

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: 21108, 21110

APPLICATION OF MATADOR OIL PERMIAN  
LLC FOR COMPULSORY POOLING  
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
MAY 20, 2021  
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, HEARING EXAMINER WILLIAM BRANCARD and TECHNICAL EXAMINER KURT SIMMONS, on Thursday, May 20, 2021, through the Webex Virtual Platform.

REPORTED BY: Carrie Hewerdine, RDR, NMCCR #512  
PAUL BACA COURT REPORTERS  
500 4th Street, Suite 105  
Albuquerque, New Mexico 87102

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A P P E A R A N C E S

For Matador Production Company:

JAMES BRUCE  
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For EOG Resources and XTO Holdings:

KAITLYN A. LUCK  
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Santa Fe, NM 87501  
505.954.7286

I N D E X

CASE CALLED  
03  
SUMMARY OF CASE AND EXHIBITS  
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TAKEN UNDER ADVISEMENT  
07  
REPORTER CERTIFICATE  
08

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

Admitted

Exhibits and Attachments

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1 HEARING EXAMINER BRANCARD: So on our hearing  
2 sheet, these are Cases 46 and 47, Case Numbers 21108,  
3 2110 [sic], and Matador Production.

4 Bruce?

5 JAMES BRUCE: Yes, I'm here on its behalf.

6 HEARING EXAMINER BRANCARD: All right. And so  
7 now I have entries of appearance for XTO Holdings and  
8 EOG Resources.

9 KAITLYN LUCK: Good morning, again.

10 Kaitlyn Luck with the Santa Fe office of  
11 Holland & Hart on behalf of EOG Resources and XTO  
12 Holdings.

13 HEARING EXAMINER BRANCARD: Thank you.

14 Are there any other entries in Cases 21108 and  
15 21110?

16 Hearing none, Ms. Luck, do you have an  
17 objection to this case proceeding by affidavit?

18 KAITLYN LUCK: Neither XTO nor EOG have  
19 objection to the case proceeding by affidavit.

20 On Tuesday, both parties filed exhibits  
21 requesting special payment provisions be included in  
22 the pooling orders. And so I would just like to note  
23 that both of those exhibits were filed.

24 But there's no objection.

25 JAMES BRUCE: And, Mr. Examiner, Matador has

1 no objection to the language requested by the EOG and  
2 XTO.

3 HEARING EXAMINER BRANCARD: Thank you.

4 And so with that, Mr. Bruce, you may proceed.

5 JAMES BRUCE: Preliminarily, we filed these  
6 applications almost a year and a half ago. So I was  
7 desperate to get them off my desk here.

8 And in the first case, Matador seeks to force  
9 pool the Bone Spring formation in the north half, south  
10 half of Section 15, and the north half, south half of  
11 Section 14 of 20 South, 29 East.

12 And in the second application, they seek to  
13 force pool the Bone Spring formation in the south half,  
14 south half of the same sections, township, and range.

15 The land man's affidavit contains ownership  
16 information showing the usual matters, the interest  
17 ownership, the C102s, the AFEs, and -- let's see here.

18 And it shows the parties being pooled will --  
19 excuse me for -- okay.

20 Exhibit A3 shows the uncommitted parties, both  
21 working interests, and overriding royalty interest  
22 owners.

23 And then there is another list of -- it's not  
24 on a list, but it is on a notice sheet of record title  
25 owners of the leases involved in these cases.

1           This is primarily federal land, and there's a  
2 lot of record title owners who own no working interest,  
3 but they need to be force pooled for purposes of  
4 communitization agreements.

5           And Exhibit A is the land man's affidavit with  
6 the usual.

7           Exhibit B is the geologist's testimony.

8           Exhibit C is the affidavit of notice. You  
9 will see that the first notice letter went out in  
10 February of 2020 on a number of wells, related wells.  
11 And they were both -- there were some parties who did  
12 not receive actual notice on April -- another part of  
13 the -- a second notice letter went out almost two  
14 months ago to the record title owners. And most people  
15 received notice.

16           Some green cards weren't returned, but there  
17 are two publication notices marked -- attached as  
18 Exhibit D, showing that, collectively, all of the  
19 interest owners, whether by certified mail or  
20 publication notice, received notice of this hearing.

21           And then the pooling checklists are attached.

22           I think the exhibit package is, again,  
23 complete.

24           I would move the admission of Exhibits A  
25 through F and ask that the two cases be taken under

1 advisement.

2 HEARING EXAMINER BRANCARD: Thank you.

3 Mr. Simmons, any questions?

4 TECHNICAL EXAMINER SIMMONS: No. Everything  
5 appears to be in order.

6 But I would note that in the past that the  
7 practice has been for, when they do have these special  
8 payment provisions, to make a note of it in the  
9 checklist because the technical examiner sitting in  
10 these hearings is not always the one that works out the  
11 orders and that makes sure that we don't overlook it.

12 JAMES BRUCE: Would you like me to revise  
13 those real quick and resend them to you?

14 TECHNICAL EXAMINER SIMMONS: It may not be  
15 necessary in this case. If you want to, that's fine,  
16 you can just email them to me.

17 But I made a note of it. So hopefully it  
18 won't get overlooked.

19 But again, in the future, we want to try to --  
20 so that we don't have to do our work twice. That's  
21 all.

22 JAMES BRUCE: Yeah. Exactly. Okay. Thanks.

23 HEARING EXAMINER BRANCARD: Ms. Luck, did you  
24 submit language?

25 KAITLYN LUCK: Yes. We filed exhibits on

1 Tuesday for both EOG and XTO that has the -- us paired  
2 off with the order.

3 HEARING EXAMINER BRANCARD: Okay. So you'd  
4 like to move those exhibits?

5 KAITLYN LUCK: Yes. I would move the  
6 admission of both Exhibit 1 for XTO and Exhibit 1 for  
7 EOG and ask that those paragraphs be included in these  
8 pooling orders.

9 HEARING EXAMINER BRANCARD: And, Mr. Bruce, I  
10 assume you have no objections?

11 JAMES BRUCE: No objection.

12 HEARING EXAMINER BRANCARD: Ms. Luck, do you  
13 have any other questions or comments for this matter?

14 KAITLYN LUCK: No other questions or comments.  
15 Thank you. I appreciate it.

16 HEARING EXAMINER BRANCARD: Okay. So with  
17 that, the exhibits of all three parties will be  
18 admitted, and Cases 21108 and 21110 will be taken under  
19 advisement.

20 JAMES BRUCE: Thank you.

21 HEARING EXAMINER BRANCARD: Thank you,  
22 Mr. Bruce, for your extended performance today.

23 JAMES BRUCE: Time to go home. Thank you.

24 (Hearing concluded)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, CARRIE HEWERDINE, RDR, New Mexico Certified  
7 Court Reporter, CCR 521, do hereby certify that I  
8 reported the foregoing virtual proceedings in  
9 stenographic shorthand and that the foregoing pages are  
10 a true and correct transcript of those proceedings to  
11 the best of my ability.

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

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

18 Dated this 24th day of May, 2021.

19

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21 /s/ Carrie Hewerdine

22 Carrie Hewerdine, RDR, NMCCR 521  
23 License Expires: 12-31-21

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