

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: 22056, 22057,
22059

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
February 3, 2022
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 DYLAN ROSE-COSS on
Thursday, February 3, 2022, 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:

ADAM RANKIN
HOLLAND & HART
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For Cimarex:

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ABADIE & SCHILL
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Santa Fe, New Mexico 87501

For ConocoPhillips:

OCEAN MUNDS-DRY
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I N D E X

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1 HEARING EXAMINER BRANCARD: All right. With
2 that, we will call Cases 22056, 22057, 22059, Matador
3 Production Company.

4 MR. RANKIN: Mr. Examiner, Adam Rankin with the
5 law firm of Holland & Hart Santa Fe office appearing on
6 behalf of the applicant in this case.

7 HEARING EXAMINER BRANCARD: Thank you. I have
8 entries of appearance from Cimarex Energy Company?

9 MR. SAVAGE: Good morning, Mr. Hearing Examiner,
10 Darin Savage with Abadie & Schill on behalf of Cimarex
11 Energy Company.

12 HEARING EXAMINER BRANCARD: And ConocoPhillips.

13 MS. MUNDS-DRY: Good morning, Mr. Examiner, Ocean
14 Munds-Dry with ConocoPhillips.

15 HEARING EXAMINER BRANCARD: Are there any other
16 interested persons for Cases 22056, 22057 or 59?

17 (No audible response.)

18 HEARING EXAMINER BRANCARD: I will to turn to Mr.
19 Savage and Ms. Munds-Dry, do you object to these cases
20 moving forward by affidavit?

21 MR. SAVAGE: No objection from Cimarex going
22 forward by affidavit.

23 HEARING EXAMINER BRANCARD: Thank you. Ms.
24 Munds-Dry?

25 MS. MUNDS-DRY: Likewise, we have no objection to

1 the case proceeding by affidavit.

2 HEARING EXAMINER BRANCARD: Thank you. I guess
3 that means it's up to you, Mr. Rankin.

4 MR. RANKIN: Thank you, Mr. Examiner. Before I
5 forget, I will state that Matador has reached an agreement
6 with ConocoPhillips and is no longer seeking to pool
7 ConocoPhillips in these three cases, so we can dismiss them
8 from these pooling proceedings.

9 In these three cases Matador is seeking to pool
10 portions of the E/2 of Sections 19 and 30 in Township 21
11 South, Range 35 East in Lea County. In Cases 22056 and
12 22057 Matador is seeking to create a spacing unit and pool
13 the Bone Spring formation. In Case 22059, Matador is
14 seeking to create a spacing unit in the E/2 of those
15 sections and to pool a Wolfcamp formation creating a
16 standard spacing unit in each case.

17 Submitted on Tuesday are the affidavits and
18 exhibits that accompany each of these three cases. In each
19 case, Exhibit A is the pooling application checklist
20 identifying the elements of pooling for each of the cases,
21 designated spacing units, the designated wells and the other
22 elements required by the Division.

23 Exhibit B is a copy of the application filed by
24 Matador in each of the three cases. Exhibit C is a copy of
25 the affidavit of the Ms. Hannah Bollenbach who is a landman

1 with Matador. She has not previously testified before the
2 Division, so I ask that her credentials be accepted. I can
3 briefly review them for you.

4 She is a graduate of the University of Oklahoma,
5 a bachelor's degree in energy management. She began working
6 with Matador as a landman after graduation, overseeing land
7 in Eddy and Lea County, New Mexico. She also previously
8 interned with the land department of Matador while she was
9 an undergraduate, and she has also completed her required
10 hours of continuing education as a landman, she is a member
11 of the American Association of Landmen.

12 With that I would ask that Ms. Bollenbach be
13 accepted, her credentials be accepted as a matter of record
14 and she be qualified as an expert in petroleum land matters.

15 HEARING EXAMINER BRANCARD: Thank you. Any
16 objection?

17 (No audible response.)

18 HEARING EXAMINER BRANCARD: Hearing none, Ms.
19 Bollenbach will be accepted as an expert, and
20 congratulations on her recent post.

