

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                      CASE NOS. 20324,  
COMPANY FOR COMPULSORY POOLING, EDDY                      20492  
COUNTY, NEW MEXICO.

APPLICATION OF WPX ENERGY PERMIAN,                      CASE NOS. 20450,  
LLC FOR COMPULSORY POOLING, EDDY                      20451  
COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 12, 2019

Santa Fe, New Mexico

BEFORE:    WILLIAM V. JONES, CHIEF EXAMINER  
             KATHLEEN MURPHY, TECHNICAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William V. Jones,  
Chief Examiner, and Kathleen Murphy, Technical Examiner,  
on Friday, July 12, 2019, 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  
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# APPEARANCES

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INTERESTED PARTY MRC PERMIAN:

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1 (9:07 a.m.)

2 EXAMINER JONES: Let's go on the record  
3 this morning. This is a special examiner hearing,  
4 Friday, July the 12th, 2019, labeled Docket Number  
5 24-19. I'm William V. Jones. And it looks like we have  
6 six cases on the docket.

7 What I have is Case Numbers 20463 and  
8 20465, they're being continued. We don't have a date  
9 yet. But we hope to have one by Monday or so, and  
10 we'll -- we'll publish this to let people know when  
11 those are going. There are still some -- the parties  
12 are talking about setting a date for that SWD matter.

13 And the other four cases we have on the  
14 docket are the Matador and WPX cases, two of each. I  
15 can call the two Matador cases and ask for appearances  
16 and call the WPX cases and ask for appearances and then  
17 ask the attorneys for a brief of what we're going to do  
18 today.

19 Okay. The Matador case is Case Number  
20 20324, application of Matador Production Company for  
21 compulsory pooling in Eddy County, New Mexico, and the  
22 other one is Case Number 20492, application of Matador  
23 Production Company for compulsory pooling in Eddy  
24 County, New Mexico.

25 Call for appearances in those two cases.

1 MR. BRUCE: Mr. Examiner, Jim Bruce of  
2 Santa Fe representing Matador Production Company. I  
3 have no witnesses.

4 EXAMINER JONES: Any other appearances?  
5 (Cell phone ringing.)

6 MS. SHAHEEN: Sharon Shaheen on behalf of  
7 WPX Energy Permian, LLC.

8 EXAMINER JONES: Okay. Let's go off the  
9 record.

10 (Pause in proceedings, 9:09 a.m. to 9:09  
11 a.m.)

12 MR. BRUCE: Okay. Sorry about that.  
13 That confirms everything.

14 EXAMINER JONES: Let's call Case Numbers  
15 20450 and 20451. Both are the application of WPX Energy  
16 Permian, LLC for compulsory pooling in Eddy County, New  
17 Mexico.

18 Call for appearances.

19 MS. SHAHEEN: Sharon Shaheen and John  
20 McIntyre on behalf of WPX Energy Permian, LLC.

21 MR. BRUCE: Jim Bruce representing Matador  
22 Production Company. If I could just make a brief  
23 statement, Mr. Examiner.

24 EXAMINER JONES: Okay.

25 MR. BRUCE: In these cases, you know,

1 counterapplications, it was just confirmed 30 seconds  
2 ago that WPX has acquired Matador's interests in this  
3 acreage, and that has been confirmed. The deal is done.  
4 Therefore, I request that Case Numbers 20324 and 20492  
5 be dismissed.

6 EXAMINER JONES: Case Numbers 20324 and  
7 20492 will be dismissed.

8 MR. BRUCE: And then as to the WPX  
9 applications, I'll maintain my entry of appearance in  
10 those, but we have no witnesses, and we do not object to  
11 the cases being presented by affidavit.

12 EXAMINER JONES: Okay. Ms. Shaheen, any  
13 comments before we get started? Just presenting by  
14 affidavit?

15 MS. SHAHEEN: I will be presenting this  
16 case by affidavit.

17 EXAMINER JONES: Okay.

18 MS. SHAHEEN: And I wanted to say I  
19 appreciate the Division setting a special docket date  
20 and hearing this by affidavit on a special docket date.

