

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:

Application of Ascent Energy, LLC to Amend Order No. R-21542, Lea County, New Mexico	Case No. 22359
AND	
Application of Matador Production Company to Amend Order No. R-21542 Lea County, New Mexico	Case No. 22509
Application of Ascent Energy, LLC to Amend Order No. R-21543, Lea County, New Mexico	Case No. 22360
AND	
Application of Matador Production Company to Amend Order No. R-21543 Lea County, New Mexico	Case No. 22510
Application of Ascent Energy, LLC to Amend Order No. R-21544, Lea County, New Mexico	Case No. 22361
AND	
Application of Matador Production Company to Amend Order No. R-21544 Lea County, New Mexico	Case No. 22511
Application of Ascent Energy, LLC to Amend Order No. R-21542, Lea County, New Mexico	Case No. 22362
AND	
Application of Matador Production Company to Amend Order No. R-21542 Lea County, New Mexico	Case No. 22512

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, MARCH 17, 2022

EXAMINER HEARING

1           This matter came on for hearing before the New  
2 Mexico Oil Conservation Division, William Brancard, Esq.,  
3 Hearing Examiner, Leonard Lowe Technical Examiner, on  
4 Thursday, March 17, 2022, via Webex Virtual Conferencing  
5 Platform hosted by the New Mexico Energy, Minerals and  
6 Natural Resources Department

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8  
9   Reported by:   Mary Therese Macfarlane  
10                   New Mexico CCR #122  
11                   PAUL BACA COURT REPORTERS  
12                   500 Fourth Street NW, Suite 105  
13                   Albuquerque, New Mexico 87102  
14                   (505) 843-9241

15                                   A P P E A R A N C E S

16   FOR ASCENT ENERGY/MATADOR PRODUCTION COMPANY:  
17                   James Bruce, Esq.  
18                   Post Office Box 1056  
19                   Santa Fe, NM 87504  
20                   (505) 982-2043  
21                   jamesbruc@aol.com

22   FOR CONOCOPHILLIPS:  
23                   Elizabeth A. Ryan, Esq.  
24                   1048 Paseo de Peralta  
25                   Santa Fe, NM 87501  
                  (505) 780-8000  
                  beth.ryan@conocophillips.com

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C O N T E N T S

CASE NOS. 22359, 22360, 22361, 22362, PAGE  
22509, 22510, 22511, 22512

CASES CALLED: 4

TAKEN UNDER ADVISEMENT (Green cards to be submitted) 8

INDEX OF EXHIBITS.

ASCENT ENERGY/MATODOR PRODUCTION EXHIBITS ADMITTED

1 Pooling Order R-21542 8

2 Application and Proposed Notice (Ascent) 8

3 Application and Proposed Notice (Matador) 8

4 Landman's Affidavit 8

5 Affidavit of Notice 8

1 (Time noted 8:38 a.m.)

2 EXAMINER BRANCARD: All right. With that I'm  
3 going to call Items 16 through 23, which were consolidated  
4 at our previous hearing. These are Cases 22359, 22360,  
5 22361, 22362, 22509, 22510, 22511, 22512.

6 Let's start with Ascent Energy/Matador  
7 Production Company.

8 MR. BRUCE: Mr. Examiner, Jim Bruce on behalf of  
9 both companies.

10 EXAMINER BRANCARD: Thank you.

11 ConocoPhillips. No one here today for  
12 ConocoPhillips?

13 Ms. Ryan, if you are trying to speak,  
14 you're muted.

15 MS. RYAN: Thank you. Sorry. I was having  
16 trouble getting back on.

17 So, yes, I'm entering an appearance today  
18 for ConocoPhillips.

19 EXAMINER BRANCARD: Thank you. Do you have any  
20 objections to these cases going ahead, then?

21 MS. RYAN: We don't. None.

22 EXAMINER BRANCARD: All right, Mr. Bruce.

23 Any other interested person, then? Let me  
24 just check on Cases 22359, -360, -361, -362, 22509, -510,  
25 -511, -512.

1                   Hearing none, Mr. Bruce you may proceed.

2                   MR. BRUCE: Mr. Examiner, collectively all of  
3 these cases cover the west half of Section 16 and the west  
4 half of Section 21 in 20 South, 33 East in Lea County.

