

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATION OF ROCKWOOD RESOURCES, LLC, ET AL.,  
TO REOPEN MEWBOURNE OIL COMPANY'S  
POOLING CASE NO. 21390, LEA COUNTY, NEW MEXICO**

**Reopen Case No. 22539  
Re: Case No. 21390; Order No. R-12527**

**APPLICATION OF ROCKWOOD RESOURCES, LLC, ET AL.,  
TO REOPEN MEWBOURNE OIL COMPANY'S  
POOLING CASE NO. 21391, LEA COUNTY, NEW MEXICO**

**Reopen Case No. 22540  
Re: Case No. 21391; Order No. R-12528**

**MEWBOURNE OIL COMPANY'S MOTION TO DISMISS APPLICATIONS AND  
RESPONSE TO MOTION TO ESTABLISH FACTS AND LEGAL CONCLUSIONS FOR  
THE PURPOSE OF HOLDING AN EVIDENTIARY HEARING ON MARCH 3, 2022**

For the reasons discussed below, the Applications filed by Rockwood Resources, LLC, Christine Brock, and Rebecca J. Babbitt (collectively "Rockwood") should be dismissed, and Rockwood's Motion to Establish Facts and Legal Conclusions for the Purpose of Holding an Evidentiary Hearing on March 3, 2022 ("Motion") should be denied.

**I. INTRODUCTION**

On July 31, 2020, Mewbourne Oil Company ("Mewbourne") filed its applications to pool uncommitted interests within the Bone Spring formation in two 320-acre horizontal spacing units located in the N/2 of Sections 3 and 4, Township 18 South, Range 32 East in Lea County. In Case No. 21390, Mewbourne sought to pool interests in a 323.8-acre standard horizontal spacing unit comprised of the N/2 N/2 of Sections 3 and 4, and in Case No. 21391, Mewbourne sought to pool interests in a 320-acre standard horizontal spacing unit comprised of the S/2 N/2 of Sections 3 and 4. Following a hearing, the Oil Conservation Division ("Division" or "OCD") issued orders

approving Mewbourne's applications on November 13, 2020. In the orders, the Division concluded that Mewbourne "satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC." See Order Nos. R-21527, R-21528 ("Orders") (Exh. 1).

After the Orders were issued, Rockwood apparently acquired, or is seeking to acquire, pooled interests held by Christine Brock and Rebecca Babbitt, both of whom were unlocatable, and now seeks to reopen the orders approximately 15 months after they were issued.<sup>1</sup> Rockwood's applications are defective and should be dismissed, as Rockwood lacks standing to challenge the Orders and Mewbourne satisfied the Division's notice requirements. In addition, allowing parties to knowingly acquire interests from unlocatable parties and then seek to reopen pooling orders months, and even years, after the orders were issued is contrary to public policy as set out in the Oil and Gas Act.

Rockwood also seeks to sidestep the Oil Conservation Division's ("Division" or "OCD") rules and hearing process by asking the Division to: (1) "establish facts and conclusions of law" based on unverified, inadmissible, and irrelevant documents; and (2) hold an evidentiary hearing – instead of a status conference – on the first docket setting for these cases. Rockwood's Applications should be dismissed, and the Division should deny Rockwood's Motion.

## **II. ARGUMENT**

### **A. Rockwood lacks standing to challenge the Division's pooling orders as to Babbitt's interest in the Wells.**

In these cases, Rockwood claims that Mewbourne inappropriately identified several pooled parties, including Ms. Brock and Ms. Babbitt, as unlocatable. As such, Rockwood alleges these parties suffered an injury due to their inability to exercise their right to participate in the Wells.

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<sup>1</sup> Although Rockwood's Motion attempts to raise issues regarding the interest of Delbert R. Utter, Mr. Utter is not a party to Rockwood's applications. Rockwood's attempt to inject into this case matters regarding Mr. Utter is improper and should be rejected. Rockwood cannot amend its applications through a subsequently filed motion.

Rockwood claims it has standing to submit its applications since it is the owner of Christine Brock's ("Brock") and Rebecca Babbitt's ("Babbitt") interests "who were both deprived of actual notice and proper opportunity for election...." See Rockwood's Applications at 5. This claim has no merit, as it is undisputed that Mewbourne allowed Rockwood/Babbitt to participate in the wells.

A complainant must meet the following elements to establish standing: (1) injury in fact, (2) causation, and (3) redressability. See, e.g., *ACLU v. City of Albuquerque*, 2008-NMSC-045, ¶ 1, 144 N.M. 471. To establish an "injury in fact", a complainant must "show that he is injured or threatened with injury in a direct and concrete way . . ." *Id.* ¶ 19. This requirement is critical to a finding of justiciability:

While it does not matter how many persons have been injured by the challenged action, the party bringing suit must show that the action injures him in a concrete and personal way. This requirement is not just an empty formality. It preserves the vitality of the adversarial process by assuring both that the parties before the court have an actual, as opposed to a professed, stake in the outcome, and that the legal questions presented . . . will be resolved, not in the rarified atmosphere of a debating society, but in a concrete factual context conducive to a realistic appreciation of the consequences of judicial action.

*Lujan v. Defenders of Wildlife*, 504 U.S. 555, 581 (1992) (Kennedy, concurring).

Babbitt/Rockwood fail to satisfy this requirement. They have suffered no injury, as Rockwood's Applications concede that Rockwood acquired Babbitt's interests in the Wells and executed an agreement with Mewbourne to participate in and commit its interest to Mewbourne's Wells. See Rockwood's Applications at 3; see also Affidavit of Mitch Robb (Exh. 2). Accordingly, Rockwood is no longer subject to the pooling Orders with respect to Babbitt's interest, and there is no invasion of any legally protected interest. Rockwood/Babbitt lack standing, and considering their claim would waste resources of the parties and the Division.

### **B. Mewbourne Satisfied the Division's Notice Requirements.**

Rockwood argues that Mewbourne's notices to Brock and Babbitt were defective because Mewbourne did not "exercise reasonable diligence" to locate the individuals as required by 19.15.4.12(B) NMAC. *See* Motion at 6. But the Division's rules and "reasonable diligence" do not require the type of search undertaken by Rockwood's counsel at some unknown time and for an unknown number of hours. Rule 19.15.4.12(1)(a) NMAC provides that a compulsory pooling applicant "shall give notice to each owner of an interest in the mineral estate of any portion of the lands the applicant proposes to be pooled or unitized whose interest is evidenced by a written conveyance document either *of record or known to the applicant at the time the applicant filed the application....*" Rule 19.15.4.12(B) goes on to state that "[w]hen an applicant has been unable to locate persons entitled to notice after exercising reasonable diligence, the applicant shall provide notice by publication, and submit proof of publication at the hearing."