21 EXAMINER JONES: Well, we -- Fridays, you  
22 know, after the regular hearing are kind of a time for  
23 that, and they decided to split this out into a special  
24 docket instead of continuation of the docket from  
25 yesterday.

1                   And, you know, there is some talk of  
2 actually modifying the regular dates. I'm thinking in  
3 the old days, they used to go on Wednesdays. I think  
4 they did Wednesdays.

5                   You (indicating) probably remember it.

6                   MR. BRUCE: Uh-huh.

7                   EXAMINER JONES: That way we wouldn't be  
8 arguing about special docket dates. We could just start  
9 on Wednesday and go three days and whatever happens  
10 happens, you know, so -- anyway, that's just talk right  
11 now.

12                  So, Mr. Bruce, your company, Matador, has  
13 an appearance in these two cases.

14                  We're ready to proceed.

15                  And you're not going to put on anybody?  
16 Just an entry?

17                  MR. BRUCE: No, sir.

18                  EXAMINER JONES: Ms. Shaheen, go ahead.

19                  MS. SHAHEEN: We're here on the  
20 applications of WPX Energy Permian, LLC for compulsory  
21 pooling in Case Numbers 20450 and 20451. I've handed  
22 packages out with exhibits.

23                  And under Tab 1, you'll find, first, the  
24 original application for Case Number 20450, which is the  
25 Beagle well, and then the amended application. And the

1     only reason the amended application was filed was  
2     because the advertisement that was provided to the  
3     Division incorrectly identified the location as the  
4     north half, and it should have been identified as the  
5     south half. So other than that, there is no change in  
6     the amended application.

7                     And then we have the original application  
8     for the Collie well in Case Number 20451.

9                     Both of these wells are in the Purple Sage;  
10    Wolfcamp Gas Pool, and both seek a 640-acre unit for a  
11    two-mile well, Case Number 20450 being in the south half  
12    of Sections 34 and 35, Township 22 South, Range 27 East,  
13    and the Collie well, in Case Number 20451, being in the  
14    north half.

15                    Under Tab 2, you'll find the affidavit of  
16    the landman, Brennan West. I'll just summarize what  
17    he's testifying here to today. In paragraph four, he  
18    has previously testified before the Division as an  
19    expert witness in petroleum land matters. He has a  
20    degree in energy management and finance from the  
21    University of Oklahoma, and he's been working in  
22    New Mexico for approximately ten years.

23                    Attached to his affidavit is Exhibit A1 and  
24    Exhibit A2. These are plats that outline the units for  
25    each well, and they identify the tracts that are at

1 issue, and the tracts correspond to the tracts  
2 identified in Exhibits C1 and C2, which have the  
3 ownership breakdown. The location of the proposed wells  
4 within each proposed unit is found in the proposed  
5 C-102s. Actually, I guess they're not just proposed.  
6 I'm not sure if they've been approved yet or not. B1  
7 and B2, you'll see B1 is the Beagle well and B2 is the  
8 Collie well.

9 I understand that the completed intervals  
10 are within standard setbacks. The first take points are  
11 within standard setbacks, but the last take point of the  
12 Collie well may be closer than the standard setback, and  
13 WPX plans to seek administrative approval of that  
14 unorthodox location. And that's set forth in Mr. West's  
15 affidavit.

16 No opposition is expected in light of the  
17 settlement with Matador.

18 Exhibit D. We actually have letters of  
19 support from three interest owners.

20 There are depth severances in the Wolfcamp  
21 Formation.

22 EXAMINER JONES: So there is a depth  
23 severance in the Wolfcamp.

24 MS. SHAHEEN: There is a depth severance in  
25 the Wolfcamp Formation.



1                   EXAMINER JONES: Are you pooling the entire  
2    Wolfcamp or just certain depths in Wolfcamp? Actually,  
3    the applications would say that, what you're doing  
4    there.

