

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 COMPANY  
TO AMEND ORDER NO. R-21043,  
LEA COUNTY, NEW MEXICO.

CASE NO. 22549  
ORDER NO. R-21043-A

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
MARCH 3, 2022  
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 DEAN McCLURE on  
Thursday, March 3, 2022, 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 the Applicant:

JAMES BRUCE  
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I N D E X

CASE CALLED

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E X H I B I T I N D E X

Admitted

All Exhibits and Attachments 06

1 HEARING EXAMINER BRANCARD: Okay, we have a few  
2 little more complicated cases coming up here, so I want to  
3 check in with Mr. Bruce and see what your availability is.

4 MR. BRUCE: I would like to -- mine won't take  
5 long at all. There is a couple of issues with the cases but  
6 nothing that can't be disposed of by the Division within 30  
7 seconds time.

8 So if you are getting into these unit cases and  
9 stuff like that, if I could put on mine it will only take a  
10 couple of minutes per case.

11 HEARING EXAMINER BRANCARD: Okay. Because  
12 otherwise I think you may end up in the afternoon.  
13 Mr. Bruce, what's better for you. Right now?

14 MR. BRUCE: Yeah. Yeah. I would like to do it  
15 now so I can get back to the hospital.

16 HEARING EXAMINER BRANCARD: All right. I will, I  
17 will use my prerogative here and we will now move ahead to  
18 Items 65 through 69. And we will start with Case 22549,  
19 Matador Production Company.

20 MR. BRUCE: Yes, Mr. Examiner, Jim Bruce on  
21 behalf of Matador.

22 HEARING EXAMINER BRANCARD: Are there any other  
23 interested persons for Case 22549?

24 (No audible response.)

25 HEARING EXAMINER BRANCARD: Please proceed, Mr.

1 Bruce.

2 MR. BRUCE: In this case there is one little  
3 underlying complication which I will let the Division decide  
4 down the road. Order R-21043 was issued to Matador  
5 regarding the pooling of the W/2 E/2 of Section 21 and the  
6 NW NE of Section 28, 24 South, 35 East as to the Wolfbone  
7 Formation.

8 The ordering paragraph required the operator to  
9 commence the wells, the two wells involved by January 31,  
10 2021. Before that date Matador requested, under the form of  
11 order that are in effect by letter to a Division director  
12 requesting until January 31, 2022, to commence the well.  
13 The letter from the Division granting the extension extended  
14 it to January 21, 2022. Matador would submit that that was  
15 just a typographical error.

16 The reason I mention this is because the  
17 application to extend the deadline yet again was not filed  
18 until after January 21, 2022, but it was filed before  
19 January 31, 2022.

20 So Matador first submits that the application is  
21 timely. There is the affidavit of the landman Sarah  
22 Hartsfield requesting the extension for the usual reasons.  
23 Notice was given and is complete. The only two parties  
24 being notified are Occidental Permian and XTO holdings, and  
25 they both received certified notice.

1           The only other issue is, for some reason I did  
2 not include the acknowledgement page of the landman's  
3 affidavit, so I would subsequently submit a corrected  
4 landman's affidavit, Exhibit 3.

5           But with that I would move the admission of  
6 Exhibits 1, the pooling order, 2, the application and  
7 proposed notice, 3, the landman's affidavit, and 4, the  
8 affidavit of notice and request that the matters be taken  
9 under advisement subject to supplementing the landman's  
10 affidavit.

11           HEARING EXAMINER BRANCARD: Thank you. Mr.  
12 McClure, any questions?

13           TECHNICAL EXAMINER McCLURE: Yes, I do. Mr.  
14 Bruce, this is the second extension request for this  
15 compulsory pooling order. Can you elaborate a little bit as  
16 to the reasoning why this hasn't already been drilled and  
17 why Matador is requesting a second year.

18           MR. BRUCE: Basically because in 20 -- starting  
19 in 2020 and continuing into 2021, Matador massively reduced  
20 its rig counts and is just getting up and going again and  
21 they are quite busy now and that's the basic reason.

22           TECHNICAL EXAMINER McCLURE: So I guess, in the  
23 next case, the case 22592, Matador is only requesting an  
24 extension until July 2 of this year. Would it be accurate  
25 then to say that Matador may not need a full year extension

1 for this case, 22549, and maybe a shorter extension might be  
2 sufficient?

3 MR. BRUCE: I will ask them later today about  
4 that and I will get back to you.

5 TECHNICAL EXAMINER McCLURE: Okay, very good. If  
6 you just want to submit something to us in regards to that,  
7 and I have no other questions.

8 MR. BRUCE: Thank you.

9 TECHNICAL EXAMINER McCLURE: Thank you.

10 HEARING EXAMINER BRANCARD: Are there any other  
11 interested persons for Case 22549?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Hearing none, for  
14 Case 22549, the exhibits will be admitted into the record.  
15 We will leave the record open for the revised landman's  
16 affidavit. We will take Case 22549 under advisement, but as  
17 Mr. Bruce stated, there is an issue about whether the  
18 request to extend this was timely filed, and I will discuss  
19 it with the director and see what she wants to do.

20 MR. BRUCE: Thank you.

21 (Exhibits admitted.)

22 (Taken under advisement.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

10 I FURTHER CERTIFY that I am neither employed by  
11 nor related to any of the parties or attorneys in this case  
12 and that I have no interest in the final disposition of this  
13 case.

14 I FURTHER CERTIFY that the Virtual Proceeding was  
15 of extremely poor to good quality.

16 Dated this 3rd day of March 2022.

17

/s/ Irene Delgado

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

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