

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:

CASE NOS: 21447 - 21454

APPLICATION OF MATADOR PRODUCTION COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

OCTOBER 8, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS LEONARD LOWE and KURT SIMMONS on Thursday, October 8, 2020, 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:

MICHAEL FELDEWERT
HOLLAND & HART
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Santa Fe, NM 87501
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For EOG:

LANCE HOUGH
MODRALL SPERLING ROEHL HARRIS & SISK PA
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For Mewbourne:

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I N D E X

CASE CALLED	
STATUS CONFERENCE	05
REPORTER CERTIFICATE	10

1 HEARING EXAMINER ORTH: Let's move then to the
2 next about, what is it, about eight matters.

3 (Audio interference.)

4 HEARING EXAMINER ORTH: Okay. 21447, 21448,
5 21449, 21450, 21451, 21452, 21453, 21454, Matador
6 Production, and it's the application (unclear). These are
7 compulsory pooling applications. I'm not sure where that
8 noise is coming from.

9 Okay. The well name is Young Deep. Is that you,
10 Mr. Feldewert, on behalf of the applicant?

11 MR. FELDEWERT: Yes, Madam Examiner. Good
12 morning.

13 HEARING EXAMINER ORTH: Good morning. I see
14 appearances from EOG. Who here is from Modrall Sperling for
15 EOG?

16 REPORTER: Ms. Orth, I'm sorry, can I cut in
17 here. This is the court reporter. I'm getting a lot of
18 background noise. I'm not sure where it's coming from.

19 HEARING EXAMINER: Okay. Let's see.

20 REPORTER: Is it from Deana?

21 HEARING EXAMINER: I didn't see that it was from
22 Deana.

23 REPORTER: She's not muted, from what I can see.

24 HEARING EXAMINER: Oh, it stopped. Okay. No, it
25 didn't stop. How's that?

1 REPORTER: Let's go ahead and try that and see
2 how it does.

3 HEARING EXAMINER: All right. I actually muted
4 Mr. Feldewert. We might be getting some feedback from a
5 nearby device.

6 So, let's see. Mr. Hough, you are appearing on
7 behalf of EOG. Sorry to interrupt you.

8 MR. HOUGH: No problem. Just entering my
9 appearance on behalf of EOG Resources.

10 HEARING EXAMINER ORTH: Thank you. I see an
11 appearance as well from Mewbourne. Was that you, Ms. Hardy,
12 from Hinkle Shanor?

13 MS. HARDY: Yes, it is. Good morning, Madam
14 Examiner. Dana Hardy from Mewbourne Oil company.

15 HEARING EXAMINER ORTH: Thank you. Let me pause
16 a moment to see if there are any other appearances this
17 morning.

18 (No audible response.)

19 HEARING EXAMINER ORTH: I hear nothing. We have
20 you on the schedule for a status conference -- and I hear
21 the noise again. And, Mr. Feldewert, let's (audio
22 interference). Mr. Feldewert, do you have a device nearby?

23 MR. FELDEWERT: I do not. I don't know if it's
24 me, or I see Deana is not muted.

25 HEARING EXAMINER ORTH: Let's see here.

1 MS. BENNETT: Can you all hear me?

2 HEARING EXAMINER ORTH: I'm going to mute Deana
3 here. Mute -- okay, I muted Deana. Have I muted everyone?
4 Is that what I just did? Let's see here. Now I have muted
5 everyone. All right, I didn't mean to do that. I was
6 trying to mute Deana.

7 I will -- let's see, I need to unmute
8 Mr. Hough -- Mr. Feldewert, it's definitely -- it's
9 definitely you, Mr. Feldewert. But let's proceed with
10 the -- let's proceed with the status conference. And I
11 have unmuted Ms. Hardy. So I'm going to mute myself, and if
12 you would, please, tell me where you are.

13 MR. FELDEWERT: Sure. Matador's wells on these
14 eight cases involve Bone Spring formation, seeking eight
15 spacing units involving basically stand-up wells in Sections
16 4 and 9 and then stand-up wells in Sections 3 and 10.

17 They compete with Mewbourne's East Watch Wells,
18 which are lay-down wells in Sections 3 and 4. And we have,
19 you recall that this matter -- the Mewbourne wells were
20 called for hearing at the September 10 docket. At that time
21 we discussed a December 3 hearing date. It's my
22 understanding that Mewbourne desires an earlier hearing date
23 due to a lease expiration issue.