5                   It doesn't say it.

6                   MS. SHAHEEN: "Pooling all uncommitted  
7    interests in the Wolfcamp Formation."

8                   EXAMINER JONES: Okay. As long as you  
9    noticed everybody top to bottom.

10                  MS. SHAHEEN: Uh-huh.

11                  EXAMINER JONES: So does he have that in  
12   here, that they noticed everybody top to bottom?

13                  MS. SHAHEEN: Let's see (reading).

14                  I can confirm that with him.

15                  EXAMINER JONES: Okay. Okay. Thanks.  
16   That sounds good.

17                  It looks like they have -- the people in  
18   red are the pooled parties?

19                  MS. SHAHEEN: The people in red, I  
20   understand, are the unleased mineral owners. The people  
21   in red with the asterisks are interests that are in  
22   probate, and I think that has more to do with the Collie  
23   well that's on Exhibit C2. This is actually in Hobbs,  
24   and so there are a lot of really small tracts, and there  
25   were quite a few deceased mineral interest owners. And

1    so our landman, I thought, did a really good job of  
2    trying to locate all the heirs to the deceased mineral  
3    interest owners and have identified by asterisk those  
4    that are in probate.

5                   EXAMINER JONES:   So it's either Carlsbad or  
6    Loving?

7                   MS. SHAHEEN:    It's Carlsbad, not Hobbs.  My  
8    geography is not good.

9                   EXAMINER JONES:   That's all right.  It's  
10   all running together down there, I think.

11                   MS. SHAHEEN:    And if you look at that Tract  
12   A1 -- sorry -- Exhibit A1 and A2, especially A2, you'll  
13   see where there is those really small tracts.

14                   EXAMINER JONES:   Yes.  I noticed -- okay.  
15   So that's why there are two of those exhibits, is  
16   because of the depth severance then, because you've got  
17   different ownership -- basically you have different  
18   tracts at different depths, it looks like, because  
19   you've got the exact same -- the south half of 34 and  
20   35, is that --

21                   MS. SHAHEEN:    I don't know if those tracts  
22   are different because of depth severances.  That's  
23   another thing I can check with them.

24                   EXAMINER JONES:   But the Collie and Beagle  
25   are subject to two different applications; is that

1 correct?

2 MS. SHAHEEN: Yes. The Beagle is the  
3 20450. And I've tried to identify the exhibits for the  
4 Beagle as the 1. So it's A1, B1, C1. Those will all  
5 relate to the Beagle well.

6 And with respect to the Collie well, A2,  
7 B2, C2.

8 EXAMINER JONES: Yeah, because both  
9 applications say "south half of Sections 34 and 35."

10 MS. SHAHEEN: And that's why we have the  
11 amended application.

12 EXAMINER JONES: Oh, north half of Sections  
13 24 [sic] and 25 [sic].

14 MS. SHAHEEN: Because the amended  
15 application clarifies that the Beagle is actually the  
16 north half, not the south half.

17 EXAMINER JONES: Okay. Okay. But on the  
18 docket -- on the docket, it says -- it says -- it says  
19 "south half of 20450 amended," and on the 20451, it says  
20 "the north half."

21 MS. SHAHEEN: Oh, that's right. That's  
22 right.

23 EXAMINER JONES: Okay. So both sections  
24 are two lay-down wells, one north of the other.

25 MS. SHAHEEN: (Indicating.)

1                   EXAMINER JONES:   Okay.   I'm sorry to  
2   interrupt like this.

3                   MS. SHAHEEN:   No.   I expected to be  
4   interrupted.

5                   Going back to Mr. Brennan's affidavit, I  
6   left off with the depth severances in the Wolfcamp, and  
7   I will confirm with Mr. West that he has notified  
8   everyone from the top to the bottom of the Wolfcamp.

9                   Paragraphs 11 and 12 provide the  
10   surface-hole location, the bottom-hole locations, total  
11   vertical depth, first take point and last take point  
12   with respect to the Beagle in paragraph 11 and with  
13   respect to the Collie in paragraph 12.

14                  Mr. West conducted a diligent search of  
15   public records and conducted phone records and computer  
16   searches to obtain contact information.   We talked about  
17   how he tried to track down heirs.   He mailed all the  
18   parties well proposals, and those are attached as  
19   Exhibits F1 and F2, I believe.   Let me double-check  
20   there.

