

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. 20324,
COMPANY FOR COMPULSORY POOLING, EDDY 20492
COUNTY, NEW MEXICO.

APPLICATION OF WPX ENERGY PERMIAN, CASE NOS. 20450,
LLC FOR COMPULSORY POOLING, EDDY 20451
COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 12, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
KATHLEEN MURPHY, TECHNICAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, William V. Jones,
Chief Examiner, and Kathleen Murphy, Technical Examiner,
on Friday, July 12, 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.

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APPEARANCES

FOR APPLICANT MATADOR PRODUCTION COMPANY and FOR INTERESTED PARTY MRC PERMIAN:

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1 (9:07 a.m.)

2 EXAMINER JONES: Let's go on the record
3 this morning. This is a special examiner hearing,
4 Friday, July the 12th, 2019, labeled Docket Number
5 24-19. I'm William V. Jones. And it looks like we have
6 six cases on the docket.

7 What I have is Case Numbers 20463 and
8 20465, they're being continued. We don't have a date
9 yet. But we hope to have one by Monday or so, and
10 we'll -- we'll publish this to let people know when
11 those are going. There are still some -- the parties
12 are talking about setting a date for that SWD matter.

13 And the other four cases we have on the
14 docket are the Matador and WPX cases, two of each. I
15 can call the two Matador cases and ask for appearances
16 and call the WPX cases and ask for appearances and then
17 ask the attorneys for a brief of what we're going to do
18 today.

19 Okay. The Matador case is Case Number
20 20324, application of Matador Production Company for
21 compulsory pooling in Eddy County, New Mexico, and the
22 other one is Case Number 20492, application of Matador
23 Production Company for compulsory pooling in Eddy
24 County, New Mexico.

25 Call for appearances in those two cases.

1 MR. BRUCE: Mr. Examiner, Jim Bruce of
2 Santa Fe representing Matador Production Company. I
3 have no witnesses.

4 EXAMINER JONES: Any other appearances?
5 (Cell phone ringing.)

6 MS. SHAHEEN: Sharon Shaheen on behalf of
7 WPX Energy Permian, LLC.

8 EXAMINER JONES: Okay. Let's go off the
9 record.

10 (Pause in proceedings, 9:09 a.m. to 9:09
11 a.m.)

12 MR. BRUCE: Okay. Sorry about that.
13 That confirms everything.

14 EXAMINER JONES: Let's call Case Numbers
15 20450 and 20451. Both are the application of WPX Energy
16 Permian, LLC for compulsory pooling in Eddy County, New
17 Mexico.

18 Call for appearances.

19 MS. SHAHEEN: Sharon Shaheen and John
20 McIntyre on behalf of WPX Energy Permian, LLC.

21 MR. BRUCE: Jim Bruce representing Matador
22 Production Company. If I could just make a brief
23 statement, Mr. Examiner.

24 EXAMINER JONES: Okay.

25 MR. BRUCE: In these cases, you know,

1 counterapplications, it was just confirmed 30 seconds
2 ago that WPX has acquired Matador's interests in this
3 acreage, and that has been confirmed. The deal is done.
4 Therefore, I request that Case Numbers 20324 and 20492
5 be dismissed.

6 EXAMINER JONES: Case Numbers 20324 and
7 20492 will be dismissed.

8 MR. BRUCE: And then as to the WPX
9 applications, I'll maintain my entry of appearance in
10 those, but we have no witnesses, and we do not object to
11 the cases being presented by affidavit.

12 EXAMINER JONES: Okay. Ms. Shaheen, any
13 comments before we get started? Just presenting by
14 affidavit?

15 MS. SHAHEEN: I will be presenting this
16 case by affidavit.

17 EXAMINER JONES: Okay.

18 MS. SHAHEEN: And I wanted to say I
19 appreciate the Division setting a special docket date
20 and hearing this by affidavit on a special docket date.

