## 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: ORIGINAL

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NONSTANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. CASE NO. 15747

APPLICATION OF MATADOR PRODUCTION COMPANY FOR A NONSTANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. Case No. 15748

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 3, 2017

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

RECEIVED OCD to

This matter came on for hearing before the New Mexico Oil Conservation Division, Phillip Goetze, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, August 3, 2017, 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: Mary C. Hankins, CCR, RPR

New Mexico CCR #20

Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105

Albuquerque, New Mexico 87102

(505) 843-9241

1 APPEARANCES 2 FOR APPLICANT MATADOR PRODUCTION COMPANY: 3 JORDAN L. KESSLER, ESQ. HOLLAND & HART, LLP 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 jlkessler@hollandhart.com 6 INDEX 9 PAGE 10 Case Numbers 15747 and 15748 Called 3 11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 Matador Production Company Exhibit Numbers 4A and 5A 19 20 21 22 23 24 25			Page 2
JORDAN L. KESSLER, ESQ. HOLLAND & HART, LLP  110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 jlkessler@hollandhart.com  7  8 INDEX  9 PAGE  10 Case Numbers 15747 and 15748 Called 3 11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14 15 16 EXHIBITS OFFERED AND ADMITTED  17 Matador Production Company Exhibit Numbers 4A and 5A 18 19 20 21 22 23 24	1	APPEARANCES	
HOLLAND & HART, LIP 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 jlkessler@hollandhart.com   INDEX  PAGE  Case Numbers 15747 and 15748 Called  Submittal of Exhibits  Proceedings Conclude  Certificate of Court Reporter  Kentle State of Court Reporter  Matador Production Company Exhibit Numbers 4A and 5A	2	FOR APPLICANT MATADOR PRODUCTION COMPANY:	
110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 jlkessler@hollandhart.com  1NDEX  PAGE  Case Numbers 15747 and 15748 Called  Submittal of Exhibits  Certificate of Court Reporter  EXHIBITS OFFERED AND ADMITTED  Matador Production Company Exhibit Numbers 4A and 5A  Matador Production Company Exhibit Numbers 4A and 5A  Submittal Submi	3		
5 (505) 988-4421 flkessler@hollandhart.com  6  7  8 INDEX 9 PAGE 10 Case Numbers 15747 and 15748 Called 3 11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14  15  16 EXHIBITS OFFERED AND ADMITTED 17 Matador Production Company Exhibit Numbers 4A and 5A 18 19 20 21 22 23 24	4	110 North Guadalupe, Suite 1	
INDEX INDEX INDEX  INDEX  INDEX  INDEX  PAGE  Case Numbers 15747 and 15748 Called  Submittal of Exhibits  Certificate of Exhibits  Certificate of Court Reporter  EXHIBITS OFFERED AND ADMITTED  Matador Production Company Exhibit Numbers 4A and 5A  Matador Production Company Exhibit Numbers 4A and 5A  Submittal of Exhibits  Submittal of Exhibit	5	(505) 988-4421	
9 PAGE 10 Case Numbers 15747 and 15748 Called 3 11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 Matador Production Company Exhibit Numbers 4A and 5A 18 19 20 21 22 23 24	6	jlkessler@hollandhart.com	
9 Case Numbers 15747 and 15748 Called 3 11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 Matador Production Company Exhibit Numbers 4A and 5A 18 19 20 21 22 23 24	7		
10 Case Numbers 15747 and 15748 Called 3 11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14 15 16 EXHIBITS OFFERED AND ADMITTED 5 17 Matador Production Company Exhibit Numbers 4A and 5A 5 18 19 20 21 22 23 24	8	INDEX	
11 Submittal of Exhibits 3 12 Proceedings Conclude 5 13 Certificate of Court Reporter 6 14 15 16 EXHIBITS OFFERED AND ADMITTED 17 Matador Production Company Exhibit Numbers 4A and 5A 5 18 19 20 21 22 23 24	9		PAGE
12 Proceedings Conclude 5  13 Certificate of Court Reporter 6  14	10	Case Numbers 15747 and 15748 Called	3
Certificate of Court Reporter 6  14  15  16 EXHIBITS OFFERED AND ADMITTED  17 Matador Production Company Exhibit Numbers 4A and 5A  19  20  21  22  23  24	11	Submittal of Exhibits	3
14 15 16 EXHIBITS OFFERED AND ADMITTED  17 Matador Production Company Exhibit Numbers 4A and 5A  19 20 21 22 23 24	12	Proceedings Conclude	5
15 16 EXHIBITS OFFERED AND ADMITTED  17 Matador Production Company Exhibit Numbers 4A and 5A  19 20 21 22 23 24	13	Certificate of Court Reporter	6
16 EXHIBITS OFFERED AND ADMITTED  17 Matador Production Company Exhibit Numbers 4A and 5A  19  20  21  22  23  24	14		
Matador Production Company Exhibit Numbers 4A and 5A  19 20 21 22 23 24	15		
Numbers 4A and 5A  19  20  21  22  23  24	16	EXHIBITS OFFERED AND ADMITTED	
18 19 20 21 22 23 24	17		-
<ul> <li>20</li> <li>21</li> <li>22</li> <li>23</li> <li>24</li> </ul>	18		5
<ul><li>21</li><li>22</li><li>23</li><li>24</li></ul>	19		
22 23 24	20		
23 24	21		
24	22		
	23		
25	24		
	25		