21 MR. RANKIN: Yeah, she is in the workforce. So
22 Ms. Bollenbach testifies about each of the three cases,
23 identifies the spacing units, the wells that will be
24 dedicated thereto. She reviews the -- provides a copy of
25 the C-102s for each of the proposed wells, as well as

1 identifies the specific tracts that will comprise each of
2 the spacing units, the ownership interest within each one
3 that Matador seeks to pool, and the overriding royalty
4 interest as well. In Exhibit C-4 she provides copies of the
5 proposal letters that went out along with the AFEs.

6 And Exhibit D is the affidavit of Andrew Parker
7 who is the geologist with the company who has previously
8 testified. His exhibits review the proposed spacing units,
9 identifies the target intervals for each case and confirms
10 that he has not seen or does not see any impediments to
11 developing the spacing unit by horizontal well and each
12 tract will contribute more or less equally to production.

13 Exhibit E and F are copies of affidavit of the
14 notice that we provided notice of this hearing and of the
15 application to each of the parties that Matador is seeking
16 to pool. And Exhibit F is the affidavit of publication
17 reflecting each of those parties was identified by name in a
18 publication published back in July of 2021.

19 With that, unless there are any questions, we ask
20 that Exhibits A through F in each of these cases be accepted
21 into the record and that these cases be taken under
22 advisement.

23 HEARING EXAMINER BRANCARD: Mr. Savage, questions
24 or concerns?

25 MR. SAVAGE: Just one clarification, if I could

1 ask Mr. Rankin to clarify the agreement with ConocoPhillips
2 that they are no longer seeking to pool. Is it no longer
3 seeking to pool ConocoPhillips itself, or did that alter the
4 nature of the unit being pooled?

5 MR. RANKIN: Mr. Savage, the answer to your
6 question is that ConocoPhillips, as I understand, and
7 Matador have reached a voluntary agreement through a JOA, so
8 they are no longer being pooled because their interests are
9 committed to the acreage.

10 MR. SAVAGE: Thank you. That's what I thought.
11 Thank you.

12 HEARING EXAMINER BRANCARD: Ms. Munds-Dry?

13 MS. MUNDS-DRY: Nothing from me, thank you.

14 HEARING EXAMINER BRANCARD: Mr. Rose-Coss,
15 questions about these cases?

16 TECHNICAL EXAMINER ROSE-COSS: No, I do not have
17 any questions, per se, a comment. Geology exhibits are
18 better than I am used to seeing, and whatever software
19 Matador is using maybe the other companies should look into
20 because they are superior exhibits. So thanks for that.

21 MR. RANKIN: Mr. Rose-Coss, is it because they
22 are more legible, or what in particular --

23 TECHNICAL EXAMINER ROSE-COSS: The legibility,
24 certainly, the shading on the contour maps, but there is
25 also a legend. As a geologist and a (inaudible) for

1 geology, I tend to (inaudible) seeing a map than without a
2 legend, so that's appreciated. The well lots are also at a
3 scale where the information is legible and visible and
4 identified clearly, so that's all that's all (inaudible).

5 MR. RANKIN: Thank you. It's helpful for us so
6 we can convey what the Division is seeking in their
7 exhibits.

8 HEARING EXAMINER BRANCARD: Any questions, Mr.
9 Rose-Coss?

10 TECHNICAL EXAMINER ROSE-COSS: That's it for me.

11 HEARING EXAMINER BRANCARD: I will confirm, Mr.
12 Rose-Coss really likes the exhibits. We had the discussion
13 yesterday.

14 All right. Are there any other persons
15 interested in Cases 22056, 57 and 59?

16 (No audible response.)

17 HEARING EXAMINER BRANCARD: Hearing none, these
18 cases will be taken under advisement and the exhibits will
19 be admitted into the record.

20 MR. RANKIN: Thank you, Mr. Examiner.

21 (Exhibits admitted.)

22 (Taken under advisement.)

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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 3rd day of February 2022.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-22

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