

STATE OF NEW MEXICO.
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Application of Matador Production	Case No. 22054
Company for compulsory pooling,	Case No. 22055
Lea County, New Mexico	Case No. 22058

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

AUGUST 5, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Baylen Lamkin, Technical Examiner, on August 5, 2021 through the Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources.

Reported by: Mary Therese Macfarlane
New Mexico CCR #122
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

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C O N T E N T S

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1 (Time noted 9:08 a.m.)

2 EXAMINER BRANCARD: With that I call Cases No.
3 26, 27 and 28 on our agenda, Nos. 22054, 22055 and 22058,
4 Matador Production Company.

5 MS. LUCK: Good morning again. Kaitlyn Luck
6 with the Santa Fe office of Holland & Hart for the
7 application in these three cases, Matador Production
8 Company.

9 EXAMINER BRANCARD: We have an entry of
10 appearance from ConocoPhillips.

11 MS. RYAN: Good morning, Mr. Examiner. This is
12 Beth Ryan for...

13 (Note: Reporter inquiry.)

14 EXAMINER BRANCARD: You're really quiet, Ms.
15 Ryan.

16 (Note: Discussion off the record.)

17 MS. RYAN: No, we don't. We just entered an
18 appearance to preserve our de novo rights. Thank you.

19 EXAMINER BRANCARD: Thank you. Ms. Luck, you
20 may proceed.

21 MS. LUCK: Thank you.

22 In these cases Matador understood that
23 there would be no objections to the cases proceeding by
24 affidavit today, so Matador did file its exhibit package
25 on Tuesday, which includes the standard set of exhibits.

1 Like the cases that I've covered previously
2 it starts off with Exhibit, A which are copies of the
3 Pooling Application Checklists for each of the three
4 cases, followed by Exhibit B, which is copies of Matador's
5 Applications for each of these three cases.

6 Matador's Exhibit C -- or excuse me,
7 Exhibit C is the affidavit of Nicholas Week. He is
8 Matador's landman. He explains that in these three cases
9 Matador is seeking to pool three standard horizontal
10 spacing units in the Bone Spring Formation and in the
11 Wolfcamp Formation underlying Sections 19 and 30 in
12 Township 21 South, Range 35 East, in Lea County, New
13 Mexico.

14 So just to briefly recap: In the first
15 case, 22054, that is going to be a west half/west half
16 spacing unit which will be dedicated to a 287-acre,
17 spacing unit in the Bone Spring Formation and dedicated to
18 the Dee Osborne 1930 State Com 111H, 12H, and 135H.

19 The second case, which is 22055, that's
20 going to be the east half/west half Bone Spring Spacing
21 Unit, and that's also Sections 19 and 30, and then this
22 unit will be dedicated the dee Osborne 112, 122, and 136H
23 wells.

24 And then the last case that's included in
25 this packet 22058, and that is Matador's west half

1 Wolfcamp spacing unit, so that acreage, which is about 607
2 acres, will be dedicated to the Dee Osborne 201H and the
3 202H wells.

4 Matador has included standard exhibits in
5 the packet, which starts off with the draft plats for each
6 of the wells as Exhibit C-1.

7 Matador's Exhibit C-2 is a general location
8 map outlining these proposed spacing units and the
9 wellbores that Matador seeks to drill within the units.

10 Matador's Exhibit C-3 are a recap of the
11 working interest Matador is pooling into the three units.

12 Matador's Exhibit C4 is a copy of the Well
13 Proposal Letter.

14 And then C-5 is the chronology of Matador's
15 contacts with each of uncommitted working interest owners.

16 Next in the packet is Matador's Exhibit D,
17 which is the geology affidavit and exhibits. Matador has
18 included the standard geology affidavit and exhibits,
19 including the structure map, the cross section map, and
20 the cross-section for both the Bone Spring and the
21 Wolfcamp acreage for these Dee Osborne wells.

22 Finally in the packet are Matador's
23 Exhibits E and F, which include the notice information
24 reflecting that our office provided Notice of this hearing
25 to each of the owners to be pooled, both by mail and by

1 publication in the newspaper in the county where the wells
2 are located.

3 So with that I would move the admission of
4 Matador's Exhibits A through F and request that these
5 three cases be taken under advisement, unless there's any
6 additional questions.

7 EXAMINER BRANCARD: Thank you. Ms. Ryan, any
8 questions?

9 MS. RYAN: No, thank you.

10 EXAMINER BRANCARD: You sound much better now.

11 Mr. Lamkin, any questions?

12 EXAMINER LAMKIN: Did you ever receive any
13 response from BF Petroleum, or no?

14 MS. LUCK: I'm not sure that we did receive a
15 response from them, but I can confirm with the Matador
16 landman Mr. Helbing, and circle back with you after the
17 hearing is concluded, just to confirm the status of their
18 interest.

19 EXAMINER LAMKIN: Okay. That's all. Thanks.

20 EXAMINER BRANCARD: Are there any other
21 interested persons in Cases 22054, 055, 058, Dee Osborne
22 wells? (Note: Pause.)

23 Hearing none, the exhibits are admitted
24 into the record.

25 So Mr. Lamkin, what exactly do you need

1 from Ms. Luck?

2 EXAMINER LAMKIN: Follow-up for the
3 correspondence to BF Petroleum.

4 EXAMINER BRANCARD: Is that clear, Ms. Luck?

5 MS. LUCK: Yeah. That's not a problem. I can
6 circle back with Matador and just find out about the
7 status of our discussions with them at this point.

8 EXAMINER BRANCARD: Thank you. So we will leave
9 the record open for any clarification that you can provide
10 us, Ms. Luck, on that correspondence, hopefully in the
11 next day or so, and at that point the cases will be taken
12 under advisement. This is Cases 22054, 22055 and 22058.

13 MS. LUCK: Sounds good. Thank you.

14 EXAMINER BRANCARD: Thank you.

15 (Time noted 9:15 a.m.)

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1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter
CCR No. 122, DO HEREBY CERTIFY that on Thursday, August 5,
2021, the proceedings in the above-captioned matter were
taken before me; that I did report in stenographic
shorthand the proceedings set forth herein, and the
foregoing pages are a true and correct transcription to
the best of my ability and control.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with (unless excepted by the
rules) any of the parties or attorneys in this case, and
that I have no interest whatsoever in the final
disposition of this case in any court.

/s/ Mary Macfarlane

MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2021