21                  Yes.   So F1 relates to the Beagle, and F2  
22   relates to the Collie, and each have an attached AFE.

23                  WPX has made a good-faith effort to obtain  
24   voluntary joinder of the interest owners in the proposed  
25   well.

1                   WPX requests overhead and administrative  
2 costs of 8,000 and month for drilling and 800 a month  
3 for producing, and these rates are fair and comparable  
4 to rates charged by other operators. WPX requests the  
5 maximum cost plus 200 percent risk charge be assessed  
6 against nonconsenting working interest owners and that  
7 it be designated operator of the wells.

8                   And Mr. West confirms that he prepared the  
9 exhibits or they were compiled from WPX's business  
10 records. He concludes by stating that the granting of  
11 this application is in the interest of conservation, the  
12 prevention of waste and the protection of correlative  
13 rights.

14                   EXAMINER JONES: Okay. The Matador  
15 interests that were just purchased, are they --

16                   MR. BRUCE: That's actually MRC Permian, is  
17 the entity that owns the interest. And I'm about to  
18 enter an appearance on their behalf, too.

19                   EXAMINER JONES: So they should be listed  
20 here as MRC Permian somewhere on the list of thousands  
21 of people that were notified here?

22                   MS. SHAHEEN: Right. If you look at  
23 Exhibit C1, on the top of second page, you'll see their  
24 interest in Tract 8 in the south half. It's actually, I  
25 think, a relatively small interest in the south half.

1                   And then with respect to Exhibit C2 -- I'm  
2   not finding -- okay. This is -- I don't have these  
3   pages numbered, but Tracts 33 and 34, about four or five  
4   pages into Exhibit C2.

5                   EXAMINER JONES: 33 and 34?

6                   MS. SHAHEEN: Uh-huh.

7                   EXAMINER JONES: MRC Permian, the working  
8   interest. But on C1, it shows them as an unleased  
9   mineral interest -- or unleased -- unleased. So that  
10   was interesting.

11                  MR. BRUCE: Well, I think this is all fee  
12   land, and I think we are out there acquiring -- they  
13   might have just purchased some mineral interests from  
14   people --

15                  EXAMINER JONES: Oh, actually owned it.

16                  MR. BRUCE: -- who didn't want to lease.

17                  MS. SHAHEEN: That, I don't know. I'm  
18   assuming that their agreement relates to all of the  
19   interests that MRC Permian has in these two proposed  
20   units.

21                  EXAMINER JONES: Okay. On your affidavit,  
22   for sending in the clarification from your land person,  
23   can you also point out where they show the interests in  
24   the different -- different depths? It looks like -- to  
25   me it's all lumped together, all depths, but he just

1 says it's a vertical split in the interest. So I don't  
2 see where he put -- he said that they are, you know,  
3 certain depths.

4 MS. SHAHEEN: He said that there are depth  
5 severances. And so you would like for him to identify  
6 the different owners in the different depth severances?

7 EXAMINER JONES: Yeah. The different  
8 owners at the different depths and the different  
9 percentages.

10 MS. SHAHEEN: Okay.

11 EXAMINER JONES: If there is one split,  
12 well, then maybe he has a different table for above that  
13 level and a table for below that level or however best  
14 to show it, and then have him submit another affidavit  
15 and copy Mr. Bruce.

16 MS. SHAHEEN: Okay. All right. I can do  
17 that.

18 EXAMINER JONES: So basically we've got how  
19 many categories of interests that are being pooled here?  
20 We've got working interests. We've got unleased mineral  
21 interests, and we've people in probate. So it's  
22 unmarketable type, so all kinds of interests.

23 MS. SHAHEEN: There are all kinds of  
24 interests, although there are no federal or state  
25 interests. It's all fee.

1                   EXAMINER JONES: Just a big fee nightmare,  
2   it looks like.

3                   MS. SHAHEEN: I think that's about what it  
4   was (laughter).

5                   EXAMINER JONES: Okay. And 8,000 for  
6   overhead and 800 for --

7                   MS. SHAHEEN: Yes.

8                   EXAMINER JONES: Okay. The terms look  
9   decent, 75 percent, \$1,000 an acre. I have no idea if  
10   those are, relatively speaking, a good deal, but at  
11   least it's specified there.