Mewbourne complied with these requirements. *See* Exh. 2. In fact, Rockwood concedes that Mewbourne sent notice to Ms. Brock at the address contained in the BLM serial register *and* in county records. *See* Motion at ¶ 11 and Exhibit A. Thus, Rockwood's Motion demonstrates that there is no basis for its applications and that they should be dismissed.

Rockwood relies on *Uhdén v. N.M. Oil Cons. Comm'n*, 1991-NMSC-089, to support the proposition that Mewbourne did not exercise reasonable diligence in locating Brock, Babbitt, or Utter. *See* Motion at 8-9. The *Uhdén* Court considered whether "royalty interests reserved by the lessor or an oil and gas estate were materially affected by a state proceeding so as to entitle the lessor to actual notice of the proceedings." 1991-NMSC-089, ¶ 2. After determining that the royalty interest reserved by the lessor created a property interest subject to due process protection, the Court undertook an analysis of whether the owner was entitled to actual notice, or whether

notice by publication would satisfy constitutional due process requirements. *Id.* at ¶¶ 8-13. The Court of Appeals held that “if a party’s identity and whereabouts are known or could be ascertained through due diligence, the due process clause of the New Mexico and United States Constitutions requires the party who filed a[n]...application to provide notice of the pending proceeding by personal service to such parties whose property rights may be affected as a result.” *Id.* at ¶ 13.

The *Uhden* owner’s identity and whereabouts were known to the party who filed the application at issue, yet the applicant did not attempt to provide notice to the owner. *Id.* Similarly, in *Cravens v. Corp. Comm’n, et al.*, 613 P.2d 442 (Okla. 1980), a case relied on by the Court of Appeals in reaching the *Uhden* decision, an application was made to Oklahoma’s state commission for an increase in well spacing. “Although the applicants knew the identify and whereabouts of a well operator whose interests would be affected by a change in spacing, they made no attempt to provide actual notice,” and the *Cravens* court “held that when the names and addresses of affected parties are known, or are easily ascertainable by the exercise of diligence, notice by publication does not satisfy constitutional due process requirements. *Uhden*, 1991-NMSC-089, ¶ 12 (citing *Cravens*, 613 P.2d at 444).

The instant case is readily distinguished from *Uhden* and *Cravens*. Unlike the applicants in those cases, Mewbourne exercised “reasonable diligence” and sent notice to the “last known address of the person to whom notice is to be given” with respect to its applications at issue in Case Nos. 21390 and 21391. *See* 19.15.4.12(B) NMRA. “Reasonable diligence” has been defined by the New Mexico Court of Appeals as an action that an “individual of ordinary prudence would undertake under the circumstances in order to be successful.” *See Fulton v. Cornelius*, 1998-NMCA-057, ¶ 21. Rockwood admits in its Motion that Mewbourne sent notice to addresses derived from the Bureau of Land Management’s (“BLM”) Serial Register. *See* Motion at 5, ¶ 8.

In the case of an OCD compulsory pooling application, sending out notices to the individuals found in a title search and in the BLM's Serial Register for interest owners is "reasonable diligence." Rockwood, however, would like to impose a much more burdensome search requirement on applicants.

In its exhibits,<sup>2</sup> Rockwood takes the OCD on a tour of the substantial amount of effort it took to locate Brock, Babbitt, and Utter. Rockwood's exhibits show that they located several different Christine Brocks with different middle names, middle initials, and addresses on the internet, and all of which are different from the Power of Attorney attached as Exhibit A-1 for the real Christine T. Brock. *See* Exhibits A-1 through A-6 to Rockwood's Motion (providing for a Christine C. Brock, Christine Patterson Brock, Christine P. Brock, and Christine V. Brock). Rockwood's exhibits also show that Ms. Babbitt's name was misspelled on the BLM's Serial Register, and she was finally discovered after searching several variations of her name. *See* Exhibit B to Rockwood's Motion. Finally, Rockwood finds fault with the notice given to Utter, who is deceased, because Mewbourne did not attempt to find names and addresses for all of Utter's potential next-of-kin because "reasonable diligence requires an inference that a 98 year-old man may be deceased or living with a relative, and therefore a search of the listed relatives" found online would have been necessary. *See* Exhibit C to Rockwood's Motion. This is a step too far as the Rule clearly provides that notice is only required to be given to each owner of an interest "whose interest is evidenced by a written conveyance document either or record or known to the

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<sup>2</sup> As discussed below, Rockwood's exhibits are inadmissible, unauthenticated hearsay that should not be considered by the OCD.

applicant at the time the applicant filed the application.” 19.15.4.12(A)(1)(a) NMAC. Mewbourne complied with this requirement.

Rockwood also claims that during a recent hearing in Case No. 22421, the OCD “expressed reservations that the owners of 16 acres...should be considered unlocatable given that federal lands were involved and leads to the owners’ whereabouts are provided by federal records.” *Id.* During the hearing, the Hearing Examiner inquired about the efforts the applicant had undertaken to find owners of property that had no mailing addresses. *See* Transcript of 2/6/22 hearing for Case No. 22421 (Exh. 3) at pg. 13, ln. 13-20. The applicant explained that they tried to locate the interest owners in title records and multiple public records searches but was unsuccessful. *See* Exh. 3 at pg. 13, ln. 21-25, pg. 14, ln. 1-17. Ultimately, the OCD concluded that the applicant satisfied the notice requirements for the application and the hearing as required by 19.15.4.12 NMAC and issued its Order (Order No. R-22020) pooling all uncommitted interests in the Unit. *See* Order No. R-22020 (Exh. 4).

Because Mewbourne complied with the notice requirements set out in 19.15.4.12 NMAC, Case Nos. 22539 and 21391 should not be reopened as requested by Rockwood. Rockwood’s applications should be dismissed, and Rockwood’s “Findings of fact” and “Conclusions of law” set out in Exhibit D to its Motion should be rejected.

**C. Rockwood’s attempt to challenge pooling orders over a year after they were issued, when it knowingly acquired interests that were pooled as unlocatable, is contrary to the Oil and Gas Act.**

The Babbitt and Brock interests were identified as unlocatable in Mewbourne’s hearing exhibits in Case Nos. 21390 and 21391, and the Orders were issued 15 months ago. Rockwood apparently expended significant effort to track down Ms. Babbitt and Ms. Brock when it knew their interests had been deemed unlocatable, sought to acquire their interests long after the orders

were issued, and now seeks to undo the orders. This conduct should not be permitted, as it is inconsistent with the Division's obligation under the Oil and Gas Act to protect correlative rights and prevent waste. NMSA 1978, § 70-2-11. Mewbourne's correlative rights are predicated on its ability to develop its acreage as the Division has allowed. Companies like Rockwood should not be permitted to track down unlocatable parties months or years after pooling orders were issued and then seek to nullify the orders. This result would call into question any pooling order that involves unlocatable parties and thereby interfere with the Division's pooling authority.

