

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 TO RE-OPEN CASE NUMBER 15710  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

CASE NO. 15710

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

February 22, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER  
WILLIAM V. JONES, TECHNICAL EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Scott Dawson,  
Chief Examiner, William V. Jones, Technical Examiner,  
and David K. Brooks, Legal Examiner, on Thursday,  
February 22, 2018, 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

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# APPEARANCES

FOR APPLICANT MATADOR PRODUCTION COMPANY:

JAMES G. BRUCE, ESQ.  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043  
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# EXHIBITS OFFERED AND ADMITTED

Matador Production Company Exhibit Numbers 1 through 3	5
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1 (11:06 a.m.)

2 EXAMINER DAWSON: At this point we'll go  
3 back on the record. And the next case we will hear is  
4 Case Number 15710, and it's application of Matador  
5 Production Company to re-open Case Number 15710 for  
6 compulsory pooling, Eddy County, New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of  
9 Santa Fe representing the Applicant, and I'm doing this  
10 by affidavit.

11 EXAMINER DAWSON: Okay. You may proceed,  
12 Mr. Bruce.

13 MR. BRUCE: Mr. Examiner, this case was  
14 first heard, oh, about nine months ago, and an order was  
15 issued. And we're here today asking to force pool -- a  
16 couple more parties who were inadvertently left off the  
17 original pooling list.

18 The first exhibit is a verified statement  
19 of Sara Hartsfield, the landman for Matador. Again, the  
20 well unit is the south half of Section 10, 24 South, 28  
21 East in the Wolfcamp Formation. So it's a standard gas  
22 well -- standard gas well unit. The well is dedicated  
23 to the Tom Matthews 10-24S-28 East RB well #223H, which  
24 has been drilled and completed. The two parties -- let  
25 me take a step back.



1                   There is testimony in the original  
2 transcript that there are somewhere in excess of 105  
3 mineral owners in this fee land, that the entire unit is  
4 fee land. And if you look at the record in the original  
5 case, you'll see dozens of people were force pooled, and  
6 we're simply doing some cleanup work here. We're  
7 seeking to -- on page 2 of Exhibit 1, you can see that  
8 Helen Karnoski and Burlington Northern Santa Fe Railway  
9 Company have quite small interests. You'll see, going  
10 through the exhibits, that they were originally sent  
11 well proposals almost a year ago and there have been  
12 contacts between the parties, but they have never  
13 committed their interests. And, again, they were  
14 inadvertently left out of the original pooling  
15 application.

16                   You will also see that the proposal  
17 letters -- both parties did sign green cards for the  
18 proposal letters. So those are valid addresses.

19                   And Exhibit D, the last page of Exhibit 1,  
20 shows that the as-drilled well costs were \$8,745,000,  
21 roughly. There is an AFE in the original materials  
22 submitted last summer.

23                   So we just seek to add those two parties to  
24 the pooling list.

25                   Exhibit 2 is my Affidavit of Notice. I did

1 mail out notice. I got the green card back from the  
2 railway, but not from Ms. Karnoski, even though she had  
3 previously signed a green card for Matador. So we  
4 believe the address is valid. But I did publish notice  
5 in the Carlsbad newspaper, and that is submitted as  
6 Exhibit 3.

7 So one way or the other, both parties were  
8 notified of this application, and we would simply ask  
9 that another order be issued pooling the same lands and  
10 just noticing that these were parties that were  
11 inadvertently omitted from the original pooling.

12 And I would move the admission of Exhibits  
13 1 through 3.

14 EXAMINER DAWSON: The admission of Exhibits  
15 1 through 3 will be accepted into the record at this  
16 time.

17 (Matador Production Co. Exhibit Numbers 1  
18 through 3 are offered and admitted into  
19 evidence.)

20 MR. BRUCE: I have nothing further.

21 EXAMINER DAWSON: Okay. Any questions?

22 EXAMINER BROOKS: I can't think of any.

23 EXAMINER DAWSON: One question: Did this  
24 well come in less than the proposed AFE?

25 MR. BRUCE: No. It was more. I forget the



1 exact amount, but it was probably about -- maybe -- hold  
2 on a second. Probably 800,000 more than the original  
3 AFE.

4 EXAMINER DAWSON: Okay. All right. That's  
5 all the questions we have.

6 MR. BRUCE: I'd ask that the matter be  
7 taken under advisement.

8 EXAMINER DAWSON: Okay. Case Number 15710,  
9 re-opened, will be taken under advisement at this time.

10 Thank you, Mr. Bruce.

11 (Case Number 15710 concludes, 11:11 a.m.)  
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14

15 I do hereby certify that the foregoing is  
16 a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_  
17 heard by me on \_\_\_\_\_

18 \_\_\_\_\_, Examiner  
Oil Conservation Division  
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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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CERTIFICATE OF COURT REPORTER

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I, MARY C. HANKINS, Certified Court

Reporter, New Mexico Certified Court Reporter No. 20,

and Registered Professional Reporter, do hereby certify

that I reported the foregoing proceedings in

stenographic shorthand and that the foregoing pages are

a true and correct transcript of those proceedings that

were reduced to printed form by me to the best of my

ability.

I FURTHER CERTIFY that the Reporter's

Record of the proceedings truly and accurately reflects

the exhibits, if any, offered by the respective parties.

I FURTHER CERTIFY that I am neither

employed by nor related to any of the parties or

attorneys in this case and that I have no interest in

the final disposition of this case.

DATED THIS 9th day of March 2018.

MARY C. HANKINS, CCR, RPR

Certified Court Reporter

New Mexico CCR No. 20

Date of CCR Expiration: 12/31/2018

Paul Baca Professional Court Reporters