

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: 21497 21498

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 5, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
FELICIA ORTH and TECHNICAL EXAMINERS DYLAN ROSE-COSS on
Thursday, November 5, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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Albuquerque, NM 87102
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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE
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For XTO and Matador:

KAITLYN LUCK
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I N D E X

CASE CALLED

SUMMARY OF CASE 03

TAKEN UNDER ADVISEMENT 05

REPORTER CERTIFICATE 06

E X H I B I T I N D E X

Admitted

Exhibits and All Attachments 05

1 HEARING EXAMINER ORTH: Let's move then to the
2 next two matters, 21497 and 21498, Mewbourne Oil is
3 applicant, compulsory pooling application. The well name
4 is, as you know, it's the Chris Farley character, Tommy Boy.
5 Mr. Bruce, you are here for the applicant?

6 MR. BRUCE: Yes.

7 HEARING EXAMINER ORTH: I saw other appearances
8 in the record, the first by MRC Permian and the second by
9 XTO Energy, Holland & Hart appearing for both of those
10 parties. Is it you, Ms. Luck?

11 MS. LUCK: That's correct. Thank you, Madam
12 Examiner. Kaitlyn Luck with the Santa Fe office of Holland
13 & Hart on behalf of XTO and Matador.

14 HEARING EXAMINER ORTH: Thank you. Let me pause
15 for a moment to see if there are any other appearances.

16 (No audible response.)

17 HEARING EXAMINER ORTH: No? Ms. Luck, do you
18 object to Mr. Bruce proceeding by affidavit?

19 MS. LUCK: No objection. Thank you.

20 HEARING EXAMINER ORTH: All right. Thank you
21 very much. Mr. Bruce, go ahead.

22 MR. BRUCE: Madam Chair, in these two cases
23 Mewbourne seeks to pool collectively all of Sections 23 and
24 24 in 22 South, 27 East. The first case, 21497, involves
25 the N/2 -- N/2s of those sections and -- for the Tommy Boy

1 23-24 wells identified in the applications -- in the
2 application.

3 And then the second case, 21498, those Tommy Boy
4 wells cover the S/2s of those two sections. Again we have
5 the land affidavit from Brad Dunn who includes the usual
6 information required in these hearings. And I would note
7 that there is a full summary of working interests for both
8 well units identifying the parties who need to be pooled.

9 Mewbourne itself has about a 44.5 percent
10 interest, although I do know that although Kaiser-Francis
11 was officially pooled, that they are in favor of -- I have
12 been informed by Kaiser-Francis they are in favor of the
13 order being issued to Mewbourne Oil Company.

14 Again, the usual information, the AFEs are stated
15 to be fair and reasonable, and, as in all of Mewbourne's
16 cases, they are requesting 8,000 and \$800 for the overhead
17 rates.

18 And again, the geologist is Tyler Hill, and his
19 affidavit, since the geology is virtually identical, there
20 is only one affidavit for him, and it contains all of the
21 cross sections, isopachs and structure maps to show that the
22 wells should be drilled horizontally.

23 Notice was given to all the parties being pooled
24 by certified mail. And two green cards were not yet
25 returned, but notice was published, and that is shown in

1 Exhibit 5 so that all the parties did receive notice.

2 And then Exhibits 6-A and 6-B are the respective
3 pooling checklists for the two cases.

4 And, again, I believe the exhibit package is
5 complete, and I would ask that the matter be taken --
6 matters be taken under advisement.

7 HEARING EXAMINER ORTH: All right. Thank you,
8 Mr. Bruce. Ms. Luck, do you have questions?

9 MS. LUCK: No questions and no objections to the
10 exhibits being admitted.

11 HEARING EXAMINER ORTH: Thank you very much. Mr.
12 Rose-Coss, do you have questions?

13 TECHNICAL EXAMINER COSS: No questions.

14 HEARING EXAMINER ORTH: All right, thank you.
15 Mr. Bruce, your exhibits are admitted and the matters will
16 be taken under advisement.

17 MR. BRUCE: Thank you.

18 (Exhibits admitted.)

19 (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 5th day of November 2020.

18

/s/ Irene Delgado

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

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