12                  MS. SHAHEEN: What are you looking at?

13                  EXAMINER JONES: The terms -- the proposal  
14   terms to the unleased mineral interests -- or unleased  
15   and the unparticipating interests on the proposal  
16   letter.

17                  MS. SHAHEEN: Uh-huh. I think it's  
18   reasonable.

19                  EXAMINER JONES: I have no idea how they  
20   can make money at 25 percent royalty burden, but -- it's  
21   a different world out there.

22                  MS. SHAHEEN: If you're ready, I'll move on  
23   to the geologist's affidavit.

24                  EXAMINER JONES: Sure.

25                  MS. SHAHEEN: This is behind Tab 3, and



1     there are two exhibits that are attached to  
2     Ms. Workman's affidavit. She testifies that she is  
3     employed as a petroleum geologist with WPX, that she's  
4     familiar with the subject application and the geology  
5     involved. She has previously testified before the  
6     Division as an expert witness in petroleum geology  
7     matters, and her testimony has been accepted by the  
8     Division and made a matter of record. She graduated  
9     with a Bachelor of Science in Geology from Colorado Mesa  
10    and has worked on -- in New Mexico on oil and gas  
11    matters since January of 2018.

12                 Her Exhibit G is a Wolfcamp top SSTVD  
13    structure map. The red rectangle indicates the proposed  
14    spacing unit contour intervals are 100 feet. The  
15    structure map shows that there is a regional downdip to  
16    the east. She does not observe any faulting, pinch-outs  
17    or other geologic impediments to developing the targeted  
18    interval with horizontal wells.

19                 With respect to Exhibit H, a Wolfcamp top  
20    stratigraphic cross section, she says that each well has  
21    a triple combo suite. Track one is a gamma ray log with  
22    interpreted color fill with a lithology and scale from  
23    zero to 150 API units. Track two is a resistivity log,  
24    shown in red and light blues and dark blue, shown on the  
25    logarithmic scale from 2 ohms to 2,000 ohms. Track

1 three is a porosity tract with neutron porosity  
2 identified by the blue curve scale from 45 percent to  
3 negative 15 percent. Same for the density-porosity  
4 curve, which is the red curve. The cross section  
5 identifies the key tops used to evaluate reservoirs and  
6 landing targets for both wells. The landing target  
7 interval is shown on the cross section by a green-shaded  
8 box. The reservoir and the Wolfcamp Y has constant  
9 thickness and reservoir facies throughout the proposed  
10 spacing units.

11 EXAMINER JONES: Okay. That's Wolfcamp Y,  
12 looks like, but it's Purple Sage anyway.

13 MS. SHAHEEN: That is the pool.

14 EXAMINER JONES: Yeah.

15 And then she goes into the stress  
16 direction. And she's drilling lay-down wells, so that  
17 looks okay.

18 MS. SHAHEEN: Good.

19 And she concludes that the horizontal  
20 spacing and proration unit is justified from a geologic  
21 standpoint. There are no structural impediments or  
22 faulting that will interfere with horizontal  
23 development, and quarter-quarter section will contribute  
24 more or less equally. The preferred well orientation in  
25 the area is east to west because the inferred

1 orientation of the maximum horizontal stress is roughly  
2 northeast-southwest.

3 And she prepared these exhibits, or they  
4 were compiled from WPX's business records. And she  
5 opines that the granting of the application is in the  
6 interest of conservation and the prevention of waste.

7 EXAMINER JONES: Okay.

8 MS. SHAHEEN: All right. Finally behind  
9 Tab 4 -- well, first I would move to have both  
10 affidavits with their exhibits accepted into the record.

11 EXAMINER JONES: Any objection?

12 MR. BRUCE: No objection.

13 EXAMINER JONES: Any questions or comments.

14 MR. BRUCE: No.

15 EXAMINER JONES: Okay. I don't have any  
16 comments or questions either, except it's just for  
17 the -- you're going to go ahead to the notice here.

