  
4 advisement.

5 EXAMINER JONES: Exhibits A and B are  
6 admitted, and Case 16454 will be taken under advisement.

7 (Matador Production Company Exhibit Letters  
8 A and B are offered and admitted into  
9 evidence.)

10 (Case Numbers 16451, 16452, 16453 and 16454  
11 conclude, 3:03 p.m.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court  
6 Reporter, New Mexico Certified Court Reporter No. 20,  
7 and Registered Professional Reporter, do hereby certify  
8 that I reported the foregoing proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings that  
11 were reduced to printed form by me to the best of my  
12 ability.

13 I FURTHER CERTIFY that the Reporter's  
14 Record of the proceedings truly and accurately reflects  
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither  
17 employed by nor related to any of the parties or  
18 attorneys in this case and that I have no interest in  
19 the final disposition of this case.

20 DATED THIS 29th day of January 2019.

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23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters

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