

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: 21681, 21682

APPLICATION OF MATADOR PRODUCTION COMPANY
TO AMEND ORDERS NUMBERS R-21277 AND R-21278,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
March 4, 2021
Santa Fe, New Mexico

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINER BAYLEN LAMKIN on
Thursday, March 4, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For the Applicant:

MICHAEL FELDEWERT
HOLLAND & HART
110 North Guadalupe, Suite 1
Santa Fe, NM 87501
505-954-7286

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

E X H I B I T I N D E X

Admitted

All Exhibits and Attachments 06

1 HEARING EXAMINER ORTH: Moving to the next
2 matters, 21681 and 21682. Matador Production is the
3 applicant, these are applications to amend orders. Well
4 names are Uncle Ches or Ches. Mr. Feldewert, you are here
5 from Holland & Hart?

6 MR. FELDEWERT: Yes, Madam Hearing Officer and
7 Examiner Lamkin, appearing on behalf of the applicant.

8 HEARING EXAMINER ORTH: Let me pause for a
9 moment. I didn't see entries in the file, in the event
10 there are some.

11 (No audible response.)

12 HEARING EXAMINER ORTH: No? You will be
13 presenting by affidavit, I take it?

14 MR. FELDEWERT: Yes, ma'am.

15 HEARING EXAMINER ORTH: Please go ahead.

16 MR. FELDEWERT: In these consolidated cases
17 Matador Production Company seeks to amend two pooling orders
18 that were issued last April for the purpose of allowing
19 additional time to commence drilling of the initial
20 dedicated wells.

21 They involve first Order R-21277 which pools the
22 Bone Spring under the Bone Spring formation under the W/2 of
23 the W/2 of Sections 16 and 21 in Township 20 South, Range 35
24 East.

25 The second order is R-21278, which pools the Bone

1 Spring formation in the E/2 of the W/2 of the same sections,
2 16 and 24. The deadline to commence drilling under the
3 current orders is April 28, so next month.

4 And as Mr. Prior testifies in his affidavit, an
5 extension is sought due to Covid, and then the other
6 economic factors that affected drilling and rig availability
7 in New Mexico in the past year.

8 Mr. Sam Prior's affidavit has been marked as
9 Exhibit A in these consolidated cases. He is a land manager
10 who previously testified before this Division and he
11 testified in the prior cases. He notes that the -- not only
12 the reason for the -- for the extension, but that these
13 wells are actually now on Matador's drilling schedule, and
14 they anticipate that they will commence drilling in, late in
15 the second quarter or early third quarter of what is now
16 this year in 2021.

17 So they seek to extend the drilling deadlines for
18 an additional year under the pooling orders to correspond
19 with the existing language. So now rather than being April
20 28, 2021, it would be April 28, 2022, under each of these
21 existing orders.

22 He also notes there are three working interest
23 owners that remain subject to the pooling orders. None of
24 the working interest owners have been asked to make an
25 election, nor have they made any payment of their share of

1 the costs to drill and equip these wells, so no one is
2 essentially affected at this point.

3 And notice was provided to these three working
4 interest owners as reflected under our Exhibit B, and they
5 have expressed no objection to the extension of this -- of
6 the deadline to drill under each of those pooling orders.

7 So we ask that this matter and Exhibits A and B
8 be admitted in the record, and that this matter be taken
9 under advisement and that the Division issue orders
10 extending the drilling deadline to April 28, 2022.

11 HEARING EXAMINER ORTH: Thank you, Mr. Feldewert.
12 Mr. Lamkin, do you have any questions?

13 TECHNICAL EXAMINER LAMKIN: I don't have any
14 questions.

15 HEARING EXAMINER ORTH: All right, thank you. I
16 noticed, Mr. Feldewert, it's kind of a bitter sweet
17 anniversary today. March 5 of 2020 was the last time we
18 were together in Porter Hall, so it's been a whole year.

19 MR. FELDEWERT: That was a long time ago.

20 HEARING EXAMINER ORTH: So thank you. The
21 exhibits are admitted and the matter will be taken under
22 advisement.

23 MR. FELDEWERT: Thank you very much.

24 (Exhibits admitted.)

25 (Taken under advisement.)

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

11 I FURTHER CERTIFY that I am neither employed by
12 nor related to any of the parties or attorneys in this case
13 and that I have no interest in the final disposition of this
14 case.

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

17 Dated this 4th day of March 2021.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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