24 Matador does not object to that; Ms. Hardy and I
25 have discussed the potential time frame. So that's where we

1 are with these cases. I will let Ms. Hardy take it from
2 there.

3 MS. HARDY: Thank you, Mr. Feldewert. Mr.
4 Feldewert is correct. We talked about an earlier hearing
5 date. Mewbourne does have a lease expiration issue and was
6 hoping for a date prior to December. Really, the sooner the
7 better for Mewbourne. Mr. Feldewert, and I have discussed,
8 I believe, November 3 and November 5, and November 5 is a
9 regular docket. Either of those dates would work for
10 Mewbourne if those dates might be a possibility for Madam
11 Hearing Examiner.

12 HEARING EXAMINER ORTH: Okay. Thank you, Mr.
13 Feldewert and Ms. Hardy. Mr. Hough, do you have anything to
14 add?

15 MR. HOUGH: Just add, you know, I guess, the
16 reason that EOG, it appears that they had not, I guess,
17 received the Matador applications. And I'm not saying they
18 weren't sent, I'm just saying they hadn't received a
19 thorough (unclear). So they weren't aware of these until
20 recently. They actually just pulled these off the docket,
21 so they're still -- the reason for all of this, they are
22 still evaluating their position on the Matador cases. You
23 know, it's happening real time right now that they are
24 evaluating their position on it.

25 With regard to the Mewbourne case, (unclear)

1 proceeding earlier, and so at this point, I guess I'm just
2 preserving the fact that EOG can't say one way or the other
3 whether they are strictly opposed to a November setting on
4 the 3rd, the 5th, but I understand Mewbourne is seeking that
5 because of its time with its lease expiration, so I'm just
6 preserving that for the record at this moment. It doesn't
7 necessarily have any basis to take a strong opposition to
8 the, to the request for a November setting, but anything
9 after that is fine, too.

10 HEARING EXAMINER ORTH: All right. Thank you,
11 Mr. Hough. So I'm looking on November 3rd and 5th, and at
12 the moment there is one contested hearing that I believe is
13 still scheduled for November 5. I have on the calendar
14 written down 20964. I don't remember anything about 20964,
15 but I do have it down now on November 5.

16 Ms. Hardy, do you have an estimate as to how long
17 this hearing will be?

18 MS. HARDY: I think it would take one day at the
19 most.

20 HEARING EXAMINER ORTH: So we could potentially
21 take a full day, and I am not available on November 6 at
22 all, we might perhaps want to distract ourselves from
23 November 3rd, and -- right? I'm available that day. Let me
24 confirm with Marlene that it would be okay to offer that
25 date. Marlene? Marlene?

1 MS. SANDOVAL: So Tuesday, November 3rd?

2 HEARING EXAMINER ORTH: Yes.

3 MS. SANDOVAL: Okay. I mean, whatever works,
4 I'll just have to let my boss know that I won't attend a
5 meeting, but I'm good with that.

6 HEARING EXAMINER ORTH: Good, thank you. And I
7 believe we need to also make some pre-arrangements with the
8 court reporter. So, Irene?

9 REPORTER: Yes, good to go.

10 HEARING EXAMINER ORTH: Terrific. Myself and I
11 and the court reporter are available on November 3rd, and we
12 can set the -- set this hearing for 21447 through 21454 for
13 hearing on November 3rd, and let's begin at 8:30.

14 MR. FELDEWERT: Madam Examiner, I assume also
15 then -- would you like -- do you need a prehearing order?

16 HEARING EXAMINER ORTH: Yes, please.

17 MR. FELDEWERT: At that time then I think Ms.
18 Hardy will add the Mewbourne cases because I don't think
19 they have been set, yet. Have they, Ms. Hardy?

20 MS. HARDY: No. We were hoping to setting them
21 altogether, yes.

22 HEARING EXAMINER ORTH: All right. Thank you for
23 that. Is there anything else we need to talk about then?

24 (No audible response.)

25 HEARING EXAMINER ORTH: No? Mr. Simmons, do you

1 have any questions about what was just discussed?

2 TECHNICAL EXAMINER SIMMONS: No, ma'am. Thank
3 you.

4 HEARING EXAMINER ORTH: All right. Thank you all
5 very much. We will see you on November 3rd.

6 MS. HARDY: Thank you.

7 HEARING EXAMINER ORTH: Terrific.

8 (Concluded.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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REPORTER'S CERTIFICATE

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

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.

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

Dated this 8th day of October 2020.

/s/ Irene Delgado

Irene Delgado, NMCCR 253
License Expires: 12-31-20