18 So this is 1 through 3; is that correct?

19 MS. SHAHEEN: Well, 1 -- 1 is the  
20 application and those are already in the record, so we  
21 have 2 and 3.

22 EXAMINER JONES: Tabs 2 and 3 are admitted  
23 in both cases.

24 (WPX Energy Permian, LLC Exhibit Numbers 2  
25 and 3 are offered and admitted into

1 evidence.)

2 MS. SHAHEEN: Tab 4, the Affidavit of  
3 Notice. Here I've set out what notice has been given in  
4 Case Number 20450. Notice was originally issued by  
5 Holland & Hart, and they provided me with reports  
6 indicating who was noticed and what green cards were  
7 returned. They also provided me with an Affidavit of  
8 Publication illustrating that those who did not receive  
9 personal notice by mail were noticed through the  
10 Carlsbad paper. And that's demonstrated to my  
11 satisfaction that those owners who did not receive  
12 personal notice were served by publication.

13 With respect to the amended application, I  
14 caused notice to be sent by certified mail to all of  
15 those who were thought to be pooled with the exception  
16 of one who was unlocatable. I believe attached proof of  
17 receipt by all parties except three, as Exhibit C, and  
18 notice by publication was directed to those three  
19 persons and the unlocatable party, among others, which  
20 is reflected in the Affidavit of Publication attached is  
21 as Exhibit D. So that's the amended application for the  
22 Beagle well in Case Number 20450.

23 EXAMINER JONES: Okay. So new notice was  
24 sent out after it was amended then?

25 MS. SHAHEEN: Yes.

1 EXAMINER JONES: Okay.

2 MS. SHAHEEN: In Case Number 20451, I  
3 caused the mailing of the application by certified mail  
4 to all of the uncommitted interest owners who were  
5 sought to be pooled except one party who was  
6 unlocatable. And it actually turns out that there were  
7 a lot of parties who were unlocatable, especially those  
8 who were potential heirs. But you'll see in Exhibit E  
9 evidence of mailing to all of the parties, proof of  
10 receipt to the majority of the parties. Notice by  
11 publication was directed to all of those who did not  
12 receive personal notice, among others.

13 And we actually included everyone in both  
14 publications, which is reflected in the Affidavit of  
15 Publication attached hereto as Exhibit F.

16 And I further go on to say that WPX has  
17 conducted a good-faith, diligent effort to find the  
18 names and correct addresses for all the interest owners  
19 entitled to receive notice.

20 EXAMINER JONES: Okay. Looks like a huge  
21 notice effort here.

22 MS. SHAHEEN: It was. And John and I spent  
23 quite a bit of time last night putting this together for  
24 you.

25 I'm trying to encourage my assistant to do

1 it the electronic way. Hopefully it'll be easier for  
2 everyone if we do it that way.

3 EXAMINER JONES: Yeah. Were you here for  
4 yesterday morning?

5 MS. SHAHEEN: I missed yesterday morning.

6 EXAMINER JONES: Kathleen, you want to  
7 reiterate just a tiny bit?

8 EXAMINER MURPHY: I just talked about the  
9 importance of the lawyers sending the exhibits PDF to me  
10 as opposed to -- in many cases, I would have to email  
11 lawyers and have them send them to me, and it's gotten  
12 kind of out of hand. So I just talked about when you  
13 get back to the office in the next day or so, make sure  
14 you send me the PDF. Try to make it one document as  
15 opposed to splitting all the exhibits. And the size  
16 usually that is getting through is 28 megs, which is  
17 fairly large. I have not had trouble with large  
18 documents getting through, but some people do send me --  
19 they'll split them into two, and that's fine, too.

20 But really it's more on the lawyers and  
21 their assistants to make sure their documents get there.  
22 If they don't get to me, they don't get put in, and what  
23 happens is the examiner goes to write up the order and  
24 it's not there, and it slows down, as though it's not  
25 slow enough. But just that.

1 MS. SHAHEEN: That's good. Actually, John  
2 was here yesterday, and he came back and told me,  
3 reminded me, "Don't forget to send the exhibits when  
4 we're done."