21 EXAMINER JONES: Well, we -- Fridays, you
22 know, after the regular hearing are kind of a time for
23 that, and they decided to split this out into a special
24 docket instead of continuation of the docket from
25 yesterday.

1 And, you know, there is some talk of
2 actually modifying the regular dates. I'm thinking in
3 the old days, they used to go on Wednesdays. I think
4 they did Wednesdays.

5 You (indicating) probably remember it.

6 MR. BRUCE: Uh-huh.

7 EXAMINER JONES: That way we wouldn't be
8 arguing about special docket dates. We could just start
9 on Wednesday and go three days and whatever happens
10 happens, you know, so -- anyway, that's just talk right
11 now.

12 So, Mr. Bruce, your company, Matador, has
13 an appearance in these two cases.

14 We're ready to proceed.

15 And you're not going to put on anybody?
16 Just an entry?

17 MR. BRUCE: No, sir.

18 EXAMINER JONES: Ms. Shaheen, go ahead.

19 MS. SHAHEEN: We're here on the
20 applications of WPX Energy Permian, LLC for compulsory
21 pooling in Case Numbers 20450 and 20451. I've handed
22 packages out with exhibits.

23 And under Tab 1, you'll find, first, the
24 original application for Case Number 20450, which is the
25 Beagle well, and then the amended application. And the

1 only reason the amended application was filed was
2 because the advertisement that was provided to the
3 Division incorrectly identified the location as the
4 north half, and it should have been identified as the
5 south half. So other than that, there is no change in
6 the amended application.

7 And then we have the original application
8 for the Collie well in Case Number 20451.

9 Both of these wells are in the Purple Sage;
10 Wolfcamp Gas Pool, and both seek a 640-acre unit for a
11 two-mile well, Case Number 20450 being in the south half
12 of Sections 34 and 35, Township 22 South, Range 27 East,
13 and the Collie well, in Case Number 20451, being in the
14 north half.

15 Under Tab 2, you'll find the affidavit of
16 the landman, Brennan West. I'll just summarize what
17 he's testifying here to today. In paragraph four, he
18 has previously testified before the Division as an
19 expert witness in petroleum land matters. He has a
20 degree in energy management and finance from the
21 University of Oklahoma, and he's been working in
22 New Mexico for approximately ten years.

23 Attached to his affidavit is Exhibit A1 and
24 Exhibit A2. These are plats that outline the units for
25 each well, and they identify the tracts that are at

1 issue, and the tracts correspond to the tracts
2 identified in Exhibits C1 and C2, which have the
3 ownership breakdown. The location of the proposed wells
4 within each proposed unit is found in the proposed
5 C-102s. Actually, I guess they're not just proposed.
6 I'm not sure if they've been approved yet or not. B1
7 and B2, you'll see B1 is the Beagle well and B2 is the
8 Collie well.

9 I understand that the completed intervals
10 are within standard setbacks. The first take points are
11 within standard setbacks, but the last take point of the
12 Collie well may be closer than the standard setback, and
13 WPX plans to seek administrative approval of that
14 unorthodox location. And that's set forth in Mr. West's
15 affidavit.

16 No opposition is expected in light of the
17 settlement with Matador.

18 Exhibit D. We actually have letters of
19 support from three interest owners.

20 There are depth severances in the Wolfcamp
21 Formation.

22 EXAMINER JONES: So there is a depth
23 severance in the Wolfcamp.

24 MS. SHAHEEN: There is a depth severance in
25 the Wolfcamp Formation.

1 EXAMINER JONES: Are you pooling the entire
2 Wolfcamp or just certain depths in Wolfcamp? Actually,
3 the applications would say that, what you're doing
4 there.

