

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: 21063 - 21065

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

CASE NOS: 20988 20989

APPLICATION OF OSTRICH OIL & GAS LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
JULY 15, 2021  
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
WILLIAM BRANCARD and TECHNICAL EXAMINER DEAN McCLURE on  
Thursday, July 15, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

For Matador Production:

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For ConocoPhillips:

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For Ostrich Oil & Gas LLC:

PADILLA LAW FIRM  
ERNEST PADILLA  
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I N D E X

|                              |    |
|------------------------------|----|
| CASE CALLED                  |    |
| SUMMARY OF CASE AND EXHIBITS | 04 |
| EXHIBITS ADMITTED            | 06 |
| TAKEN UNDER ADVISEMENT       | 06 |
| REPORTER CERTIFICATE         | 08 |

1 HEARING EXAMINER BRANCARD: Okay. So the last  
2 five cases on our docket today were scheduled as a contested  
3 hearing, but perhaps that's not what we are going to have  
4 here right now, so let's find out.

5 I'm going to call Cases 21063, 21064, 21065,  
6 20988, 20989, with a request for dismissal was filed for  
7 Cases 20988 and 20989. So let's start with Matador  
8 Production.

9 MR. BRUCE: Jim Bruce entering on appearance on  
10 behalf of Matador Production Company.

11 MR. PADILLA: Mr. Examiner, Ernest L. Padilla for  
12 Ostrich Oil & Gas LLC.

13 HEARING EXAMINER BRANCARD: Thank you.  
14 ConocoPhillips?

15 MR. FELDEWERT: May it please the Examiner,  
16 Michael Feldewert of the Santa Fe office of Holland & Hart  
17 appearing on behalf of ConocoPhillips.

18 HEARING EXAMINER BRANCARD: All right. Does  
19 ConocoPhillips have witnesses or wants to contest this case?

20 MR. FELDEWERT: We do not.

21 HEARING EXAMINER BRANCARD: And you have no  
22 objection to this case going forward by affidavit?

23 MR. FELDEWERT: We do not.

24 HEARING EXAMINER BRANCARD: All right.

25 Mr. Padilla.

1                   MR. PADILLA: Mr. Examiner, Ostrich Oil & Gas and  
2 Matador settled their dispute, therefore we dismissed our  
3 competing applications, and so we have nothing more to say.  
4 And no, no objection to an affidavit case by Matador.

5                   HEARING EXAMINER BRANCARD: Thank you. Are there  
6 any other interested persons then in cases 21063, 21064,  
7 21065?

8                   (No response.)

9                   HEARING EXAMINER BRANCARD: Hearing none, Mr.  
10 Bruce, you may proceed?

11                   MR. BRUCE: Mr. Examiner in Case 063, Matador  
12 seeks to force pool the Bone Spring Formation in the W/2 W/2  
13 of Section 3 and the W/2 W/2 of Section 10, 22 South, 32  
14 East in Lea County for the purpose of drilling two wells.

15                   In Case 064, they seek to force pool the E/2 W/2  
16 of Section 3 and the E/2 W/2 of Section 10 in the Bone  
17 Spring Formation for the purpose of drilling three wells.

18                   And then 065, they seek to force pool the  
19 Wolfcamp Formation in the E/2 W/2 of Section 3 and the E/2  
20 W/2 of Section 10 for the purpose of drilling a Wolfcamp  
21 well.

22                   When you look at the exhibits, I had a devil of a  
23 time getting everything to upload and go onto the OCD's  
24 E-permitting website, so I had to break it up into the  
25 affidavits, et cetera, the exhibits into three parts.

1           The first one is an affidavit covering all three  
2 cases from the landman Chris Carlton, contains all the usual  
3 information with AFEs, the C-102s, the proposal letters'  
4 breakdown of interest ownership and copies of proposal  
5 letters. It contains all the usual information that is  
6 Exhibit A.

7           Exhibit B-1 is my affidavit of notice.

8           And Exhibit B-2 is an affidavit of publication.  
9 All parties did receive either actual or publication notice  
10 of the case. There are several notice letters because after  
11 I had sent out my initial proposal letter, a couple of  
12 additional people were added to the notice list, so I think  
13 there are, in total, three notice letters. And the parties  
14 being notified differed slightly from the W/2 W/2 of the  
15 sections to the E/2 W/2 of these sections, but everyone did  
16 receive notice.

17           Exhibit C is the geologist affidavit, and it  
18 contains all the usual structure map, cross section, and the  
19 usual information that the Division likes to see.

20           Exhibit D contains all the applications and  
21 proposed notices.

22           And Exhibit E contains three pooling checklists,  
23 one for each case. And once again, I believe all the  
24 information the Division usually requires is in the exhibit  
25 packages, and I would ask that Exhibits A through E in these

1 cases be admitted into evidence and the matters be taken  
2 under advisement.

3 HEARING EXAMINER BRANCARD: Thank you.

4 Mr. Feldewert, any objections or questions?

5 MR. FELDEWERT: No objection, Mr. Brancard, and  
6 no questions.

7 HEARING EXAMINER BRANCARD: Thank you. Mr.  
8 Padilla?

9 MR. PADILLA: No, none.

10 HEARING EXAMINER BRANCARD: Thank you. Once  
11 again, are there any other interested persons Cases 21063,  
12 21064 and 21065. Mr. McClure, any questions?

13 TECHNICAL EXAMINER McCLURE: No, Mr. Brancard, I  
14 have no questions regarding these cases.

15 HEARING EXAMINER BRANCARD: Thank you. And so if  
16 I understand, Mr. Bruce, you have everything uploaded in the  
17 system that you need?

18 MR. BRUCE: Yes.

19 HEARING EXAMINER BRANCARD: Thank you. With that  
20 the exhibits will be admitted into the record in Cases  
21 21063, 064, 065 will be taken under advisement. Thank you.

22 (Exhibits admitted.)

23 (Taken under advisement.)

24 HEARING EXAMINER BRANCARD: And as noted earlier,  
25 Cases 20988 and 20989 have been dismissed. Are there any

1 other matters to come before the Division at this point?

2 (No response.)

3 MR. BRUCE: If I may, rather than e-mailing you,  
4 Mr. Brancard, when you asked for information about what to  
5 do with hearings, I had the same thought that you said about  
6 the Oklahoma Corporation Commission, that when it comes to  
7 contested cases, it's a lot easier to present by live  
8 testimony rather than telephonically or by Zoom, but  
9 certainly I see no problem with continuing all of the  
10 uncontested matters over the phone. They seem to go pretty  
11 quickly.

12 HEARING EXAMINER BRANCARD: Yeah, that means, Mr.  
13 Bruce, that we will actually see you live and in person.

14 MR. BRUCE: Well, that's your problem not mine.

15 (Discussion off record.)

16 MR. BRUCE: Thank you for everything,  
17 Mr. Brancard.

18 HEARING EXAMINER BRANCARD: Thank you, everyone.  
19 We had quite an agenda today, but it got done in a very  
20 short period of time. So thank you all for working on those  
21 cases moving things forward and settling matters as  
22 necessary. All right. We will see you all in a few weeks.  
23 Thank you.

24 (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, 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 15th day of July 2021.

18

/s/ Irene Delgado

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

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