**D. Rockwood's request to proceed directly to an evidentiary hearing in lieu of a status conference is contrary to OCD procedure and should be denied.**

Rockwood requests that the OCD hold an evidentiary hearing on this matter on March 3, 2022, instead of a status conference. *See* Motion at 10, ¶ 20. In doing so, Rockwood asks the OCD to bypass the procedure put in place on July 22, 2020 for OCD hearings scheduled on or after August 6, 2020. *See* 7/22/20 Notice (Exh. 5). The OCD Notice provides that "[i]f the parties do not concur that the case may be taken by affidavit, and do not agree to continue the case, the Hearing Examiner will conduct a status conference, set the case for an electronic hearing, and direct the parties to submit a pre-hearing order setting forth the dates on which they will submit to OCD and exchange" information between the parties. Exh. 5 at pg. 1, 2. There is simply no basis for the OCD to upend its hearing procedures for two individuals who were contacted at some unknown time so Rockwood could attempt to reopen cases and nullify Orders issued by the OCD well over a year ago. And in any event, Rockwood's applications should be dismissed.

**E. Rockwood's exhibits are unreliable and should be stricken.**

The Division uses the Rules of Evidence as guidance in conducting adjudicatory hearings, and the Division's rules provide that an examiner may admit relevant evidence unless it is immaterial, repetitious, or otherwise unreliable." 19.15.4.17(A) NMAC. The exhibits attached to



Rockwood's Motion are unreliable and immaterial and should be stricken. *See Carter v. Burn Constr. Co.*, 1973-NMCA-156, ¶ 12 (striking recitations of what witnesses had told affiant, unauthenticated copies of accident report and death certificate).

If a party seeks to offer evidence through exhibits, the exhibits generally "must be identified by affidavit or otherwise made admissible in evidence." *Cox v. Nat'l Football League*, 29 F.Supp.2d 463, 467 (N.D. Ill. 1998) (quoting *Martz v. Union Labor Life Insurance Co.*, 757 F.2d 135, 138 (7th Cir. 1985)). Rockwood provides no affidavit, but rather Rockwood's counsel's own notes as to what process he used to locate Brock, Babbitt, and Utter. The failure to authenticate the printouts from various search websites renders the documents inadmissible as evidence in support of Rockwood's Motion and Rockwood's reliance on them is improper. *See* Rule 11-901 NMRA; *see, e.g., Bank of Am. NA v. Quintana*, No. 33,611, 2014 WL 809199, at \*5 (N.M. Feb. 27, 2014) (citing *Levy v. Disharoon*, 1988-NMSC-009, ¶ 20, 106 N.M. 699, which rejected the admissibility of letters, reports, sales agreements, and other documents kept by a title company because no custodian of records testified about the documents' trustworthiness as required by Rule 11-803)); *Mealand v. Eastern N.M. Med. Ctr.*, 2001-NMCA-089, ¶ 22, 131 N.M. 65, 73 (court is "required to disregard" unauthenticated exhibits); *see Kelly v. Johns-Manville Corp.*, 590 F.Supp. 1089, 1097 (E.D. Penn. 1984) (for purposes of summary judgment, court could not consider letter because it did not qualify as an affidavit, nor did defendants authenticate the letter with an affidavit by the person who wrote the letter).

Furthermore, the printouts attached to Rockwood's motion are not time-stamped or dated and do not, in any respect, establish that the information was available at the time Mewbourne filed its applications, which is the relevant inquiry under the Division's rules. In fact, the exhibits

only demonstrate how difficult it was to locate Ms. Babbitt and Ms. Brock and confirm that Mewbourne's actions were reasonable.

Rockwood's exhibits also contain unauthenticated hearsay. Hearsay "consists of an out-of-court statement offered to prove the truth of the matter asserted, and is inadmissible as substantive evidence unless it falls within an exclusion or exception to the hearsay rule." *State v. Largo*, 2012-NMSC-015, ¶ 24 (internal quotation marks and citation omitted); see Rule 11-801(C) NMRA (defining hearsay as "a statement, other than one made by the declarant while testifying at the trial or hearing, offered in evidence to prove the truth of the matter asserted"); Rule 11-802 NMRA (providing "[h]earsay is not admissible except as provided by these rules or by other rules adopted by the supreme court or by statute"). Rockwood's counsel's annotations outlining various internet search constitutes inadmissible hearsay as it is an out-of-court statement that is being offered to prove the truth of the matter asserted – that Brock, Babbitt, and Utter were able to be located – and should be disregarded by the OCD.

Because Rockwood's exhibits are unauthenticated, are unreliable, and constitute inadmissible hearsay, they should be stricken.

### **III. CONCLUSION**

For the reasons set forth herein, Mewbourne respectfully request the OCD dismiss Rockwood's applications and deny Rockwood's Motion.

Respectfully submitted,

HINKLE SHANOR LLP

/s/ Dana S. Hardy

Dana S. Hardy  
Michael Rodriguez  
Jaclyn M. McLean  
P.O. Box 2068  
Santa Fe, NM 87501

(505) 982-4554  
dhardy@hinklelawfirm.com  
mrodriguez@hinklelawfirm.com  
jmclean@hinklelawfirm.com

**CERTIFICATE OF SERVICE**

I hereby certify that on February 21, 2022, I caused a true and correct copy of the foregoing to be emailed to:

Darin C. Savage  
William E. Zimsky  
Paula M. Vance  
Andrew D. Schill  
[darin@abadieschill.com](mailto:darin@abadieschill.com)  
[bill@abadieschill.com](mailto:bill@abadieschill.com)  
[paula@abadieschill.com](mailto:paula@abadieschill.com)  
[andrew@abadieschill.com](mailto:andrew@abadieschill.com)

*/s/ Dana S. Hardy*  
\_\_\_\_\_  
Dana S. Hardy

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
MEWBOURNE OIL COMPANY**

**CASE NO. 21390  
ORDER NO. R-21527**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 3, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

**EXHIBIT 1**

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

**ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AES/jag

Date: 11/13/2020

CASE NO. 21390  
ORDER NO. R-21527

## Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: #21390</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: November 3, 2020</b>	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company, 14744
Applicant's Counsel:	Hinkle Shanor LLP, Dana S. Hardy
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	MRC Permian, LLC
Well Family	Eastwatch
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Young Bone Spring North Pool, Code 65350
Well Location Setback Rules:	Standard Oil, 100' setback
Spacing Unit Size:	40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	323.8 acres
Building Blocks:	40 acres
Orientation:	West to East
Description: TRS/County	N/2 N/2 Sections 3 and 4, Township 18 South, Range 32 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit A-5
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