5 It doesn't say it.

6 MS. SHAHEEN: "Pooling all uncommitted
7 interests in the Wolfcamp Formation."

8 EXAMINER JONES: Okay. As long as you
9 noticed everybody top to bottom.

10 MS. SHAHEEN: Uh-huh.

11 EXAMINER JONES: So does he have that in
12 here, that they noticed everybody top to bottom?

13 MS. SHAHEEN: Let's see (reading).

14 I can confirm that with him.

15 EXAMINER JONES: Okay. Okay. Thanks.
16 That sounds good.

17 It looks like they have -- the people in
18 red are the pooled parties?

19 MS. SHAHEEN: The people in red, I
20 understand, are the unleased mineral owners. The people
21 in red with the asterisks are interests that are in
22 probate, and I think that has more to do with the Collie
23 well that's on Exhibit C2. This is actually in Hobbs,
24 and so there are a lot of really small tracts, and there
25 were quite a few deceased mineral interest owners. And

1 so our landman, I thought, did a really good job of
2 trying to locate all the heirs to the deceased mineral
3 interest owners and have identified by asterisk those
4 that are in probate.

5 EXAMINER JONES: So it's either Carlsbad or
6 Loving?

7 MS. SHAHEEN: It's Carlsbad, not Hobbs. My
8 geography is not good.

9 EXAMINER JONES: That's all right. It's
10 all running together down there, I think.

11 MS. SHAHEEN: And if you look at that Tract
12 A1 -- sorry -- Exhibit A1 and A2, especially A2, you'll
13 see where there is those really small tracts.

14 EXAMINER JONES: Yes. I noticed -- okay.
15 So that's why there are two of those exhibits, is
16 because of the depth severance then, because you've got
17 different ownership -- basically you have different
18 tracts at different depths, it looks like, because
19 you've got the exact same -- the south half of 34 and
20 35, is that --

21 MS. SHAHEEN: I don't know if those tracts
22 are different because of depth severances. That's
23 another thing I can check with them.

24 EXAMINER JONES: But the Collie and Beagle
25 are subject to two different applications; is that

1 correct?

2 MS. SHAHEEN: Yes. The Beagle is the
3 20450. And I've tried to identify the exhibits for the
4 Beagle as the 1. So it's A1, B1, C1. Those will all
5 relate to the Beagle well.

6 And with respect to the Collie well, A2,
7 B2, C2.

8 EXAMINER JONES: Yeah, because both
9 applications say "south half of Sections 34 and 35."

10 MS. SHAHEEN: And that's why we have the
11 amended application.

12 EXAMINER JONES: Oh, north half of Sections
13 24 [sic] and 25 [sic].

14 MS. SHAHEEN: Because the amended
15 application clarifies that the Beagle is actually the
16 north half, not the south half.

17 EXAMINER JONES: Okay. Okay. But on the
18 docket -- on the docket, it says -- it says -- it says
19 "south half of 20450 amended," and on the 20451, it says
20 "the north half."

21 MS. SHAHEEN: Oh, that's right. That's
22 right.

23 EXAMINER JONES: Okay. So both sections
24 are two lay-down wells, one north of the other.

25 MS. SHAHEEN: (Indicating.)

1 EXAMINER JONES: Okay. I'm sorry to
2 interrupt like this.

3 MS. SHAHEEN: No. I expected to be
4 interrupted.

5 Going back to Mr. Brennan's affidavit, I
6 left off with the depth severances in the Wolfcamp, and
7 I will confirm with Mr. West that he has notified
8 everyone from the top to the bottom of the Wolfcamp.

9 Paragraphs 11 and 12 provide the
10 surface-hole location, the bottom-hole locations, total
11 vertical depth, first take point and last take point
12 with respect to the Beagle in paragraph 11 and with
13 respect to the Collie in paragraph 12.

14 Mr. West conducted a diligent search of
15 public records and conducted phone records and computer
16 searches to obtain contact information. We talked about
17 how he tried to track down heirs. He mailed all the
18 parties well proposals, and those are attached as
19 Exhibits F1 and F2, I believe. Let me double-check
20 there.

