

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION COMMISSION

MEETING OF THE OIL CONSERVATION  
COMMISSION FOR THE PURPOSE  
OF CONSIDERING:

ORIGINAL

Case 15366 De Novo  
Motion in Case No. 15366, Application of Matador  
Production Company, LLC, for a Nonstandard Spacing and  
Proration Unit, Compulsory Pooling, and Nonstandard  
Location, Lea County, New Mexico.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONERS MEETING

February 11, 2016

Santa Fe, New Mexico

BEFORE: DAVID R. CATANACH, CHAIRPERSON  
ROBERT S. BALCH, COMMISSIONER  
PATRICK PADILLA, COMMISSIONER  
BILL BRANCARD, ESQ.

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The following matters were heard before the  
New Mexico Oil Conservation Commission on Thursday,  
February 11, 2016, 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: ELLEN H. ALLANIC  
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1 (Time noted 9:00 a.m.)

2 COMMISSIONER CATANACH: Good morning. This  
3 is the meeting of the New Mexico Oil Conservation  
4 Commission. My name is David Catanach. I am chairman  
5 of the Commission. The time is 9:00 a.m. Today's date  
6 is February 11, 2016. This meeting is being conducted  
7 in Porter Hall within the Wendell Chino State Building.

8 I will take roll at this time.

9 All right. Will the Commissioners, please,  
10 introduce themselves for the record.

11 COMMISSIONER PADILLA: Patrick Padilla,  
12 designee of the Commissioner of Public Lands.

13 COMMISSIONER BALCH: Dr. Robert Balch,  
14 designee of the Secretary of Energy and Minerals.

15 COMMISSIONER CATANACH: Thank you.

16 And also present today is Mr. Bill Brancard,  
17 the Commission attorney and general counsel of the  
18 Energy and Minerals and Natural Resources Department.

19 Commissioners, in your package, you should  
20 have an agenda for today's meeting.

21 Do I hear a motion and a second to adopt the  
22 agenda?

23 COMMISSIONER PADILLA: So moved.

24 COMMISSIONER BALCH. Seconded.

25 COMMISSIONER CATANACH: All in favor.

1 COMMISSIONER PADILLA: Aye.

2 COMMISSIONER BALCH. Aye.

3 COMMISSIONER CATANACH: Aye.

4 Also in your packet is a draft of the  
5 minutes from the December 10th, 2015, Commission  
6 meeting. Commissioners, do you have any changes to the  
7 minutes? And if not, is there a motion and a second to  
8 adopt the minutes?

9 COMMISSIONER BALCH: I have no changes, and  
10 I would move to adopt them.

11 COMMISSIONER PADILLA: I likewise have no  
12 changes and I second that.

13 COMMISSIONER CATANACH: Okay. All in favor.

14 COMMISSIONER PADILLA: Aye.

15 COMMISSIONER BALCH: Aye.

16 COMMISSIONER CATANACH: Aye.

17 Motion to adopt the minutes from the  
18 December 10th meeting is passed.

19 The next order of business on the agenda is  
20 the adoption of the Annual Open Meetings Resolution  
21 pursuant to the New Mexico Open Meetings Act.

22 And I would -- Mr. Brancard will you brief  
23 us on that or how do we proceed on that matter?

24 MR. BRANCARD: It is the same resolution  
25 that you've adopted in the past updated with the

1 meetings for this year. And I believe there has been a  
2 fair amount of input to Ms. Davidson about what meeting  
3 dates work for Commissioners. And so I think all that  
4 has been resolved.

5 MS. DAVIDSON: (Nonverbal response.)

6 COMMISSIONER CATANACH: I see. So all we  
7 have to do is just vote on it?

8 MR. BRANCARD: Yes.

9 COMMISSIONER CATANACH: Okay. Do I hear a  
10 motion to adopt the Annual Open Meetings Resolution?

11 COMMISSIONER BALCH: I will so move.

12 COMMISSIONER PADILLA: I second that.

13 COMMISSIONER CATANACH: Okay. All in favor.

14 COMMISSIONER PADILLA: Aye.

15 COMMISSIONER BALCH: Aye.

16 COMMISSIONER CATANACH: Aye. Motion has  
17 passed to adopt the Annual Open Meetings Resolution.

18 And just for your information,  
19 Commissioners, there are four cases on the docket today  
20 regarding COG Operating, LLC's, application for  
21 nonstandard spacing and proration units and compulsory  
22 pooling.

23 These are cases 15105, 15281, 15282, and  
24 15283. These cases were dismissed at the request of the  
25 applicant prior to today's hearing. And orders

1 dismissing each of these cases were prepared and signed  
2 by myself prior to today's hearing. So those cases are  
3 all dismissed.

4 The next item on the agenda is the motion to  
5 dismiss in de novo case No. 15366. And by way of a  
6 little background, Matador presented this case 15366,  
7 which was their application for a nonstandard spacing  
8 and proration unit, compulsory pooling at a nonstandard  
9 well location at an Examiner Hearing on September 3rd,  
10 2015.

11 As a result of that order -- as a result of  
12 that case, order R-14097 was issued by the Division on  
13 December 14, 2015. Amtex Energy, Inc., a pooled party  
14 in case 15366, filed for a de novo hearing in case  
15 No. 15366. Matador has since filed a motion to dismiss  
16 the Amtex appeal in this case.

17 And it is my understanding that the  
18 Commission today will only hear arguments with respect  
19 to the motion to dismiss and a response.

20 With that, we will proceed with arguments.  
21 And can we limit those to maybe 20 minutes per party?

22 MR. DeBRINE: I don't think it will take  
23 that long, Mr. Chairman.

24 COMMISSIONER CATANACH: Thank you. And you  
25 may proceed, Mr. DeBrine.

1 STATE OF NEW MEXICO )  
 2 ) ss.  
 3 COUNTY OF BERNALILLO )  
 4  
 5  
 6

7 REPORTER'S CERTIFICATE

8  
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR  
 10 No. 100, DO HEREBY CERTIFY that on Thursday, February  
 11 11, 2016, the proceedings in the above-captioned matter  
 12 were taken before me, that I did report in stenographic  
 13 shorthand the proceedings set forth herein, and the  
 14 foregoing pages are a true and correct transcription to  
 15 the best of my ability and control.  
 16

17  
 18 I FURTHER CERTIFY that I am neither employed by  
 19 nor related to nor contracted with (unless excepted by  
 20 the rules) any of the parties or attorneys in this case,  
 21 and that I have no interest whatsoever in the final  
 22 disposition of this case in any court.  
 23  
 24  
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ELLEN H. ALLANIC, CSR  
 NM Certified Court Reporter No. 100  
 License Expires: 12/31/16