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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 MATADOR OIL COMPANY
FOR COMPULSORY POOLING
LEA COUNTY, NEW MEXICO

No. 22744

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
July 21, 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 LEONARD LOWE on Thursday, July 21, 2022,
through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
500 4th Street, NW, Suite 105
Albuquerque, New Mexico 87102
505-843-9241

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APPEARANCES

FOR MATADOR OIL COMPANY:

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1 HEARING OFFICER BRANCARD: With that,
2 we're on Item Number 55, Case 22744.

3 MS. VANCE: Good morning, Mr. -- I'm
4 sorry, Mr. Brancard. Good morning Mr. Hearing
5 Examiner, Mr. Lowe. Paula Vance with the Santa Fe
6 office of Holland & Hart on behalf of the applicant,
7 Matador Production Company.

8 HEARING OFFICER BRANCARD: Okay. We have
9 an entry of appearance here from Avant Operating.

10 MS. BENNETT: Good morning, Mr. Examiner
11 and Mr. Lowe. Deana Bennett on behalf of Avant.

12 HEARING OFFICER BRANCARD: Thank you.

13 Does Avant have any objections to this
14 case going forward by affidavit?

15 MS. BENNETT: No, Mr. Examiner. Avant
16 does not have any objections and I don't intend to
17 ask any questions. We're just -- I'm just entering
18 our appearance to preserve any rights. Thank you.

19 HEARING OFFICER BRANCARD: All right.

20 So Avant is the successor to WHWL; is that
21 correct, Ms. Bennett?

22 MS. BENNETT: That is a question I don't
23 have the answer to, but I'm happy to look into that
24 if I need to.

25 HEARING OFFICER BRANCARD: Okay. And you

1 know it was asserted in the application?

2 MS. VANCE: We included that in our --
3 it's our understanding that's the nature of the
4 relationship and I believe it's in Exhibit or Sub
5 Exhibit C-3 at the bottom there. And it may also --
6 I believe we also covered that in Sub Exhibit C-6,
7 if you have that up and available. But that's our
8 understanding or least that's my understanding.

9 MS. BENNETT: And I'm happy to agree to
10 that, subject to check.

11 HEARING OFFICER BRANCARD: Okay.

12 MS. BENNETT: But I did have
13 communications with Avant and they didn't have any
14 objections to the application or anything stated in
15 the application. So I'm happy to agree to
16 Ms. Vance's characterization and then double-check
17 if I need to.

18 HEARING OFFICER BRANCARD: Thank you. I
19 just wanted to clarify a bit, but quite clearly
20 Avant has received notice, has entered an
21 appearance, and does not have an objection so we can
22 go forward here.

23 Again, any other entries of appearance for
24 22744?

25 MS. BENNETT: And Mr. Examiner, this is

1 Deana Bennett again. I'm going to go ahead and drop
2 off just because I have to get to a meeting so I
3 apologize.

4 HEARING OFFICER BRANCARD: Thank you.

5 MS. VANCE: Thanks, Ms. Bennett.

6 HEARING OFFICER BRANCARD: Please go
7 ahead, Ms. Vance.

8 MS. VANCE: Okay. Thank you.

9 In case 22744, Matador seeks to pool an
10 uncommitted interest within the Bone Spring
11 formation, Pool Code 30213 underlying a standard
12 320-acre horizontal spacing unit comprised of the
13 E/2E/2 of Sections 28 and 33, Township 20 South,
14 Range 33 East, Lea County in New Mexico.

15 Matador seeks to dedicate the spacing unit
16 to the proposed Gavilon Fed Com 104H well, Gavilon
17 Fed Com 114H well, Gavilon Fed Com, 124H well, and
18 the Gavilon Fed Com 134H well.

19 In this case, we have provided the
20 compensatory pooling checklist as well as the
21 affidavit and testimony of Landman Isaac Evans and
22 Geologist Andrew Parker, both of whom have
23 previously testified before the division. And their
24 credentials have been accepted as a matter of
25 record.

1 Mr. Evan's affidavit is Exhibit C, which
2 includes Sub Exhibit C-1, the C-102s; C-2, the
3 landman tract map; C-3, a list of uncommitted
4 working interest owners; C-4, a list of overriding
5 royalty interests, C-5, sample well proposal letters
6 and AFE and C-6, chronology of Contacts.