21 Yes. So F1 relates to the Beagle, and F2
22 relates to the Collie, and each have an attached AFE.

23 WPX has made a good-faith effort to obtain
24 voluntary joinder of the interest owners in the proposed
25 well.

1 WPX requests overhead and administrative
2 costs of 8,000 and month for drilling and 800 a month
3 for producing, and these rates are fair and comparable
4 to rates charged by other operators. WPX requests the
5 maximum cost plus 200 percent risk charge be assessed
6 against nonconsenting working interest owners and that
7 it be designated operator of the wells.

8 And Mr. West confirms that he prepared the
9 exhibits or they were compiled from WPX's business
10 records. He concludes by stating that the granting of
11 this application is in the interest of conservation, the
12 prevention of waste and the protection of correlative
13 rights.

14 EXAMINER JONES: Okay. The Matador
15 interests that were just purchased, are they --

16 MR. BRUCE: That's actually MRC Permian, is
17 the entity that owns the interest. And I'm about to
18 enter an appearance on their behalf, too.

19 EXAMINER JONES: So they should be listed
20 here as MRC Permian somewhere on the list of thousands
21 of people that were notified here?

22 MS. SHAHEEN: Right. If you look at
23 Exhibit C1, on the top of second page, you'll see their
24 interest in Tract 8 in the south half. It's actually, I
25 think, a relatively small interest in the south half.

1 And then with respect to Exhibit C2 -- I'm
2 not finding -- okay. This is -- I don't have these
3 pages numbered, but Tracts 33 and 34, about four or five
4 pages into Exhibit C2.

5 EXAMINER JONES: 33 and 34?

6 MS. SHAHEEN: Uh-huh.

7 EXAMINER JONES: MRC Permian, the working
8 interest. But on C1, it shows them as an unleased
9 mineral interest -- or unleased -- unleased. So that
10 was interesting.

11 MR. BRUCE: Well, I think this is all fee
12 land, and I think we are out there acquiring -- they
13 might have just purchased some mineral interests from
14 people --

15 EXAMINER JONES: Oh, actually owned it.

16 MR. BRUCE: -- who didn't want to lease.

17 MS. SHAHEEN: That, I don't know. I'm
18 assuming that their agreement relates to all of the
19 interests that MRC Permian has in these two proposed
20 units.

21 EXAMINER JONES: Okay. On your affidavit,
22 for sending in the clarification from your land person,
23 can you also point out where they show the interests in
24 the different -- different depths? It looks like -- to
25 me it's all lumped together, all depths, but he just

1 says it's a vertical split in the interest. So I don't
2 see where he put -- he said that they are, you know,
3 certain depths.

4 MS. SHAHEEN: He said that there are depth
5 severances. And so you would like for him to identify
6 the different owners in the different depth severances?

7 EXAMINER JONES: Yeah. The different
8 owners at the different depths and the different
9 percentages.

10 MS. SHAHEEN: Okay.

11 EXAMINER JONES: If there is one split,
12 well, then maybe he has a different table for above that
13 level and a table for below that level or however best
14 to show it, and then have him submit another affidavit
15 and copy Mr. Bruce.

16 MS. SHAHEEN: Okay. All right. I can do
17 that.

18 EXAMINER JONES: So basically we've got how
19 many categories of interests that are being pooled here?
20 We've got working interests. We've got unleased mineral
21 interests, and we've people in probate. So it's
22 unmarketable type, so all kinds of interests.

23 MS. SHAHEEN: There are all kinds of
24 interests, although there are no federal or state
25 interests. It's all fee.

1 EXAMINER JONES: Just a big fee nightmare,
2 it looks like.

3 MS. SHAHEEN: I think that's about what it
4 was (laughter).

5 EXAMINER JONES: Okay. And 8,000 for
6 overhead and 800 for --

7 MS. SHAHEEN: Yes.

8 EXAMINER JONES: Okay. The terms look
9 decent, 75 percent, \$1,000 an acre. I have no idea if
10 those are, relatively speaking, a good deal, but at
11 least it's specified there.

