

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: 16494, 16495

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
JULY 23, 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 EXAMINER JOHN GARCIA on Thursday,  
July 23, 2020 through the Webex Platform.

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

2 For the Applicant:

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 5 Santa Fe, NM 87504-1056  
 6 505-982-2151  
 7 jamesbruce@aol.com

8 For EOG and XTO:

9 MICHAEL FELDEWERT  
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 11 110 North Guadalupe, Suite 1  
 12 Santa Fe, NM 87501  
 13 505-954-7286

14 For Marathon:

15 DEANA BENNETT  
 16 MODRALL SPERLING ROEHL HARRIS & SISK PA  
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 18 Albuquerque, NM 87102  
 19 505-848-9710

20 For Ridge Runner:

21 PADILLA LAW FIRM  
 22 ERNEST PADILLA  
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 24 Santa Fe, NM 87505

25 I N D E X

CASE CALLED

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1                   HEARING EXAMINER ORTH: Let's move to the last  
2 matters, which is 16494 and 16495, Mewbourne Oil, compulsory  
3 pooling application in connection with a well named Little  
4 Giant.

5                   Mr. Bruce, are you here for Mewbourne?

6                   MR. BRUCE: Yes, ma'am.

7                   HEARING EXAMINER ORTH: We have a number of  
8 appearances on behalf of Marathon, EOG, XTO and Ridge  
9 Runner.

10                  Who here is from Modrall Sperling?

11                  MS. BENNETT: Good morning, Madam Hearing  
12 Examiner. Deana Bennett on behalf of Marathon Oil Permian  
13 LLC from Modrall Sperling.

14                  HEARING EXAMINER ORTH: Hello. And is Bradfute  
15 joining us?

16                  MS. BENNETT: No, she is not.

17                  HEARING EXAMINER ORTH: And who here is from  
18 Holland & Hart.

19                  MR. FELDEWERT: May it please the Examiner,  
20 Michael Feldewert from the Santa Fe Office of Holland &  
21 Hart. We are here for EOG Resources and XTO Energy. We do  
22 not object to the matter proceeding.

23                  HEARING EXAMINER ORTH: All right, thank you.  
24 And, Mr. Padilla?

25                  MR. PADILLA: You know, we, Madam Examiner, we

1 looked at this case yesterday and couldn't find that we  
2 entered an appearance, and if we did, it would have been on  
3 behalf of Ridge Runner.

4 But I think that case was -- that case was  
5 dismissed at some point. So we have to check further to  
6 see, but we checked OCD's website for this case and did not  
7 find that I had entered an appearance for anyone.

8 And I recall that we were noticed on some cases  
9 that we hadn't been involved in, but I really need to check  
10 further, but I believe that Ridge Runner asked me to dismiss  
11 this case quite a long time ago.

12 And this case is the 1600 case, so it's very old,  
13 but other than that, I don't think we are in this thing with  
14 anyone.

15 MR. BRUCE: If I could explain?

16 HEARING EXAMINER ORTH: Yes, Mr. Bruce.

17 MR. BRUCE: Yes. And Ms. Bennett can confirm.  
18 There were, I believe, seven or eight Mewbourne cases and a  
19 similar number of Marathon cases involving several sections  
20 of land. They have settled out. We no longer seek to force  
21 pool Marathon. I believe they traded acreage, so Marathon  
22 had certain sections of land and Mewbourne has this, the  
23 land involved in these two cases. And so Marathon is  
24 officially dismissed from this pooling application.

25 Ridge Runner had filed applications, I do not --

1   it's been so long ago I do not remember the numbers, but  
2   they did voluntarily dismiss their cases. I think they  
3   involved other acreage that was in dispute between Marathon  
4   and Mewbourne, and Ridge Runner backed off. And Ms.  
5   Bennett, could you confirm that?