Page 3

- 1 (10:54 a.m.)
- 2 EXAMINER GOETZE: Next on the docket is
- 3 Case 15749 [sic]. I believe this case was heard, and
- 4 we're just filling in an exhibit?
- 5 MS. KESSLER: That's correct, Mr. Examiner.
- 6 EXAMINER GOETZE: It's tough being a
- 7 one-person show.
- 8 MS. KESSLER: A sick one-person show.
- 9 This case was previously heard on the last
- 10 docket. At that time there were two witnesses and a
- 11 number of exhibits entered. There were issues with --
- 12 Let's see. It's Case Numbers 15747 and
- 13 15748.
- 14 EXAMINER GOETZE: Together?
- MS. KESSLER: If they could be called
- 16 together.
- 17 EXAMINER GOETZE: Let's do this also for
- 18 the record: This is Case 15749, application of Matador
- 19 Production Company for compulsory pooling, Eddy County,
- 20 New Mexico. And the second case was --
- 21 MS. KESSLER: 15747 and 15748.
- 22 EXAMINER GOETZE: Okay. Case 15747
- 23 application of Matador Production Company for a
- 24 standard -- well, those will come later.
- 25 This exhibit is specific to --

Page 4

- 1 MS. KESSLER: So, Mr. Examiner, there were
- 2 two cases called together at that time, Cases 15747 and
- 3 15748. What I've placed in front of you is two
- 4 replacement exhibits for Exhibit Number 4. I've handed
- 5 you 4A. And for Exhibit Number 5, I've handed you a 5A
- 6 and B [sic]. The summary of interests had been
- 7 incorrectly calculated at the time of hearing, so this
- 8 is a replacement correcting the calculation of interest.
- 9 EXAMINER GOETZE: Let's get our court
- 10 reporter and me oriented properly.
- 11 So this would be Case Number 15747,
- 12 application of Matador Production Company for a
- 13 nonstandard spacing and proration unit and compulsory
- 14 pooling, Eddy County, along with Case Number 15748.
- So this is a substitute, Exhibits 4A and
- 16 5A, requested by the Examiner?
- MS. KESSLER: That was offered by the
- 18 Applicant, when they realized that the calculation was
- 19 based on 160 acres as opposed to a slightly different
- 20 size spacing unit due to lots.
- 21 EXAMINER GOETZE: Very good. And you wish
- 22 this to be entered in?
- MS. KESSLER: I do, if Exhibits 4A and 5A
- 24 could be entered into part of the record.
- 25 EXAMINER GOETZE: Okay. Very good. For

	Page 6	
1	STATE OF NEW MEXICO	
2	COUNTY OF BERNALILLO	
3		
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		
21	Mary C. Hankins, CCR, RPR	
22	Certified Court Reporter	
23	New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2017	
24	Paul Baca Professional Court Reporters	
25		