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STATE OF NEW MEXICO

ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

Application by Mewbourne Oil Company, to pool additional interest owners under the terms of Order No. R-21053, Eddy County, New Mexico

Case No. 21933

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 3, 2021

This matter came on for hearing before the the New Mexico Oil Conservation Division, William Brancard Hearing Examiner, Leonard Lowe, Technical Examiner on June 3, 2021 via the Webex Videoconferencing Platform

Reported by: Mary Therese Macfarlane New Mexico CCR No. 122 PAUL BACA COURT REPORTERS 500 Fourth Street NW, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR MEWBOURNE OIL COMPANY: 3 Michael Rodriguez, Esq. Hinkle, Shanor, LLP 4 215 Montezuma Avenue Santa Fe, NM 87504 (505) 982-4544 5 mrodriguez@hinklelawfirm.com б 7 FOR MRC PERMIAN: Kaitlyn Luck, Esq. Holland & Hart 8 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 9 (505) 988-4421 kaluck@hollandandhart.com 10 11 CONTENTS 12 CASE NO. 21933 PAGE 13 CASE CALLED: 3 14 APPLICANT WITNESSES: 15 б LEE SCARBOROUGH (BY AFFIDAVIT): 16 TAKEN UNDER ADVISEMENT: б 17 18 19 20 21 22 23 24 25

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1		EXHIBIT INDEX	
2	APPL	JICANT EXHIBITS:	PAGE
3	A	Self-Affirmed Statement of Lee Scarborough	б
4	A-1	Application and Proposed Notice of Hearing	б
5	A-2	Division Order R-21053	б
6	A-3	Drilling Extension Approval	б
7	A-4	Plat	б
8	A-5	Well Proposal and AFEs	б
9	А-б	Communication Log	6
10	A-7	Hearing Notice Letter and return receipts	6
11	A-8	Affidavit of Publication	б
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Page 4 1 (Time noted 9:21 a.m.) 2 HEARING EXAMINER BRANCARD: So then Case 21933, 3 same well family, Mewbourne Oil Company for an amendment. 4 Hinkle Shanor. MR. RODRIGUEZ: Yes. Michael Rodriguez with 5 Hinkle Shanor on behalf of Mewbourne Oil Company. б 7 HEARING EXAMINER BRANCARD: MRC Permian, are you involved in this case, luck? 8 MS. LUCK: Yes. Kaitlyn Luck with the Santa Fe 9 office of Holland & Hart again for MRC Permian. 10 HEARING EXAMINER BRANCARD: Do you have any 11 12 objection to this case going ahead by affidavit. 13 MS. LUCK: No objection. Thank you. 14 HEARING EXAMINER BRANCARD: Any other parties 15 interested in case 21933, No. 28 on our docket. (Note: 16 Pause.) Hearing none, Mr. Rodriguez you may proceed. MR. RODRIGUEZ: In this case Mewbourne seeks to 17 pool additional interest owners under the terms of 18 Division Order No. R-21053. 19 This Order pooled all the committed 20 21 interests within the Bone Spring Formation to form a 22 240-acre, more or less, standard horizontal spacing unit comprised of the north half/south half of Section 13, 23 24 Township 19 South, Range 28 East, and the north 25 half/southwest quarter of Section 18 Township 19 South,

Page 5 Range 29 East in Eddy County. 1 2 The Order further designated Mewbourne as 3 the operator of the unit. On December 15th, 2020, the Division 4 granted Mewbourne's request for a time extension to 5 commence drilling the wells under the Order to January 31, б 7 2022. Since the Order extensions were issued, 8 Mewbourne determined there are additional interest owners 9 in the unit whose interests should be pooled under the 10 11 terms of the Order. 12 The case packet admitted to the Division contains Exhibit A, which is the landman's affidavit and 13 related attachments, and Attachment A-6 and A-7, which are 14 15 the sample Notice of Hearing Letters and Affidavit of 16 Publication reflecting all Notice requirements have been 17 met. With that I ask that this exhibit packet 18 containing Exhibit A, along with Attachments A-1 through 19 A-8 be admitted into the record, and Case 21933 be taken 20 21 under advisement. 22 HEARING EXAMINER BRANCARD: Thank you. Any questions or concerns? 23 24 Ms. Luck? 25 MS. LUCK: None for MRC. Thank you.

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1	HEARING EXAMINER BRANCARD: Mr. Lowe, any		
2	questions?		
3	EXAMINER LOWE: I have no questions. Thank you.		
4	HEARING EXAMINER BRANCARD: Once again, are		
5	there any other interested parties in Case 21933? (Note:		
б	Pause.) Hearing none, the exhibits will be admitted into		
7	the record and Case 21933 will be taken under advisement.		
8	MR. RODRIGUEZ: Thank you.		
9	HEARING EXAMINER BRANCARD: Thank you.		
10	(Time noted 9:26 a.m.)		
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1	STATE OF NEW MEXICO )
2	: SS
3	COUNTY OF TAOS )
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5	REPORTER'S CERTIFICATE
б	I, MARY THERESE MACFARLANE, New Mexico Reporter
7	CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 3,
8	2021, the proceedings in the above-captioned matter were
9	taken before me; that I did report in stenographic
10	shorthand the proceedings set forth herein, and the
11	foregoing pages are a true and correct transcription to
12	the best of my ability and control.
13	I FURTHER CERTIFY that I am neither employed by
14	nor related to nor contracted with (unless excepted by the
15	rules) any of the parties or attorneys in this case, and
16	that I have no interest whatsoever in the final
17	disposition of this case in any court.
18	/s/ Mary Macfarlane
19	/S/ Mary Macrariane
20	MARY THERESE MACFARLANE, CCR NM Certified Court Reporter No. 122
21	License Expires: 12/31/2021
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