

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: 21390, 21391

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 3, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH, TECHNICAL EXAMINER KURT SIMMONS, and on Tuesday, November 3, 2020, through Cisco Webex Platform.

Reported by: Irene Delgado, NMCCR 253
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A P P E A R A N C E S

For the Applicant:

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I N D E X

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1 HEARING OFFICER ORTH: Good morning. This is
2 Felicia Orth. I'm the hearing officer appointed by the
3 director of the Oil Conservation Division to conduct the
4 hearing this morning in matters 21390 and 21391. Marlene,
5 how is my sound?

6 MS. SALVIDREZ: You sound great.

7 HEARING OFFICER ORTH: Thank you. We had also
8 noticed up matters 21447 through 21454. These were
9 competing applications by Matador Production, but those
10 matters have been dismissed.

11 As I understand it, we will not be having a full-
12 blown evidentiary hearing today, that the matters will
13 proceed by affidavit as a result of negotiations among the
14 parties.

15 There are six of us on the call, there is no one
16 in the waiting room, but I will keep an eye on it. Ms.
17 Hardy, if you would, please, provide your appearance.

18 MS. HARDY: Yes. Good morning, Madam Examiner,
19 Dana Hardy with the Santa Fe office of Hinkle Shanor on
20 behalf of Mewbourne Oil Company.

21 HEARING OFFICER ORTH: Thank you. And I see Ms.
22 Luck. Ms. Luck?

23 MS. LUCK: Good morning, Madam Examiner, Kaitlyn
24 Luck with the Santa Fe office of Holland & Hart on behalf of
25 MRC Permian.

1 HEARING OFFICER ORTH: All right. We don't have
2 any other entries of appearance. Let's see, I do see a
3 seventh participant here. Hold on. Oh, Mr. Feldewert is
4 trying to join us. Give him a moment here. Mr. Feldewert,
5 are you with us?

6 (No audible response.)

7 HEARING OFFICER ORTH: I admitted him.

8 MR. FELDEWERT: Here I am. And I believe Kaitlyn
9 is on on behalf of MRC. Is that correct?

10 HEARING OFFICER ORTH: Yes, that's correct. She
11 just entered her appearance.

12 MR. FELDEWERT: Wonderful. I'm going to step
13 out. I was on a conference call and I wanted to make sure
14 that we were covered, so we are in good hands now.

15 HEARING OFFICER ORTH: Terrific.

16 MR. FELDEWERT: Thank you.

17 HEARING OFFICER ORTH: So we also have Irene
18 Delgado on this, on this call. She is transcribing the
19 hearing for us. Good morning, Irene. And Kurt Simmons will
20 be our Technical Examiner this morning.

21 I believe that is now all of us on this call, and
22 Marlene, of course Marlene Salvidrez from the Division.

23 So, Ms. Hardy, would you, would you please kick
24 us off.

25 MS. HARDY: Yes, thank you. I want to thank

1 everyone for convening this hearing today and getting this
2 matter set. Mewbourne really appreciates it.

3 In case 21390, Mewbourne seeks an order pooling
4 all uncommitted mineral interests in the Bone Spring
5 formation in a 323.8 acre, more or less, standard horizontal
6 spacing unit, comprised of the N/2 of the N/2 of Sections 3
7 and 4, Township 18 South, Range 32 East in Lea County.

8 In case 21391, Mewbourne seeks an order pooling
9 all mineral interests in the Bone Spring formation in a 320
10 acre, more or less, standard horizontal spacing unit
11 comprised of the S/2 of the N/2 of Sections 3 and 4,
12 Township 18 South, Range 32 East in Lea County.

13 And our exhibits include the self-affirmed
14 statement of landman Mitch Robb and the self-affirmed
15 statement of geologist Charles Crosby. Mr. Robb discusses
16 all of the land issues and provides the exhibits required by
17 the checklist.

18 The land information regarding ownership and the
19 identities of pooled parties and also the identity of the
20 unlocatable parties is all provided in Exhibit A-5 to Mr.
21 Robb's affidavit. The notice information is provided in
22 Exhibits A-9 and A-10 to his affidavit.

23 Notice of the hearing was timely sent by
24 certified mail to the parties more than 20 days prior to the
25 hearing, and notice was also published more than ten

1 business days prior to the hearing. And that was actually
2 the initial hearing date that had been set in September. So
3 we provided all the notices that were required by the
4 Division's rules.

5 And Mr. Crosby's self-affirmed statement provides
6 the standard geology exhibits, provides a structure map, a
7 gross and isopach map, a cross section, a production table
8 and a well planning report that provides the directional
9 drilling plans for the wells.

10 So I think that's all the information that is
11 required and Mewbourne has provided it. And with that,
12 unless there are questions, I would request that the
13 exhibits be accepted into the record and that the matters be
14 taken under advisement.

15 HEARING OFFICER ORTH: Thank you, Ms. Hardy. Ms.
16 Luck, do you have questions?

17 MS. LUCK: Hi. No questions for me, thank you.

18 HEARING OFFICER ORTH: All right. Thank you.
19 Mr. Simmons, do you have questions for Ms. Hardy?

20 TECHNICAL EXAMINER SIMMONS: No, everything
21 appears to be in order. Thank you.

22 HEARING OFFICER ORTH: All right, thank you. In
23 that case, Ms. Hardy, the exhibits are admitted, and the
24 matters will be taken under advisement, 21390 and 21391.

25 (Exhibits admitted)

1 (Taken under advisement.)

2 MS. HARDY: Thank you very much. And I want to
3 mention that Mewbourne has a lease expiration issue pending,
4 so that's the reason they were very appreciative that they
5 could have this case heard heard today and are hoping to
6 receive an order as soon as possible. That is it. So thank
7 you very much.

8 HEARING OFFICER ORTH: Thank you. Have a
9 terrific day, and we'll talk to some of you on Thursday.

10 MS. HARDY: Thank you.

11 (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 proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that I am neither employed by
13 nor related to any of the parties or attorneys in this case
14 and that I have no interest in the final disposition of this
15 case.

16 I FURTHER CERTIFY that the Virtual Proceeding was
17 of reasonable quality.

18 Dated this 3rd day of November 2020.

19 /s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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