5                   The Ascent cases -- I'll just refer to them  
6 by their docket number -- not the docket number but case  
7 number. 16, the Ascent case goes with Case 20, the  
8 Matador case, and so on down the line. 17 goes with 21,  
9 18 goes with 22, and 19 goes with 23.

10                  I did file a motion to consolidate. I've  
11 submitted affidavits to you on each case. The affidavits  
12 are virtually identical, so I'll just go through the first  
13 exhibit package.

14                  This one is -- and in the lands covered,  
15 there were requests for both the Bone Spring and Wolfcamp  
16 Formation wells. In these cases Ascent obtained Orders  
17 pooling the acreage. They were dated November 13, 2021.

18                  After the Pooling Orders were issued the  
19 Applicant filed APDs with the BLM, which took a darn long  
20 time to issue, so by the time that Ascent was looking at  
21 drilling, they had to get an extension, they just couldn't  
22 get all the equipment up and going, so we filed the  
23 applications a day before the expiration deadline.

24                  In the interim while these matters were set  
25 for the early January hearing, Matador acquired Ascent's

1 interest in these wells, and I recommended to the client  
2 that I didn't see any way around it but we had to apply on  
3 Matador's behalf, and asked that we relate back the filing  
4 date to those in the Ascent applications, because of  
5 course under the Division's filing scheme Matador's  
6 applications were new applications. And obviously the  
7 turnover of operations slowed things down. There was some  
8 related cases on the Silver (phonetic) wells just to the  
9 north, immediately to the north of these cases where  
10 extensions were granted.

11                   Exhibits 2 and 3 are the Matador and Ascent  
12 applications.

13                   Exhibit 4 is the landman's affidavit. And  
14 he discusses the reasons why Ascent could not commence the  
15 wells in time, and then Matador on behalf of MRC Permian  
16 Company took over operations and slowed things down so it  
17 would ask that based on the consolidated applications  
18 Matador be granted until November 13th of this year to  
19 commence the wells.

20                   The Affidavit of Notice I submitted. I  
21 will be filing a Supplemental Notice. When I filed the  
22 exhibits on Tuesday night/Wednesday morning, I could not  
23 track down the green cards so I had to attach the Postal  
24 Service online notices showing that all the mail had been  
25 delivered. Late yesterday, after rummaging around a lot

1 of paperwork, I came across the actual green cards. I  
2 have all of the green cards for all of the parties  
3 notified, and so late yesterday I prepared supplemental  
4 Notice exhibits for each of the cases, and I need to  
5 attach a Notice of Filing explaining what happened.

6 But all parties did receive actual  
7 Certified Notice of the applications, so Notice is  
8 correct.

9 And again we request that these exhibit  
10 packages for the eight cases be admitted into the record  
11 and the cases are taken under advisement.

12 EXAMINER BRANCARD: Thank you.

13 Ms. Ryan, any questions for Conoco?

14 MS. RYAN: None. Thank you.

15 EXAMINER BRANCARD: Mr. Lowe, questions.

16 EXAMINER LOWE: I have no questions. Thank you.

17 EXAMINER BRANCARD: All right. So Mr. Bruce  
18 you're going to submit -- you indicated you will submit  
19 the green cards?

20 MR. BRUCE: Yeah, I'll submit a new Exhibit 5  
21 for each case which will include copies of the Certified  
22 green cards.

23 EXAMINER BRANCARD: All right. So let me just  
24 ask once again: Are there any other interested parties  
25 for Cases 22359, -360, -361, -362, 22509, -510, -511, 512?

1                   Hearing none, these cases will be taken  
2 under advisement. We will leave the record open for the  
3 submittal of the additional Notice information,  
4 specifically the green cards.

5                   Thank you.

6                   (Time noted 8:47 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

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CCR No. 122, DO HEREBY CERTIFY that on Thursday, March 17,

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2022, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

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shorthand the proceedings set forth herein, and the

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foregoing pages are a true and correct transcription to

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the best of my ability and control.

13

I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

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that I have no interest whatsoever in the final

17

disposition of this case in any court.

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19

/s/ Mary Therese Macfarlane\_\_\_\_\_

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

License Expires: 12/31/2022

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