12 MS. SHAHEEN: What are you looking at?

13 EXAMINER JONES: The terms -- the proposal
14 terms to the unleased mineral interests -- or unleased
15 and the unparticipating interests on the proposal
16 letter.

17 MS. SHAHEEN: Uh-huh. I think it's
18 reasonable.

19 EXAMINER JONES: I have no idea how they
20 can make money at 25 percent royalty burden, but -- it's
21 a different world out there.

22 MS. SHAHEEN: If you're ready, I'll move on
23 to the geologist's affidavit.

24 EXAMINER JONES: Sure.

25 MS. SHAHEEN: This is behind Tab 3, and

1 there are two exhibits that are attached to
2 Ms. Workman's affidavit. She testifies that she is
3 employed as a petroleum geologist with WPX, that she's
4 familiar with the subject application and the geology
5 involved. She has previously testified before the
6 Division as an expert witness in petroleum geology
7 matters, and her testimony has been accepted by the
8 Division and made a matter of record. She graduated
9 with a Bachelor of Science in Geology from Colorado Mesa
10 and has worked on -- in New Mexico on oil and gas
11 matters since January of 2018.

12 Her Exhibit G is a Wolfcamp top SSTVD
13 structure map. The red rectangle indicates the proposed
14 spacing unit contour intervals are 100 feet. The
15 structure map shows that there is a regional downdip to
16 the east. She does not observe any faulting, pinch-outs
17 or other geologic impediments to developing the targeted
18 interval with horizontal wells.

19 With respect to Exhibit H, a Wolfcamp top
20 stratigraphic cross section, she says that each well has
21 a triple combo suite. Track one is a gamma ray log with
22 interpreted color fill with a lithology and scale from
23 zero to 150 API units. Track two is a resistivity log,
24 shown in red and light blues and dark blue, shown on the
25 logarithmic scale from 2 ohms to 2,000 ohms. Track

1 three is a porosity tract with neutron porosity
2 identified by the blue curve scale from 45 percent to
3 negative 15 percent. Same for the density-porosity
4 curve, which is the red curve. The cross section
5 identifies the key tops used to evaluate reservoirs and
6 landing targets for both wells. The landing target
7 interval is shown on the cross section by a green-shaded
8 box. The reservoir and the Wolfcamp Y has constant
9 thickness and reservoir facies throughout the proposed
10 spacing units.

11 EXAMINER JONES: Okay. That's Wolfcamp Y,
12 looks like, but it's Purple Sage anyway.

13 MS. SHAHEEN: That is the pool.

14 EXAMINER JONES: Yeah.

15 And then she goes into the stress
16 direction. And she's drilling lay-down wells, so that
17 looks okay.

18 MS. SHAHEEN: Good.

19 And she concludes that the horizontal
20 spacing and proration unit is justified from a geologic
21 standpoint. There are no structural impediments or
22 faulting that will interfere with horizontal
23 development, and quarter-quarter section will contribute
24 more or less equally. The preferred well orientation in
25 the area is east to west because the inferred

1 orientation of the maximum horizontal stress is roughly
2 northeast-southwest.

3 And she prepared these exhibits, or they
4 were compiled from WPX's business records. And she
5 opines that the granting of the application is in the
6 interest of conservation and the prevention of waste.

7 EXAMINER JONES: Okay.

8 MS. SHAHEEN: All right. Finally behind
9 Tab 4 -- well, first I would move to have both
10 affidavits with their exhibits accepted into the record.

11 EXAMINER JONES: Any objection?

12 MR. BRUCE: No objection.

13 EXAMINER JONES: Any questions or comments.

14 MR. BRUCE: No.

15 EXAMINER JONES: Okay. I don't have any
16 comments or questions either, except it's just for
17 the -- you're going to go ahead to the notice here.