CASE NO. 21390  
ORDER NO. R-21527

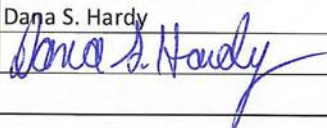
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Well #1	Eastwatch 4/3 B2DA Fed Com #1H (API # unassigned); SHL: 2140' FNL & 300' FWL (Sec. 4); BHL: 660' FNL & 100' FEL (Sec. 3); laydown; standard
Well #2	
Horizontal Well First and Last Take Points	FTP: 660' FNL and 100' FWL (Sec. 4); LTP: 660' FNL & 100' FEL (Sec. 3)
Completion Target (Formation, TVD and MD)	Bone Spring Formation; TVD: 8,350'; MD: 17,330'
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-9
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-10
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-5
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	Exhibit A-5
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-5
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibits A, A-6

CASE NO. 21390  
ORDER NO. R-21527

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Cost Estimate to Drill and Complete	Exhibit A-11
Cost Estimate to Equip Well	Exhibit A-11
Cost Estimate for Production Facilities	Exhibit A-11
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibits B-1, B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	Exhibit B
<b>Forms, Figures and Tables</b>	
C-102	Pending
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3, A-4, A-5
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits B-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	No special provision/stipulations
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	3-Nov-20

**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
MEWBOURNE OIL COMPANY**

**CASE NO. 21391  
ORDER NO. R-21528**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on November 3, 2020, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. Mewbourne Oil Company (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.

9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the depth(s) and location(s) in the Unit described in Exhibit A.
11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

**ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the

CASE NO. 21391  
ORDER NO. R-21528

Page 2 of 7

well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."

24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.

- 29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.
- 30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
- 31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
- 32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
- 33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
- 34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
- 35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AES/jag

Date: 11/13/2020

CASE NO. 21391  
ORDER NO. R-21528

## Exhibit A

<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: #21391</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: November 3, 2020</b>	
Applicant	Mewbourne Oil Company
Designated Operator & OGRID (affiliation if applicable)	Mewbourne Oil Company, 14744
Applicant's Counsel:	Hinkle Shanor LLP, Dana S. Hardy
Case Title:	APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO
Entries of Appearance/Intervenors:	MRC Permian, LLC
Well Family	Eastwatch
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Bone Spring Formation
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Bone Spring Formation
Pool Name and Pool Code:	Young Bone Spring North Pool, Code 65350
Well Location Setback Rules:	Standard Oil, 100' setback
Spacing Unit Size:	40 acres
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	320 acres
Building Blocks:	40 acres
Orientation:	West to East
Description: TRS/County	S/2 N/2 Sections 3 and 4, Township 18 South, Range 32 East, Lea County
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	No
Proximity Defining Well: if yes, description	No
Applicant's Ownership in Each Tract	Exhibit A-5
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	

CASE NO. 21391  
ORDER NO. R-21528

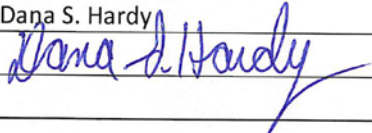
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Well #1	Eastwatch 4/3 B2EH Fed Com #1H (API # unassigned); SHL: 2170' FNL & 300' FWL (Sec. 4); BHL: 1980' FNL & 100' FEL (Sec. 3); laydown; standard
Well #2	
Horizontal Well First and Last Take Points	FTP: 1980' FNL and 100' FWL (Sec. 4); LTP: 1980' FNL & 100' FEL (Sec. 3)
Completion Target (Formation, TVD and MD)	Bone Spring Formation; TVD: 8,530'; MD: 17,480'
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000, Exhibit A
Production Supervision/Month \$	\$800, Exhibit A
Justification for Supervision Costs	Exhibit A
Requested Risk Charge	200%, Exhibit A
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit A-8
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit A-9
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit A-10
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit A-3
Tract List (including lease numbers and owners)	Exhibit A-5
Pooled Parties (including ownership type)	Exhibit A-5
Unlocatable Parties to be Pooled	Exhibit A-5
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
Sample Copy of Proposal Letter	Exhibit A-6
List of Interest Owners (ie Exhibit A of JOA)	Exhibit A-5
Chronology of Contact with Non-Joined Working Interests	Exhibit A-7
Overhead Rates In Proposal Letter	Exhibits A, A-6

CASE NO. 21391  
ORDER NO. R-21528

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Cost Estimate to Drill and Complete	Exhibit A-11
Cost Estimate to Equip Well	Exhibit A-11
Cost Estimate for Production Facilities	Exhibit A-11
<b>Geology</b>	
Summary (including special considerations)	Exhibit B
Spacing Unit Schematic	Exhibits B-1, B-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit B-6
Well Orientation (with rationale)	Exhibit B
Target Formation	Exhibit B
HSU Cross Section	Exhibit B-4
Depth Severance Discussion	Exhibit B
<b>Forms, Figures and Tables</b>	
C-102	Pending
Tracts	Exhibit A-3
Summary of Interests, Unit Recapitulation (Tracts)	Exhibits A-3, A-4, A-5
General Location Map (including basin)	Exhibit B-1
Well Bore Location Map	Exhibits B-1, B-2
Structure Contour Map - Subsea Depth	Exhibit B-2
Cross Section Location Map (including wells)	Exhibit B-2
Cross Section (including Landing Zone)	Exhibit B-4
<b>Additional Information</b>	No special provision/stipulations
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Dana S. Hardy
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	3-Nov-20

**STATE OF NEW MEXICO  
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION**

**APPLICATIONS OF ROCKWOOD RESOURCES,  
LLC, et al., TO REOPEN MEWBOURNE OIL  
COMPANY'S POOLING CASE NO. 21390, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 22539**

**APPLICATIONS OF ROCKWOOD RESOURCES,  
LLC, et al., TO REOPEN MEWBOURNE OIL  
COMPANY'S POOLING CASE NO. 21391, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 22540**

**SELF-AFFIRMED STATEMENT OF  
MITCH ROBB**

1. I am a landman for Mewbourne Oil Company ("Mewbourne"). I am over 18 years of age, have personal knowledge of the matters addressed herein, and am competent to provide this Self-Affirmed Statement. I have previously testified before the Division, and my qualifications as an expert in petroleum land matters were accepted.

2. I am familiar with the applications filed by Mewbourne in Case Nos. 21930 and 21391 that pertain to the above-referenced cases.