7 This is followed by Mr. Parker's affidavit
8 and testimony which is Exhibit D and Sub Exhibit
9 D-1, a locator map; D2, Bone Spring subsea
10 structure; and D3, Bone Spring structural
11 cross-section.

12 In this case, Mr. Parker did not indicate
13 any faulting, pinch outs, or other geological
14 impediments to horizontal drilling these wells. And
15 lastly, our Exhibit E, a self-affirmed statement of
16 notice with a sample letter, with a sample letter
17 that was timely mailed on April 15th, 2022. And
18 Exhibit F, the affidavit of notice of publication
19 which was timely published on April 19th, 2022.

20 And unless there are any questions, I
21 would ask that all exhibits and sub exhibits be
22 accepted into the record, and that Case 22744 be
23 taken under advisement by the Division at this time.
24 And I stand by --

25 HEARING OFFICER BRANCARD: Thank you.

1 MS. VANCE: -- yeah, for any questions.

2 HEARING OFFICER BRANCARD: Mr. Lowe, any
3 questions?

4 TECHNICAL EXAMINER LOWE: Good morning,
5 Ms. Vance.

6 MS. VANCE: Good morning, Mr. Lowe.

7 TECHNICAL EXAMINER LOWE: I have few
8 questions on -- actually one question on your C-102s
9 for all these wells. It looks like just from what I
10 see on your C-102s, there all in the same location.
11 They're right on top of each other. Is that just a,
12 I mean, I didn't notice -- the C-102s indicate the
13 surface location, the bottom hole location appear to
14 be moved, but I don't know if the take points are
15 noted but they're noted in that lat. long.
16 information.

17 MS. VANCE: That's correct.

18 TECHNICAL EXAMINER LOWE: I was just
19 curious to know, are they all stacked together, is
20 that's what's going on?

21 MS. VANCE: Yes. And I believe if you go
22 to Exhibit D-3, you can see how Matador intends to
23 drill these wells with separation between each of
24 the laterals through the vertical depth.

25 TECHNICAL EXAMINER LOWE: What exhibit is

1 that one?

2 MS. VANCE: Exhibit D-3, the structural
3 cross-section. You go there, you can see how
4 Matador intends to drill these. They've got, if you
5 look to the right-hand side, you can see 104H, the
6 target; 114H well, the target; 124H well, the
7 target; and the 134H, the well target.

8 TECHNICAL EXAMINER LOWE: Okay. Thank
9 you.

10 MS. VANCE: Thanks, Mr. Lowe.

11 TECHNICAL EXAMINER LOWE: I don't have any
12 further questions.

13 HEARING OFFICER BRANCARD: Thank you.

14 My only nit is it doesn't take me much to
15 get confused, and I got confused in Mr. Feldewert's
16 statement. He refers to the publication notice as
17 Exhibit E. I think it is actually Exhibit F.

18 MS. VANCE: You're correct. I apologize.
19 I am happy to refile that with the correction on
20 there, if you'd like, Mr. Brancard.

21 HEARING OFFICER BRANCARD: I think that's
22 fine.

23 MS. VANCE: I will make sure that we --
24 would you like me to refile that?

25 HEARING OFFICER BRANCARD: Yeah, that will

1 be great, actually.

2 MS. VANCE: Okay. It was an oversight on
3 my part. Sorry about that.

4 HEARING OFFICER BRANCARD: Okay.

5 Are there any other interested persons for
6 case 2744?

7 Hearing none, the exhibits will be
8 admitted into the record and Case No. 22744 will be
9 taken under advisement.

10 MS. VANCE: Thank you, Mr. Hearing
11 Examiner and Mr. Lowe.

12 (Proceedings concluded.)

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REPORTER'S CERTIFICATE

I, EDWINA CASTILLO, DO HEREBY CERTIFY that I did, in stenographic shorthand, transcribe the Zoom Hearing set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability. The Zoom Hearing was of poor quality due to internet interference.

I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with any of the parties or attorneys in this matter, and that I have no interest whatsoever in the final disposition of this matter.



EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
License Expires: 12-31-2022

[& - compensatory]

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