

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 NO. 20326
COMPANY FOR COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

April 18, 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 Thursday, April 18, 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
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APPEARANCES

FOR APPLICANT MATADOR PRODUCTION COMPANY:

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FOR INTERESTED PARTY CONOCOPHILLIPS COMPANY:

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EXHIBITS OFFERED AND ADMITTED

Matador Production Company Exhibit Numbers 1 through 3	6
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1 (1:32 p.m.)

2 EXAMINER JONES: Okay. We're calling Case
3 20326, application of Matador Production Company for
4 compulsory pooling in Eddy County, New Mexico.

5 Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of
7 Santa Fe representing the Applicant. I'm presenting
8 this case by affidavit.

9 MR. FELDEWERT: May it please the examiner,
10 Michael Feldewert, with the Santa Fe office of Holland &
11 Hart, appearing on behalf of MRC Permian.

12 MR. BRUCE: Mr. Examiner, I've handed you
13 several exhibits. The first one is the affidavit of
14 Trey Goodwin, Matador's landman. Matador Production
15 Company is the operator for MRC Energy Company. The
16 affidavit contains the usual. There's a Midland Map
17 Company map, and they're seeking to force pool a
18 320-acre well unit in the Wolfcamp, west half of 19,
19 24-28. And the land is federal and fee. And there are
20 two horizontal Wolfcamp wells identified in the
21 affidavit. So, of course, this is the Purple Sage;
22 Wolfcamp Gas Pool.

23 Attachment A is the land plat.

24 Attachment B contains the two C-102s for
25 the well.

1 Attachment C lists the working interest
2 ownership.

3 Attachment D is a form of the proposal
4 letter sent out. There are only two parties to be
5 pooled, ConocoPhillips and Tap Rock Resources.

6 MR. FELDEWERT: Mr. Examiner, I'm going to
7 have to amend my entry of appearances. I got the cases
8 mixed up. I'm appearing on behalf of ConocoPhillips
9 Company.

10 EXAMINER JONES: But not the other parties?

11 MR. FELDEWERT: But not MRC Permian. Sorry
12 about that.

13 EXAMINER JONES: Sounds good.

14 MR. BRUCE: And then there are AFEs. These
15 are approximately \$8 million Wolfcamp wells, and the
16 affidavit contains the usual information. They're
17 requesting a 200 percent risk charge and \$8,000 a month
18 for a drilling well and \$800 a month for a producing
19 well. And Matador asserts they've made a good-faith
20 effort to obtain the voluntary joinder of interest
21 owners.

22 Exhibit 2 is my Affidavit of Notice for the
23 parties being pooled. They did receive actual notice.

24 And then Exhibit 3 is the affidavit of the
25 geologist, Daniel Brugioni, and it contains the usual, a

1 structure map. There is a locator plat.

2 Attachment B is a structure map. There is
3 no preference for lay-down or stand-up wells in this
4 unit.

5 Attachment E is the cross section for the
6 well showing the two different targets. The 202H well
7 is an Upper Wolfcamp, and the 222H is a lower target.
8 And then they have wellbore sketches or cartoons showing
9 that the wells will be orthodox. The geologist states
10 that the horizontal unit is justified by the geology,
11 and each quarter section will contribute more or less
12 equally to production.

13 And with that, I would move the admission
14 of Exhibits 1 and 2 and 3 into the record.

15 I do have to ask that this be continued, I
16 guess, probably to May 30 because there were some
17 overrides that I notified and notice didn't complete as
18 to overrides.

19 EXAMINER JONES: Okay.

20 MR. BRUCE: But I would ask that Exhibits
21 1, 2 and 3 be admitted into the record.

22 EXAMINER JONES: Any objection?

23 MR. FELDEWERT: No objection.

24 EXAMINER JONES: Exhibits 1, 2 and 3 are
25 admitted.

1 And anything else in this case?

2 MR. FELDEWERT: No.

3 Continuing to when?

4 EXAMINER BROOKS: Sorry I'm so late.

5 EXAMINER JONES: We just started.

6 MR. BRUCE: May.

7 (Matador Production Company Exhibit Numbers
8 1, 2 and 3 are offered and admitted into
9 evidence.)

10 EXAMINER WARNELL: Did we take it under
11 advisement?

12 EXAMINER JONES: No. We continued it.

13 (Case Number 20326 concludes, 1:36 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 28th day of April 2019.

21

22

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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