

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 NOS: 22513, 22514

APPLICATIONS OF MATADOR PRODUCTION  
COMPANY TO AMEND ORDERS,  
LEA COUNTY, NEW MEXICO.

CASE NOS: 22363, 22364

APPLICATIONS OF ASCENT ENERGY, LLC  
TO AMEND POOLING ORDERS,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
FEBRUARY 17, 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, February 17, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

For Matador and Ascent:

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1 HEARING EXAMINER BRANCARD: All right. Move to a  
2 little complicated continuation from the last hearing, and  
3 I'm going to combine the next four cases here, and these  
4 will be Cases 22513, 22514, 22363, 22364. So Matador  
5 Production.

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: Mr. Bruce, are you  
8 there?

9 MR. BRUCE: Yes, Mr. Examiner, I'm here on behalf  
10 of Matador, and of course two of the applications also  
11 involve Ascent, and I'm -- I am the attorney for Ascent in  
12 those cases.

13 HEARING EXAMINER BRANCARD: Thank you. And so we  
14 have Marathon Oil Permian?

15 MR. SMITH: Good morning, Mr. Examiner, Bryce  
16 Smith with Modrall Sperling on behalf of Marathon Oil  
17 Permian LLC.

18 HEARING EXAMINER BRANCARD: Thank you.  
19 Mr. Smith, does Marathon have any objection to these cases  
20 moving forward by affidavit?

21 MR. SMITH: No, Mr. Examiner.

22 HEARING EXAMINER BRANCARD: Are there any other  
23 interested persons for Cases 22513, 22514, 22363 and 364?

24 (No audible response.)

25 HEARING EXAMINER BRANCARD: Hearing none, Mr.

1 Bruce, we continued Cases 22513 and 514 from the last  
2 hearing date in order to combine them with these other  
3 earlier applications which are the same goal, I assume, to  
4 amend these orders for an extension of time, and if you  
5 could just walk us through.

6 MR. BRUCE: Okay. And before the last hearing, I  
7 did file exhibits in these cases. And of course, I  
8 improperly filed a motion to consolidate yesterday due to my  
9 technical problems, but in these cases, original cases,  
10 Ascent got orders pooling the Bone Spring formation and the  
11 Wolfcamp formation in the W/2 W/2 of Sections 4 and 9 of 20  
12 South, Range 33 East. Those orders were dated November 13,  
13 2020.

14 So the orders required that the well be commenced  
15 within a year of that date and Ascent got ahold of me the  
16 date before the expiration and I did file the two Ascent on  
17 November 12, 2021 requesting a one-year extension of the  
18 well commencement deadlines and those were set for hearing  
19 in early January. And in late December, Matador informed me  
20 that they had acquired the Ascent interests and that they  
21 took over as operator of the proposed wells.

22 But under Division filing requirements, we  
23 couldn't just amend the prior application, I had to file new  
24 applications for Matador. Of course, those weren't filed  
25 until early January, and so in the applications I requested

1 that the filing date of the Matador applications relate back  
2 to the filing date of the Ascent applications in a bid to  
3 keep -- prevent the orders from expiring by their own terms,  
4 and so that is what I did.

5 And I filed the motion to consolidate, requesting  
6 that Matador applications relate -- and the Ascent cases,  
7 obviously, have been kept alive, so -- for the relation back  
8 request. And I have submitted as Exhibits 1 through 6 in a  
9 consolidated exhibit packet, you know, the pooling, original  
10 pooling orders, the applications and legal notice and  
11 landman's affidavit. And of course it's all the usual  
12 reasons for a continue -- for an extension of the order,  
13 which was compounded by the fact that Matador acquired the  
14 interest, which further complicated drilling obligations  
15 under the order.

16 So Matador is asking that, number one, the cases  
17 be consolidated, number two, the Matador cases relate back  
18 to the filing date of the Ascent cases and the well  
19 commencement deadlines under the orders be extended for one  
20 year, but now it's about nine months, to November 13, 2022.

21 HEARING EXAMINER BRANCARD: Thank you.

22 Mr. Smith, any questions or concerns?

23 MR. SMITH: No, Mr. Examiner. Marathon just  
24 entered its appearance to preserve its rights, and so we  
25 don't have any objection to those.

1 HEARING EXAMINER BRANCARD: Of course, but we  
2 want to give you a chance to speak on the record.

3 MR. SMITH: Thank you, Mr. Examiner.

4 HEARING EXAMINER BRANCARD: Ms. Murphy, any  
5 questions or concerns?

6 TECHNICAL EXAMINER MURPHY: I don't have any  
7 questions. Thank you.

8 HEARING EXAMINER BRANCARD: Okay. All right. So  
9 it was the intent of the examiner at the last hearing, Mr.  
10 Bruce, that these four cases would be consolidated, and so  
11 thank you for the motion. So we will treat these four cases  
12 as sort of one large application here to amend the order for  
13 extensions of time and to change the name of the applicant  
14 from Ascent to Matador.

15 MR. BRUCE: Thank you.

16 HEARING EXAMINER BRANCARD: So with that, your  
17 exhibits will be admitted into the record and Cases 22513,  
18 22514, 22363 and 22364 will be taken under advisement.

19 MR. BRUCE: Thank you.

20 (Exhibits admitted.)

21 (Taken under advisement.)

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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, IRENE DELGADO, New Mexico Certified Court  
7 Reporter, CCR 253, do hereby certify that I reported the  
8 foregoing virtual proceedings in stenographic shorthand and  
9 that the foregoing pages are a true and correct transcript  
10 of those 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 poor to good quality.

17 Dated this 17th day of February 2022.

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/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-22

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