3. On November 13, 2020, the Division issued Order Nos. R-21527 and R-21528 ("Orders") in Case Nos. 21390 and 21391 ("Cases"), respectively. The Orders pooled all uncommitted interests within the Bone Spring formation in a 323.8-acre standard horizontal spacing unit comprised of the N/2N/2 of Sections 3 and 4, Township 18 South, Range 32 East in Lea County, New Mexico (Case No. 21390) and a 320-acre standard horizontal spacing unit comprised of the S/2N/2 of Sections 3 and 4, Township 18 South, Range 32 East in Lea County, New Mexico (Case No. 21391) (collectively referred to as the "Units"). The Orders further dedicated the Units to Mewbourne's Eastwatch 4/3 B2DA Fed Com #1H and Eastwatch 4/3 B2EH

**EXHIBIT 2**

Fed Com #1H wells (collectively referred to as the “Wells”) and designated Mewbourne as Operator of the Units and Wells.

4. Mewbourne used due diligence to attempt to locate all affected owners subject to compulsory pooling in Mewbourne’s applications, including Christine Brock (“Brock”) and Rebecca J. Babbitt (“Babbitt”).

5. Mewbourne located Christine Brock through the BLM Serial Register and sent a well proposal and hearing notice to the address contained therein. Mewbourne also searched county records and made numerous phone calls in an attempt to locate Ms. Brock. *See* Exh. A-7 in Case Nos. 21390 and 21391.

6. Mewbourne attempted to locate Ms. Babbitt by searching county records but was unable to confirm a valid address. Mewbourne also made numerous phone calls in an attempt to locate Ms. Babbitt. *See* Exh. A-7 in Case Nos. 21390 and 21391. Regardless, Rockwood purchased Babbitt’s interests within the Units and executed an agreement with Mewbourne wherein Rockwood elected to participate in and commit the interests it acquired from Babbitt to Mewbourne’s Wells, subject to Rockwood’s ability to resolve title defects.

7. Notice of Mewbourne’s applications and the Division hearing was provided to all interested parties entitled to notice of its applications at least 20 days prior to the hearing date via certified mail at the parties’ most recent addresses. *See* Exhibit A-9 in Case Nos. 21390 and 21391. A certified mail response card was received on the mailing to Ms. Babbitt, although it was unsigned. *See id.*

8. Additionally, Mewbourne timely published notice of hearing of its application in Lea County and listed Babbitt and Brock as affected parties subject to compulsory pooling. *See* Exhibit A-9 in Case Nos. 21390 and 21391.

9. I understand this Self-Affirmed Statement will be used as written testimony in these cases. I affirm that my testimony in paragraphs 1 through 9 above is true and correct and is made under penalty of perjury under the laws of the State of New Mexico. My testimony is made as of the date identified next to my signature below.

  
\_\_\_\_\_  
Mitch Robb

02/18/2022  
Date

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 SPC RESOURCES, LLC  
For Compulsory Pooling,  
Eddy County, New Mexico

Case No. 22421

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department --

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

PAUL BACA PROFESSIONAL COURT REPORTERS  
500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

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A P P E A R A N C E S.

FOR SPC RESOURCES, LLC:

Kaitlyn A. Luck, Esq .  
Holland & Hart  
110 North Guadalupe, Suite 1  
Santa Fe, New Mexico 87501  
(505) 988-4421  
kaluck@hollandhart.com

C O N T E N T S

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CASE CALLED:	4
INQUIRY BY MR. JONATHAN SAMANIEGO:	4
CASE 22421 RESUMED:	11
CASE Continued to 1/20/2022:	16

1	I N D E X   O F   E X H I B I T S	
2	SPC RESOURCES INC. EXHIBITS	ADMITTED
3	A     Compulsory Pooling Checklist	16
4	B     Application	16
5	C     Affidavit of Gary Waldrop, Landman	16
6	C-1   Project Locator Map	16
7	C-2   Tract Map	16
8	C-3   C-102	16
9	C-4   Land/Unit Recap	16
10	C-5   Offer to Lease letter	16
11	C-6   Notice of Publication	16
12	D     Affidavit of John Weibe, Geologist	16
13	D-1   Subsea Structure ap for Wolfcamp	16
14	D-2   Wolfcamp Cross Section Map	16
15	D-3   Cross Section	16
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1                   And Ms. Sandoval used to work for them, the  
2 Director. I mean, all that should be brought up.

3                   EXAMINER BRANCARD: Thank you.

4                   Ms. Luck, you may proceed. We are on Case  
5 No. 22421.

6                   MS. LUCK: Thank you.

7                   This case was filed, and it was understood  
8 that all the parties were unlocatable that SPC Resources  
9 needs to pool, and so the standard set of exhibits were  
10 filed with the Division on Tuesday. Those exhibits start  
11 off with the checklist as Exhibit A, followed by a copy of  
12 the Application as Exhibit B.

13                   The next exhibit in the packet is the  
14 Affidavit of SPC's landman Mr. Gary Waldrop. He has  
15 previously testified before the Division and in his  
16 affidavit he explains that in this case SPC is seeking to  
17 pool a standard Wolfcamp spacing unit in a 321.84-acre  
18 unit comprised of the north half of Section 23. This is  
19 all in Township 21 South, Range 26 East in Eddy County,  
20 New Mexico.

21                   And this unit will be dedicated to the  
22 South Avalon AUA Fed. Com 402H well.

23                   The details for that well are provided in  
24 Mr. Waldrop's affidavit.

25                   He also provides pool codes for the well, as



1 well as a copy of the C-102.

2 He provides first a Project Locator Map and  
3 that shows where the unit is located at in relation to the  
4 overall Eddy County area. And he also shows that this  
5 unit is comprised of only fee acreage.

6 His next map has some color coding. That's  
7 Exhibit C-2, and that corresponds with his Exhibit C-4  
8 which is the Unit Recap.

9 And you will see that again in this case  
10 SPC is only seeking to pool several unlocatable interest  
11 owners in a small portion of this unit, and so up to this  
12 point SPC hasn't had any contact information for these  
13 parties and Notice was published to them. However,  
14 because we had some communication issues with the Eddy  
15 County, I guess, this publication went out late, so our  
16 publication as reflected in the exhibit packet as Exhibit  
17 C-6 shows that our Notice went to the parties on December  
18 26th, so we would request that this hering be continued  
19 just so that the publication timeframe can run, and ensure  
20 that there are no objections to the case being taken under  
21 advisement.

22 The last exhibit in the packet is the  
23 affidavit of SPC's geologist Mr. John Weibe. He has  
24 previously testified before the Division and provides the  
25 standard Wolfcamp exhibits, which include a Structure Map,

1 a Cross Section Map, a Cross Section, and he provides his  
2 opinion that the Wolfcamp is appropriate for horizontal  
3 well development in this area.

4 So with that I would move the admission of  
5 Exhibits A through E and I would ask that this case  
6 be admitted into the record and the case be continued, and  
7 SPC will file a Motion for Continuance, if required by the  
8 Division, just to allow the Publication of Notice  
9 timeframe to continue to run.