5 EXAMINER JONES: Okay. Do you want to  
6 admit these?

7 MS. SHAHEEN: Yes.

8 I move to admit the affidavit and exhibit  
9 behind Tab 4.

10 EXAMINER JONES: Okay. Tab 4 is admitted.  
11 (WPX Energy Permian, LLC Exhibit Number 4  
12 is offered and admitted into evidence.)

13 MS. SHAHEEN: And I would request that the  
14 Division -- I will provide an amended affidavit  
15 addressing the issues that you --

16 EXAMINER JONES: I'm a bit concerned here  
17 that because of the number of people and the fact that  
18 there's -- I don't have Mr. Brooks here, but we see a  
19 lot of cases get re-opened to pool additional parties  
20 that the landman finds out about later on. And there  
21 are a bunch of parties that are not signed here that --  
22 that could be -- it's possible, if the landman breaks  
23 out this stuff and then he or she notices any kind of --  
24 somebody that got left out, that might require an  
25 additional notice. I'm inclined to continue this case

1     until August 22nd and then receive that last affidavit  
2     from him with the -- with the, you know, testimony of  
3     who else signed up and if anybody else had to receive  
4     notice, they got notice in the case.

5                   MS. SHAHEEN:   I can do that, although I  
6     would -- it has been a while because this has been  
7     continued a few times, and he has revised those notices.  
8     And I did mean to mention that there was one person --  
9     or one entity who was omitted in the original notice,  
10    and he got a waiver from that person.   So he has been  
11    continuing to revise and keep up, so I don't know how  
12    much more that's going to change again in the next  
13    month.

14                  EXAMINER JONES:   So when did this process  
15    get started?

16                  MS. SHAHEEN:   Well, the application was  
17    first filed -- the Beagle application was filed April  
18    2nd, and the Collie application was also -- I think also  
19    filed April 2nd.   So that was when the process was  
20    started.

21                  EXAMINER JONES:   That's just the  
22    application, but the land work was going on way before  
23    that.

24                  MS. SHAHEEN:   That's true.   The land work  
25    has been going on -- I don't know how long.   It's been



1     going on for a while because there were so many tracts  
2     that were in the Collie well.

3                   MR. BRUCE:  I think both companies started  
4     looking at this, I believe, at least at the end of last  
5     year, I believe, at least.

6                   MS. SHAHEEN:  I would imagine it would take  
7     them that long.

8                   MR. BRUCE:  Because I've seen dates that  
9     show that.

10                  EXAMINER JONES:  The land deck that Matador  
11     did, is there any talk between the land people, Matador,  
12     with the land people with WPX?  In other words, just to  
13     cross-check to see if anybody was missing.

14                  MS. SHAHEEN:  I can ask him.  I mean, I  
15     know that our landman has been talking with his  
16     counterpart at Matador, but I can ask him to  
17     cross-check.

18                  EXAMINER JONES:  Can you do that?

19                  MS. SHAHEEN:  Uh-huh.

20                  EXAMINER JONES:  Just include it in the  
21     affidavit.

22                  And then we'll take these under advisement.  
23     Hopefully they won't have to get re-opened again.

24                  MS. SHAHEEN:  I hope so, because we do  
25     still have that lease expiration issue.

1 EXAMINER JONES: Oh, I didn't know about  
2 that.

3 MS. SHAHEEN: Yeah. There are some leases  
4 that were set to expire at the end of July. Obviously,  
5 they've been working on renewing those or releasing  
6 them. But there are also leases that are set to expire  
7 at the end of October or sometime in October.

8 EXAMINER JONES: Okay. Supplement another  
9 affidavit and copy Mr. Bruce, and we'll take these under  
10 advisement, if you're done with the case here.

11 MS. SHAHEEN: I am. Thank you.

12 EXAMINER JONES: Okay. Cases 20450 and  
13 20541 are taken under advisement.

14 And that's it for the docket. We're done.

15 DR. GRUEBEL: Those two wells are  
16 permitted. I just looked them up.

17 EXAMINER JONES: That means they're ready  
18 to go.

19 (Case Numbers 20324, 20492, 20450 and 20451  
20 conclude, 9:44 a.m.)

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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 DATED THIS 29th day of July 2019.

21

22

23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters

25