18 So this is 1 through 3; is that correct?

19 MS. SHAHEEN: Well, 1 -- 1 is the
20 application and those are already in the record, so we
21 have 2 and 3.

22 EXAMINER JONES: Tabs 2 and 3 are admitted
23 in both cases.

24 (WPX Energy Permian, LLC Exhibit Numbers 2
25 and 3 are offered and admitted into

1 evidence.)

2 MS. SHAHEEN: Tab 4, the Affidavit of
3 Notice. Here I've set out what notice has been given in
4 Case Number 20450. Notice was originally issued by
5 Holland & Hart, and they provided me with reports
6 indicating who was noticed and what green cards were
7 returned. They also provided me with an Affidavit of
8 Publication illustrating that those who did not receive
9 personal notice by mail were noticed through the
10 Carlsbad paper. And that's demonstrated to my
11 satisfaction that those owners who did not receive
12 personal notice were served by publication.

13 With respect to the amended application, I
14 caused notice to be sent by certified mail to all of
15 those who were thought to be pooled with the exception
16 of one who was unlocatable. I believe attached proof of
17 receipt by all parties except three, as Exhibit C, and
18 notice by publication was directed to those three
19 persons and the unlocatable party, among others, which
20 is reflected in the Affidavit of Publication attached is
21 as Exhibit D. So that's the amended application for the
22 Beagle well in Case Number 20450.

23 EXAMINER JONES: Okay. So new notice was
24 sent out after it was amended then?

25 MS. SHAHEEN: Yes.

1 EXAMINER JONES: Okay.

2 MS. SHAHEEN: In Case Number 20451, I
3 caused the mailing of the application by certified mail
4 to all of the uncommitted interest owners who were
5 sought to be pooled except one party who was
6 unlocatable. And it actually turns out that there were
7 a lot of parties who were unlocatable, especially those
8 who were potential heirs. But you'll see in Exhibit E
9 evidence of mailing to all of the parties, proof of
10 receipt to the majority of the parties. Notice by
11 publication was directed to all of those who did not
12 receive personal notice, among others.

13 And we actually included everyone in both
14 publications, which is reflected in the Affidavit of
15 Publication attached hereto as Exhibit F.

16 And I further go on to say that WPX has
17 conducted a good-faith, diligent effort to find the
18 names and correct addresses for all the interest owners
19 entitled to receive notice.

20 EXAMINER JONES: Okay. Looks like a huge
21 notice effort here.

22 MS. SHAHEEN: It was. And John and I spent
23 quite a bit of time last night putting this together for
24 you.

25 I'm trying to encourage my assistant to do

1 it the electronic way. Hopefully it'll be easier for
2 everyone if we do it that way.

3 EXAMINER JONES: Yeah. Were you here for
4 yesterday morning?

5 MS. SHAHEEN: I missed yesterday morning.

6 EXAMINER JONES: Kathleen, you want to
7 reiterate just a tiny bit?

8 EXAMINER MURPHY: I just talked about the
9 importance of the lawyers sending the exhibits PDF to me
10 as opposed to -- in many cases, I would have to email
11 lawyers and have them send them to me, and it's gotten
12 kind of out of hand. So I just talked about when you
13 get back to the office in the next day or so, make sure
14 you send me the PDF. Try to make it one document as
15 opposed to splitting all the exhibits. And the size
16 usually that is getting through is 28 megs, which is
17 fairly large. I have not had trouble with large
18 documents getting through, but some people do send me --
19 they'll split them into two, and that's fine, too.

20 But really it's more on the lawyers and
21 their assistants to make sure their documents get there.
22 If they don't get to me, they don't get put in, and what
23 happens is the examiner goes to write up the order and
24 it's not there, and it slows down, as though it's not
25 slow enough. But just that.

1 MS. SHAHEEN: That's good. Actually, John
2 was here yesterday, and he came back and told me,
3 reminded me, "Don't forget to send the exhibits when
4 we're done."