10 EXAMINER BRANCARD: Thank you.

11 Mr. Garcia, questions?

12 MR. GARCIA: I have no questions.

13 EXAMINER BRANCARD: So let me get this straight.

14 You have got 16 acres that are owned by  
15 other parties here and you have no addresses for them?

16 MS. LUCK: That --

17 EXAMINER BRANCARD: In the county records, in  
18 the deeds or anything about how to locate? I see a list  
19 of five names here on your Exhibit C-4, and there are no  
20 addresses where you can mail anything to them?

21 MS. LUCK: That's correct.

22 So the title has been run, and in Exhibit  
23 C-6 to the landman's affidavit he explains the effort of  
24 SPC to try to locate any person who had relations to these  
25 names that are in the title records, and there are no

1 addresses that have been located for these parties and  
2 that's why we did the Notice of Publication. There were  
3 no mailing addresses to be mailed to.

4 And I can read off those names, as well. I  
5 am looking at the publication now.

6 EXAMINER BRANCARD: Yeah, I see a Pearl Colony,  
7 a Lizzie Colony, Albert Lang, Alma Green, William Packard,  
8 Lizzie Stephenson.

9 I guess I'm just puzzled as to why there  
10 were no attempts to even try to find anything, any  
11 attempts to mail to any of these people at any last-known  
12 address.

13 MS. LUCK: Yeah. So we've run these names that  
14 we found in the title records through multiple public  
15 record searches to try to locate either related persons to  
16 them to be able to contact them, but nothing has turned up  
17 for these five parties.

18 EXAMINER BRANCARD: I will for the record  
19 indicate that our department did get a call from someone  
20 saying they were related to someone who had an interest in  
21 this property, and I simply informed them that they should  
22 file an Entry of Appearance, which they apparently did  
23 not.

24 And they learned about this by reading the  
25 newspaper, wondering why they had not been contacted

1 directly.

2                   So okay. We can continue this case to deal  
3 with the newspaper publication, but I guess I need  
4 something further from your landman about why no possible  
5 addresses could be found in this. Just doing newspaper  
6 publication does not seem adequate in this situation where  
7 you're dealing with people who own 16 acres of land right  
8 in the middle of your spacing unit.

9                   MS. LUCK: And I just want to confirm whether  
10 the Division has contact information for the person that  
11 you mentioned that contacted the Division.

12                   EXAMINER BRANCARD: I can get you the phone  
13 number.

14                   MS. LUCK: That would be fantastic if there is a  
15 number that we can contact them back. We would be happy  
16 to do so.

17                   And another question that I have is: Mr.  
18 Waldrop, who is SPC's landman, is currently on the hearing  
19 now and he can answer any other questions the Division has  
20 right now about why there aren't mailing addresses for  
21 these five persons that have been identified.

22                   But I mean I'm happy to just reference the  
23 Division back to our Exhibit C, the landman's affidavit,  
24 that explains what we did to try to contact the people  
25 that are in the title records. But there is not even tax

1 information for these people to contact them. There's  
2 just been nothing for a very long time for this section of  
3 land.

4 Excuse me. It's not a whole section but  
5 it's a tract.

6 And the title dropped off here almost 100  
7 years ago. These people have not been identified since  
8 the 1920s.

9 EXAMINER BRANCARD: Okay. So probably a lot of  
10 this stuff has been probated but there is no probate  
11 records in the county records.

12 All right. I will forward you the phone  
13 number that was given to me, and then otherwise we will  
14 continue this case to January 20th.

15 MS. LUCK: Okay. Thank you.

16 EXAMINER BRANCARD: Thank you.

17 (Time noted 10:31 a.m.)

18

19

20

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24

25

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,

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January 6, 2022, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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I FURTHER CERTIFY that I am neither employed by

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nor related to nor contracted with (unless excepted by the

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

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that I have no interest whatsoever in the final

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disposition of this case in any court.

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/s/ Mary MacFarlane

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MARY THERESE MACFARLANE, CCR  
NM Certified Court Reporter No. 122  
License Expires: 12/31/2022

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**STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION**

**IN THE MATTER OF APPLICATION FOR  
COMPULSORY POOLING SUBMITTED BY  
SPC RESOURCES, LLC**

**CASE NO. 22421  
ORDER NO. R-22020**

**ORDER**

The Director of the New Mexico Oil Conservation Division (“OCD”), having heard this matter through a Hearing Examiner on January 20, 2022, and after considering the testimony, evidence, and recommendation of the Hearing Examiner, issues the following Order.

**FINDINGS OF FACT**

1. SPC Resources, LLC (“Operator”) submitted an application (“Application”) to compulsory pool the uncommitted oil and gas interests within the spacing unit (“Unit”) described in Exhibit A. The Unit is expected to be a standard horizontal spacing unit. 19.15.16.15(B) NMAC. Operator seeks to be designated the operator of the Unit.
2. Operator will dedicate the well(s) described in Exhibit A (“Well(s)”) to the Unit.
3. Operator proposes the supervision and risk charges for the Well(s) described in Exhibit A.
4. Operator identified the owners of uncommitted interests in oil and gas minerals in the Unit and provided evidence that notice was given.
5. The Application was heard by the Hearing Examiner on the date specified above, during which Operator presented evidence through affidavits in support of the Application. No other party presented evidence at the hearing.

**CONCLUSIONS OF LAW**

6. OCD has jurisdiction to issue this Order pursuant to NMSA 1978, Section 70-2-17.
7. Operator is the owner of an oil and gas working interest within the Unit.
8. Operator satisfied the notice requirements for the Application and the hearing as required by 19.15.4.12 NMAC.
9. OCD satisfied the notice requirements for the hearing as required by 19.15.4.9 NMAC.
10. Operator has the right to drill the Well(s) to a common source of supply at the

**EXHIBIT 4**

depth(s) and location(s) in the Unit described in Exhibit A.

11. The Unit contains separately owned uncommitted interests in oil and gas minerals.
12. Some of the owners of the uncommitted interests have not agreed to commit their interests to the Unit.
13. The pooling of uncommitted interests in the Unit will prevent waste and protect correlative rights, including the drilling of unnecessary wells.
14. This Order affords to the owner of an uncommitted interest the opportunity to produce his just and equitable share of the oil or gas in the pool.

