

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 NO. 20767

Application of Matador Production Company  
for Compulsory Pooling, Eddy County,  
New Mexico

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING  
8:29 A.M.  
THURSDAY, OCTOBER 31st, 2019  
SANTA FE, NEW MEXICO

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Kathleen Murphy,  
Examiner, Phillip Goetze, Examiner, Eric Ames, Legal  
Examiner on Thursday, October 31, 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: Robin E. Johnson  
New Mexico CCR 105, RPR, CA CSR  
PAUL BACA COURT REPORTERS  
500 Fourth Street Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

1 A P P E A R A N C E S

2 FOR THE APPLICANT:

3 Kaitlyn L. Luck, Esquire  
 4 Holland & Hart  
 110 North Guadalupe, Suite 1  
 Santa Fe, New Mexico 87501  
 5 (505) 954-7286  
 kaluck@hollandhart.com

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7 I N D E X

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APPLICANT WITNESSES: PAGE

9

Chris Carleton  
 (By affidavit)

11 Clark Collier  
 (By affidavit)

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Kaitlyn A. Luck  
 (By affidavit)

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14 TAKEN UNDER ADVISEMENT 5

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E X H I B I T S

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17 NUMBER DESCRIPTION ADMITTED

18 Application Packet Including: 5

19 A-1 through A-4

20 B-1 through B-4

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1                   EXAMINER MURPHY: So, the first case we  
2 will call is 20767, and it is the application of  
3 Matador Production Company for compulsory pooling,  
4 Eddy County, New Mexico.

5                   Call for appearances.

6                   MS. LUCK: Kaitlyn Luck for the Santa Fe  
7 office of Holland & Hart on behalf of the applicant.

8                   MS. MURRAY: Are there any other  
9 appearances?

10                  Proceed.

11                  MS. LUCK: Thank you.

12                  In this case, Matador will present this  
13 case by affidavit. So, today, we will be presenting  
14 three affidavits.

15                  The first affidavit is the affidavit of  
16 Matador's landman, Chris Carleton. That is Exhibit A.  
17 And he notes in his affidavit that Matador is seeking  
18 an order pooling a standard horizontal spacing unit in  
19 the Wolfcamp formation underlying a standard 320-acre  
20 horizontal spacing unit comprised of the S/2 of  
21 Section 18, Township 24 South, Range 29 East, NMPM,  
22 Eddy County.

23                  This spacing unit will be dedicated to  
24 the Dr. Lana White Com #203H Well, the #217H and the  
25 #223H.

1                   Together with his affidavit, our first  
2   Exhibit A1, which are the C-102's for the three wells;  
3   Exhibit A2, which is a tract map reflecting the  
4   spacing unit and the proposed well bores; Exhibit A3,  
5   which is an ownership breakdown, which reflects the  
6   parties that Matador seeks to pool in this case; and  
7   then Exhibit A4, which are the well proposal letters,  
8   together with the AFE's for all three of the wells in  
9   the spacing unit.

10                  Finally, Mr. Carleton notes in his  
11   affidavit that Matador is requesting overhead and  
12   administrative costs of 8,000 per month while drilling  
13   and 800 per month while producing.

14                  Exhibit B is the affidavit of  
15   Clark Collier, who is the geologist on this case, who  
16   works for Matador Production Company.

17                  Together with his affidavit are  
18   Exhibit B1, which is a locator map reflecting the  
19   spacing unit.

20                  Exhibit B2 is a subsea structure map  
21   for the top of the Wolfcamp formation.

22                  His Exhibit B3 is a cross-section map.

23                  And then, finally, he Exhibit B4 is a  
24   cross-section for the three wells noted on the  
25   cross-section.

1                   And in his opinion, the structure is  
2     consistent and the target interval is consistent in  
3     thickness across the entirety of the proposed spacing  
4     unit. That concludes his affidavit and exhibits.

5                   And then, finally, Exhibit C is an  
6     affidavit prepared by me noting that our office  
7     provided notice of this hearing to the interested  
8     parties.

9                   And out of an abundance of caution, we  
10    also published notice of this case in the Carlsbad  
11    newspaper, which is also included with Exhibit C.

12                  So, with that, I would move the  
13    admission of Exhibits A, B and C with our  
14    corresponding attachments.

15                  EXAMINER MURPHY: The exhibits are  
16    accepted.

17                  MS. LUCK: And then I would also request  
18    that the case be taken under advisement.

19                  EXAMINER MURPHY: Do you have any  
20    questions?

21                  COUNSEL AMES: No.

22                  EXAMINER MURPHY: I don't have any  
23    questions.

24                  We'll take case 20767 under advisement.

25                  (The hearing concluded at 8:33 a.m.)

REPORTER'S CERTIFICATE

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I, ROBIN E. JOHNSON, RPR; CA CSR; New Mexico  
Certified Shorthand Reporter, certify:

That the foregoing proceedings were taken  
before me at the time and place therein set forth;

That the questions propounded and all  
objections and statements made at the time of the  
hearing were recorded stenographically by me and were  
thereafter transcribed;

That the foregoing is a true and correct  
transcript of my shorthand notes so taken.

I further certify that I am not a relative or  
employee of any of the parties, nor financially  
interested in the action.

I declare under penalty of perjury, under the  
laws of New Mexico, that the foregoing is true and  
correct, dated this 14th day of November 2019.

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ROBIN E. JOHNSON, RPR, CA CSR  
New Mexico CCR No. 105