6                   MS. BENNETT: This is Deana Bennett. That sounds  
7   right to me. Sitting here right now I can't say 100  
8   percent -- I can't confirm 100 percent, but that does sound  
9   right to me. These are a series of contested cases that  
10   have been going on for some time, so it's not surprising to  
11   see Mr. Padilla may not have the materials at his fingertips  
12   given the amount of time that these cases have been pending.  
13   But Marathon is out of the cases now as Bruce stated, and  
14   Marathon doesn't object to the cases going by affidavit, but  
15   in terms of Ridge Runner's interests, I think that that  
16   was -- I mean, Ridge Runner has dismissed a number of cases  
17   that were in dispute with Marathon cases over a year ago.

18                   MR. BRUCE: And Ridge Runner was noticed as a  
19   party in these cases, and as a result, I would like to  
20   submit them by affidavit as I have been -- I think Ms.  
21   Bennett and Ms. Bradfute and I have been getting periodic  
22   e-mails from Mr. (inaudible) one of these cases that lasted  
23   well over a year and a half, and Marathon has dismissed all  
24   of its pooling applications, and Mewbourne has dismissed  
25   five or six of theirs, and these are the only ones

1 remaining. And the only parties sought to be force pooled  
2 are now EOG and XTO.

3 HEARING EXAMINER ORTH: All right. Well, thank  
4 you very much. And Mr. Feldewert does object to you  
5 proceeding by affidavit on behalf of EOG and XTO. So with  
6 no objection proceeding by affidavit, if you would,  
7 Mr. Bruce.

8 MR. BRUCE: Yes, I have submitted you a package  
9 of exhibits, only one package, although there are separate  
10 land affidavits for both 494 and 495 similar to the geology,  
11 although the geology is virtually identical, and really the  
12 land testimony is identical for each case, these -- I think  
13 the well proposals that Mewbourne sent out were first sent  
14 out August of 2018.

15 Notice was properly given, and Exhibit 7 is an  
16 affidavit of notice. The only thing I would point out on  
17 that, on that affidavit of notice is that at the time I sent  
18 out notice on behalf of Mewbourne, the interests that XTO  
19 now owns were owned by certain family entities, Chisholm  
20 Trail Ventures and through (inaudible) oil and gas, and  
21 those are now XTO, and Mr. Feldewert did submit entries of  
22 appearance on behalf of both EOG and XTO.

23 The exhibit package contains the usual exhibits,  
24 applications and proposed ads. The landman, Tyler Jolly,  
25 has previously qualified before the Division as an expert.

1 Same thing with Tyler Hill, the geologist. The affidavit  
2 package is complete that -- everyone who was originally  
3 pooled received actual notice by certified mail of the  
4 applications and there is no affidavit of publication in the  
5 newspaper.

6 And then the pooling check lists are attached as  
7 Exhibits 8 and 9. With that I would move the admission of  
8 Exhibits 1 through 9 and ask that the cases be taken under  
9 advisement.

10 HEARING EXAMINER ORTH: Thank you, Mr. Bruce.  
11 Exhibits 1 through 9 are admitted. Mr. Feldewert do you  
12 have any questions of Mr. Bruce?

13 MR. FELDEWERT: No, I do not. Thank you.

14 HEARING EXAMINER ORTH: Mr. Garcia. Do you have  
15 any questions of Mr. Bruce?

16 TECHNICAL EXAMINER GARCIA: I do not.

17 HEARING EXAMINER ORTH: Thank you all. Matter  
18 16494 and 16495 will be taken under advisement.

19 (Exhibits admitted.)

20 (Taken under advisement.)

21 MR. BRUCE: Thank you.

22 HEARING EXAMINER ORTH: Thank you. And we have  
23 reached the end of our docket for today. Is there anything  
24 further before we adjourn?

25 (No audible response.)

1                   HEARING EXAMINER ORTH: No? All right. Thank  
2   you all very much. Have a wonderful weekend.

3                   (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 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 23rd day of July 2020.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253  
License Expires: 12-31-21

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