### **ORDER**

15. The uncommitted interests in the Unit are pooled as set forth in Exhibit A.
16. The Unit shall be dedicated to the Well(s) set forth in Exhibit A.
17. Operator is designated as operator of the Unit and the Well(s).
18. If the location of a well will be unorthodox under the spacing rules in effect at the time of completion, Operator shall obtain the OCD's approval for a non-standard location in accordance with 19.15.16.15(C) NMAC.
19. The Operator shall commence drilling the Well(s) within one year after the date of this Order, and complete each Well no later than one (1) year after the commencement of drilling the Well.
20. This Order shall terminate automatically if Operator fails to comply with Paragraph 19 unless Operator obtains an extension by amending this Order for good cause shown.
21. The infill well requirements in 19.15.13.9 NMAC through 19.15.13.12 NMAC shall be applicable.
22. Operator shall submit each owner of an uncommitted working interest in the pool ("Pooled Working Interest") an itemized schedule of estimated costs to drill, complete, and equip the well ("Estimated Well Costs").
23. No later than thirty (30) days after Operator submits the Estimated Well Costs, the owner of a Pooled Working Interest shall elect whether to pay its share of the Estimated Well Costs or its share of the actual costs to drill, complete and equip the well ("Actual Well Costs") out of production from the well. An owner of a Pooled Working Interest who elects to pay its share of the Estimated Well Costs shall render payment to Operator no later than thirty (30) days after the expiration of the election period, and shall be liable for operating costs, but not risk charges, for the



- well. An owner of a Pooled Working Interest who fails to pay its share of the Estimated Well Costs or who elects to pay its share of the Actual Well Costs out of production from the well shall be considered to be a "Non-Consenting Pooled Working Interest."
24. No later than one hundred eighty (180) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the Actual Well Costs. The Actual Well Costs shall be considered to be the Reasonable Well Costs unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Reasonable Well Costs after public notice and hearing.
  25. No later than sixty (60) days after the expiration of the period to file a written objection to the Actual Well Costs or OCD's order determining the Reasonable Well Costs, whichever is later, each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs shall pay to Operator its share of the Reasonable Well Costs that exceed the Estimated Well Costs, or Operator shall pay to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs its share of the Estimated Well Costs that exceed the Reasonable Well Costs.
  26. The reasonable charges for supervision to drill and produce a well ("Supervision Charges") shall not exceed the rates specified in Exhibit A, provided however that the rates shall be adjusted annually pursuant to the COPAS form entitled "Accounting Procedure-Joint Operations."
  27. No later than within ninety (90) days after Operator submits a Form C-105 for a well, Operator shall submit to each owner of a Pooled Working Interest an itemized schedule of the reasonable charges for operating and maintaining the well ("Operating Charges"), provided however that Operating Charges shall not include the Reasonable Well Costs or Supervision Charges. The Operating Charges shall be considered final unless an owner of a Pooled Working Interest files a written objection no later than forty-five (45) days after receipt of the schedule. If an owner of a Pooled Working Interest files a timely written objection, OCD shall determine the Operating Charges after public notice and hearing.
  28. Operator may withhold the following costs and charges from the share of production due to each owner of a Pooled Working Interest who paid its share of the Estimated Well Costs: (a) the proportionate share of the Supervision Charges; and (b) the proportionate share of the Operating Charges.
  29. Operator may withhold the following costs and charges from the share of production due to each owner of a Non-Consenting Pooled Working Interest: (a) the proportionate share of the Reasonable Well Costs; (b) the proportionate share

of the Supervision and Operating Charges; and (c) the percentage of the Reasonable Well Costs specified as the charge for risk described in Exhibit A.

30. Operator shall distribute a proportionate share of the costs and charges withheld pursuant to paragraph 29 to each Pooled Working Interest that paid its share of the Estimated Well Costs.
31. Each year on the anniversary of this Order, and no later than ninety (90) days after each payout, Operator shall provide to each owner of a Non-Consenting Pooled Working Interest a schedule of the revenue attributable to a well and the Supervision and Operating Costs charged against that revenue.
32. Any cost or charge that is paid out of production shall be withheld only from the share due to an owner of a Pooled Working Interest. No cost or charge shall be withheld from the share due to an owner of a royalty interests. For the purpose of this Order, an unleased mineral interest shall consist of a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest.
33. Except as provided above, Operator shall hold the revenue attributable to a well that is not disbursed for any reason for the account of the person(s) entitled to the revenue as provided in the Oil and Gas Proceeds Payment Act, NMSA 1978, Sections 70-10-1 *et seq.*, and relinquish such revenue as provided in the Uniform Unclaimed Property Act, NMSA 1978, Sections 7-8A-1 *et seq.*
34. The Unit shall terminate if (a) the owners of all Pooled Working Interests reach a voluntary agreement; or (b) the well(s) drilled on the Unit are plugged and abandoned in accordance with the applicable rules. Operator shall inform OCD no later than thirty (30) days after such occurrence.
35. OCD retains jurisdiction of this matter for the entry of such orders as may be deemed necessary.

**STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION**



**ADRIENNE SANDOVAL  
DIRECTOR**

AES/jag

Date: 2/07/2022

CASE NO. 22421  
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## Exhibit A

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<b>COMPULSORY POOLING APPLICATION CHECKLIST (pdf)</b>	
<b>ALL INFORMATION IN THE APPLICATION MUST BE SUPPORTED BY SIGNED AFFIDAVITS</b>	
<b>Case: 22421</b>	<b>APPLICANT'S RESPONSE</b>
<b>Date: January 6, 2022</b>	
Applicant	SPC Resources, LLC
Designated Operator & OGRID (affiliation if applicable)	SPC Resources, LLC (OGRID No. 372262)
Applicant's Counsel:	Holland & Hart LLP
Case Title:	APPLICATION OF SPC RESOURCES, LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.
Entries of Appearance/Intervenors:	n/a
Well Family	South Avalon AUA Federal Com #402H
<b>Formation/Pool</b>	
Formation Name(s) or Vertical Extent:	Wolfcamp
Primary Product (Oil or Gas):	Oil
Pooling this vertical extent:	Wolfcamp formation
Pool Name and Pool Code:	Carlsbad; Wolfcamp, East (Gas) (Pool Code 74160)
Well Location Setback Rules:	Statewide horizontal rules
Spacing Unit Size:	321.84 acres, more or less
<b>Spacing Unit</b>	
Type (Horizontal/Vertical)	Horizontal
Size (Acres)	321.84 acres, more or less
Building Blocks:	320 acres
Orientation:	West to East
Description: TRS/County	N/2 of Section 23, Township 21 South, Range 26 East, NMPM, Eddy County, New Mexico.
Standard Horizontal Well Spacing Unit (Y/N), If No, describe	Yes
<b>Other Situations</b>	
Depth Severance: Y/N. If yes, description	No
Proximity Tracts: If yes, description	N/A

BEFORE THE OIL CONSERVATION DIVISION  
 Santa Fe, New Mexico  
 Exhibit No. REVISED Exhibit A  
 Submitted by: SPC Resources, LLC  
 Hearing Date: January 6, 2022  
 Case No. 22421

