

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: 22255, 22256

APPLICATIONS OF MATADOR PRODUCTION
COMPANY FOR COMPULSORY POOLING,
EDDY 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:

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For COG Operating:

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1 HEARING EXAMINER BRANCARD: All right. We'll
2 call then the next two cases on our agenda, Items 28 and 29.
3 These will be cases 22255, 22256. Again, Matador Production
4 Company.

5 MR. RANKIN: Good morning, Mr. Examiner. Adam
6 Rankin with the Santa Fe office of Holland & Hart appearing
7 in these consolidated cases on behalf of the applicant.

8 HEARING EXAMINER BRANCARD: We have COG Operating
9 LLC.

10 MR. RODRIGUEZ: Good morning. Can you hear me
11 all right?

12 HEARING EXAMINER BRANCARD: Perfect.

13 MR. RODRIGUEZ: Michael Rodriguez with Hinkle
14 Shanor on behalf of COG Operating LLC.

15 HEARING EXAMINER BRANCARD: Does COG have any
16 objection to these cases moving forward by affidavit?

17 MR. RODRIGUEZ: No objection.

18 HEARING EXAMINER BRANCARD: Are there any other
19 interested persons for cases 22255 and 22256?

20 (No audible response.)

21 HEARING EXAMINER BRANCARD: Hearing none,
22 Mr. Rankin, you may proceed.

23 MR. RANKIN: Thank you, Mr. Examiner. Before I
24 go any further, I will note, Matador did reach agreement
25 with COG and Concho in these consolidated cases and has

1 dismissed them from the pooling as reflected in their
2 exhibits for today's hearing.

3 In these consolidated cases Matador Production
4 Company is seeking orders pooling all uncommitted interests
5 in the Bone Spring Formation, underlying two standard 320
6 acre more or less horizontal spacing unit.

7 In Case 22255, it would be the N/2 N/2 of Section
8 13 in Township 24 South, Range 28 East, and the N/2 N/2 of
9 Section 18 in the neighboring Township 24 South, Range 29
10 East in Eddy County. That spacing unit will be dedicated to
11 the Glen Spiller Fed Com 111H well.

12 In the companion case, 22256, Matador seeks an
13 order pooling all uncommitted interest in the Bone Spring
14 under a 320 acre standard spacing unit to be comprised of
15 the S/2 of the N/2 of Section 13, Township 24 South, Range
16 28 East, and the S/2 of the N/2 of Section 18 in the
17 adjoining Township 24 South, Range 29 East, also in Eddy
18 County. That spacing unit will be dedicated to the Harrold
19 Melton Fed Com 112H Well.

20 As was with the prior case, Mr. Examiner, Matador
21 has prepared exhibits that are marked A through F that were
22 filed on Tuesday. A is a copy of the compulsory pooling
23 checklist that identifies each of the elements of the
24 pooling required by the Division for each case.

25 B is a copy of the applications that were filed

1 in each case. C is a copy of the affidavit of Matador's
2 landman who has previously testified, and she identifies
3 C-102s of the proposed wells. She reviews the land tracts
4 that comprise the spacing units and ownership and the
5 parties that Matador is seeking to pool. C-4 is a copy of
6 the overriding royalty interests that are subject to this
7 proposed -- to these pooling proceedings as well.

8 Exhibit C-5 is the well proposal letters and AFEs
9 that went out to each of these parties as well, and
10 Exhibit C-6 is copy of the summary of communications
11 attempting to reach voluntary agreement.

12 Exhibit D is a copy of the affidavit of the
13 geologist who identifies the proposed target intervals
14 within the Bone Spring formation and confirms that in his
15 opinion he has not identified any impediments to drilling
16 those wells and each well should contribute more or less
17 equally to production.

18 Exhibit E is a copy of the affidavit of notice
19 that we prepared sending notice to each of the parties
20 identified to us by Matador.

21 And now, Mr. Examiner, it looks like we may have
22 missed certified mailing on that. I will confirm that. We
23 did provide -- we do have a mail report that accompanies
24 Exhibit E, and I will tell you that on that exhibit some of
25 the parties did not receive notice so we are -- we rely on

1 our publication for notice purposes. And the publication
2 was, was run on October 21 of last year -- of the last year.

3 Mr. Examiner, I will provide a revised exhibit
4 reflecting that we did provide notice by certified mail. I
5 did not catch that on Tuesday when I reviewed this, I
6 apologize. We will provide those mailing reports with this
7 exhibit. With the caveat that we will update the Division
8 with that revised exhibit, we ask that Exhibits A through F
9 be admitted into the record and that this case be taken
10 under advisement.

11 HEARING EXAMINER BRANCARD: Thank you. You are
12 talking about the certified mailing, the green cards.

13 MR. RANKIN: The United States postal report
14 showing the status of each of the notice letters that went
15 out to each of the parties.

16 HEARING EXAMINER BRANCARD: Mr. Rodriguez, any
17 questions?

18 MR. RODRIGUEZ: No questions, thank you.

19 HEARING EXAMINER BRANCARD: Mr. Rose-Coss,
20 questions?

21 TECHNICAL EXAMINER ROSE-COSS: No questions,
22 thank you.

23 HEARING EXAMINER BRANCARD: Mr. Rankin, was that
24 for both cases? I see it for 55.

25 MR. RANKIN: I believe -- let me confirm. Yeah,

1 that would be just for, just for Case Number 225054 -- I'm
2 sorry, 22255.

3 HEARING EXAMINER BRANCARD: They may be the same
4 exhibits, I'm seeing letters to both.

5 MR. RANKIN: I wonder if maybe it's not showing
6 the exhibits, but maybe it was -- yeah, yeah, I see. Well,
7 I don't see it in my set of exhibits, Mr. Examiner, so let
8 me just -- I will confer, but it should be the same exhibit,
9 so if it does identify at the top of the exhibits it refers
10 to both cases, that should be correct. I'm not seeing it in
11 my exhibits, I apologize.

12 HEARING EXAMINER BRANCARD: Your affidavit,
13 notice affidavit is for both cases.

14 MR. RANKIN: Yes. So I don't -- report for both
15 cases, so I will confirm and revise that exhibit.

16 HEARING EXAMINER BRANCARD: The letters are there
17 from Ms. Luck that mentioned each of the wells. You have
18 the mailing -- you have the publication there. All right.
19 Are there any other interested persons for Cases 22255 or
20 22256?

21 (No audible response.)

22 HEARING EXAMINER BRANCARD: Hearing none, these
23 cases are taken under advisement. Matador will update the
24 exhibits, providing us the evidence of mailing, direct
25 certified mailing to the working interest and overriding

1 interests. Is that it, Mr. Rankin?

2 MR. RANKIN: That is correct.

3 HEARING EXAMINER BRANCARD: Thank you, the cases
4 will be taken under advisement.

5 (Exhibits admitted.)

6 (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

19

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

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