5 EXAMINER JONES: Okay. Do you want to
6 admit these?

7 MS. SHAHEEN: Yes.

8 I move to admit the affidavit and exhibit
9 behind Tab 4.

10 EXAMINER JONES: Okay. Tab 4 is admitted.
11 (WPX Energy Permian, LLC Exhibit Number 4
12 is offered and admitted into evidence.)

13 MS. SHAHEEN: And I would request that the
14 Division -- I will provide an amended affidavit
15 addressing the issues that you --

16 EXAMINER JONES: I'm a bit concerned here
17 that because of the number of people and the fact that
18 there's -- I don't have Mr. Brooks here, but we see a
19 lot of cases get re-opened to pool additional parties
20 that the landman finds out about later on. And there
21 are a bunch of parties that are not signed here that --
22 that could be -- it's possible, if the landman breaks
23 out this stuff and then he or she notices any kind of --
24 somebody that got left out, that might require an
25 additional notice. I'm inclined to continue this case

1 until August 22nd and then receive that last affidavit
2 from him with the -- with the, you know, testimony of
3 who else signed up and if anybody else had to receive
4 notice, they got notice in the case.

5 MS. SHAHEEN: I can do that, although I
6 would -- it has been a while because this has been
7 continued a few times, and he has revised those notices.
8 And I did mean to mention that there was one person --
9 or one entity who was omitted in the original notice,
10 and he got a waiver from that person. So he has been
11 continuing to revise and keep up, so I don't know how
12 much more that's going to change again in the next
13 month.

14 EXAMINER JONES: So when did this process
15 get started?

16 MS. SHAHEEN: Well, the application was
17 first filed -- the Beagle application was filed April
18 2nd, and the Collie application was also -- I think also
19 filed April 2nd. So that was when the process was
20 started.

21 EXAMINER JONES: That's just the
22 application, but the land work was going on way before
23 that.

24 MS. SHAHEEN: That's true. The land work
25 has been going on -- I don't know how long. It's been

1 going on for a while because there were so many tracts
2 that were in the Collie well.

3 MR. BRUCE: I think both companies started
4 looking at this, I believe, at least at the end of last
5 year, I believe, at least.

6 MS. SHAHEEN: I would imagine it would take
7 them that long.

8 MR. BRUCE: Because I've seen dates that
9 show that.

10 EXAMINER JONES: The land deck that Matador
11 did, is there any talk between the land people, Matador,
12 with the land people with WPX? In other words, just to
13 cross-check to see if anybody was missing.

14 MS. SHAHEEN: I can ask him. I mean, I
15 know that our landman has been talking with his
16 counterpart at Matador, but I can ask him to
17 cross-check.

18 EXAMINER JONES: Can you do that?

19 MS. SHAHEEN: Uh-huh.

20 EXAMINER JONES: Just include it in the
21 affidavit.

22 And then we'll take these under advisement.
23 Hopefully they won't have to get re-opened again.

24 MS. SHAHEEN: I hope so, because we do
25 still have that lease expiration issue.

1 EXAMINER JONES: Oh, I didn't know about
2 that.

3 MS. SHAHEEN: Yeah. There are some leases
4 that were set to expire at the end of July. Obviously,
5 they've been working on renewing those or releasing
6 them. But there are also leases that are set to expire
7 at the end of October or sometime in October.

8 EXAMINER JONES: Okay. Supplement another
9 affidavit and copy Mr. Bruce, and we'll take these under
10 advisement, if you're done with the case here.

11 MS. SHAHEEN: I am. Thank you.

12 EXAMINER JONES: Okay. Cases 20450 and
13 20541 are taken under advisement.

14 And that's it for the docket. We're done.

15 DR. GRUEBEL: Those two wells are
16 permitted. I just looked them up.

17 EXAMINER JONES: That means they're ready
18 to go.

19 (Case Numbers 20324, 20492, 20450 and 20451
20 conclude, 9:44 a.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 July 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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