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Proximity Defining Well: if yes, description	N/A
Applicant's Ownership in Each Tract	Exhibit C-4
<b>Well(s)</b>	
Name & API (if assigned), surface and bottom hole location, footages, completion target, orientation, completion status (standard or non-standard)	Add as needed
Well #1	<p><b>South Avalon AUA Federal Com #402H (API No. 30-015-31001):</b>                      SHL: 660 FNL and 660 FWL (Unit D) of Section 23, 21S, 26E                      BHL: 1650 FNL and 200 FEL (Unit H) of Section 23, 21S, 26E</p> <p>Completion Target: Wolfcamp formation                      Well Orientation: West to East                      Completion Location expected to be: Standard</p>
Horizontal Well First and Last Take Points	Exhibit C-3
Completion Target (Formation, TVD and MD)	Exhibit C-3
<b>AFE Capex and Operating Costs</b>	
Drilling Supervision/Month \$	\$8,000
Production Supervision/Month \$	\$800
Justification for Supervision Costs	Exhibit C
Requested Risk Charge	200%
<b>Notice of Hearing</b>	
Proposed Notice of Hearing	Exhibit B
Proof of Mailed Notice of Hearing (20 days before hearing)	Exhibit C, C-6
Proof of Published Notice of Hearing (10 days before hearing)	Exhibit C-6
<b>Ownership Determination</b>	
Land Ownership Schematic of the Spacing Unit	Exhibit C-2, C-4
Tract List (including lease numbers and owners)	Exhibit C-4
Pooled Parties (including ownership type)	Exhibit C-4, C-6
Unlocatable Parties to be Pooled	Exhibit C-4, C-6
Ownership Depth Severance (including percentage above & below)	N/A
<b>Joinder</b>	
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List of Interest Owners (ie Exhibit A of JOA)	Exhibit C-4, C-6
Chronology of Contact with Non-Joined Working Interests	Exhibit C
Overhead Rates In Proposal Letter	Exhibit C-5
Cost Estimate to Drill and Complete	N/A
Cost Estimate to Equip Well	N/A
Cost Estimate for Production Facilities	N/A
<b>Geology</b>	
Summary (including special considerations)	Exhibit D
Spacing Unit Schematic	Exhibit D-1, D-2
Gunbarrel/Lateral Trajectory Schematic	Exhibit D-1, D-2
Well Orientation (with rationale)	Exhibit C-2, D
Target Formation	Exhibit D
HSU Cross Section	Exhibit D-3, D-4, D-5
Depth Severance Discussion	N/A
<b>Forms, Figures and Tables</b>	
C-102	Exhibit C-3
Tracts	Exhibit C-4
Summary of Interests, Unit Recapitulation (Tracts)	Exhibit C-4
General Location Map (including basin)	Exhibit C-1, C-2
Well Bore Location Map	Exhibit C-1, D-1, D-2
Structure Contour Map - Subsea Depth	Exhibit D-1, D-2
Cross Section Location Map (including wells)	Exhibit D-3
Cross Section (including Landing Zone)	Exhibit D-4, D-5
<b>Additional Information</b>	
<b>CERTIFICATION: I hereby certify that the information provided in this checklist is complete and accurate.</b>	
<b>Printed Name</b> (Attorney or Party Representative):	Adam G. Rankin
<b>Signed Name</b> (Attorney or Party Representative):	
<b>Date:</b>	1/19/2022

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State of New Mexico  
Energy, Minerals and Natural Resources Department

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Michelle Lujan Grisham  
Governor

Sarah Cottrell Propst  
Cabinet Secretary

Todd E. Leahy, JD, PhD  
Deputy Secretary

Adrienne Sandoval, Division Director  
Oil Conservation Division



## NOTICE

July 22, 2020

### OCD Hearings Scheduled for August 6, 2020 and After

On March 11, 2020, Governor Michelle Lujan Grisham issued Executive Order 2020-004 declaring a Public Health Emergency to prevent the spread of the novel coronavirus. The Executive Order closed government buildings to the public.

Additionally, Secretary Cottrell Propst directed the Oil Conservation Division (OCD) to take prudent precautionary steps to encourage the public and OCD staff to maintain social distance by cancelling, postponing, or taking other actions to limit public interaction.

To comply with these directives, OCD has been conducting electronic hearings in accordance with the New Mexico Attorney General's Open Government Division Advisory During COVID-19 State of Public Emergency.

#### HEARINGS ON AUGUST 6, 2020 AND AFTER

This notice governs OCD hearings on August 6, 2020 and after, and supersedes the earlier notices entitled "OCD Hearings Scheduled for April 16, 2020 and After" and "Oil Conservation Division's Instructions for April 30, 2020 Hearing Docket."

The Hearing Examiner will call each case and inquire whether the parties agree that the case can be taken by affidavit. If the parties concur, the Hearing Examiner will hear the case by affidavit, provided that the applicant submitted the exhibits, including the public notice affidavit and the compulsory pooling checklist, if applicable, to the Hearings Bureau at [ocd.hearings@state.nm.us](mailto:ocd.hearings@state.nm.us) no later than 5:00 p.m. on the Tuesday preceding the hearing date. The Hearing Examiner will inquire whether any party requests a special provision or stipulation, and the OCD's technical reviewer may ask questions of the applicant and parties, if any.

If the parties do not concur that the case may be taken by affidavit, and do not agree to continue the case, the Hearing Examiner will conduct a status conference, set

July 22, 2020

Page 2

the case for an electronic hearing, and direct the parties to submit a pre-hearing order setting forth the dates on which they will submit to OCD and exchange between the parties the following information:

- a. a list of material facts not in dispute;
- b. a list of disputed facts and issues;
- c. identification of witnesses and their qualifications;
- d. a full narrative of the direct testimony and exhibits for witnesses;
- e. the filing of prehearing motions, including evidentiary objections, and a briefing schedule; and
- f. the date and time for a telephonic conference to hear prehearing motions and address questions regarding the conduct of the hearing.

Any party may request a status conference to resolve disputes regarding the preparation of the pre-hearing order.

The Hearing Examiner in her sole discretion will call cases on the docket in any order.

The hearings will be transcribed by a court reporter. Participants are reminded to identify themselves when they speak and to speak clearly so that the audio is understandable.

The Hearing Examiner in her sole discretion may continue any application to a future date for any reason.

Applicants for a hearing are advised to provide the following statement in their public notice:

During the COVID-19 Public Health Emergency, state buildings are closed to the public and hearings will be conducted remotely. The hearing will be conducted on [date] beginning at 8:15 a.m. To participate in the electronic hearing, see the instructions posted on the docket for the hearing date: <http://www.emnrd.state.nm.us/OCD/hearings.html>.