

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

**APPLICATIONS OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

**Case No. 22191
Case No. 22192**

**APPLICATIONS OF MATADOR PRODUCTION COMPANY
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO**

**Case No. 22257
Case No. 22258**

ORDER ON MOTION TO REOPEN

This Order follows motions filed by the parties and oral arguments on October 21, 2021. The Oil Conservation Division (“Division”) Hearing Examiner finds and concludes that:

1. Mewbourne Oil Company (“Mewbourne”) filed Case Nos. 22191 and 22192 (“Mewbourne Cases”) on September 7, 2021. Mewbourne seeks to compulsory pool all uncommitted mineral interests in the N2S2 (Case 22191) and the S2S2 (Case 22192) of sections 11 and 12, Township 24 South, Range 28 East, Eddy County. Mewbourne presented its case in support of the applications by affidavit at an unopposed hearing on October 7, 2021. The Division has not entered a final order in the Mewbourne Cases.
2. Matador Production Company (“Matador”) filed Case Nos. 22257 and 22258 (“Matador Cases”) on October 1, 2021. Matador seeks to compulsory pool all uncommitted mineral interests in the N2S2 (Case 22257) and the S2S2 (Case 22258) of sections 10 and 11, Township 24 South, Range 28 East, Eddy County. The Matador applications requested the Division set a contested hearing with the Mewbourne Cases.
3. Matador filed an entry of appearance in the Mewbourne cases on October 12, 2021 and requested a status conference for both the Matador and Mewbourne cases. On October 15, 2021, Matador filed a Motion to Re-Open Case Nos. 22191 and 22192 (“Motion to Re-Open”). The Motion to Re-Open requests that the Mewbourne Cases be re-opened and scheduled for a contested hearing with the Matador Cases.
4. Mewbourne filed a Motion to Strike Entry of Appearance and Deny Motion to Re-Open on October 19, 2021 (“Motion to Strike”). The Motion to Strike states that Matador is not a “party of record” to the Mewbourne Cases and therefore was not entitled to file the Motion to Re-Open.

5. The Division entered a procedural order and allowed oral arguments on the motions on October 21, 2021.
6. Matador relies on Oil Conservation Commission (“Commission”) Order R-14907-A where the Commission held that an entity that filed an appearance after the hearing was held and did not request that the record be reopened for new evidence was not a “party of record” under the Oil and Gas Act (“Act”). *Matador Production Company*, Order R-14907-A (March 10, 2016).
7. In a more recent case, however, the Commission found that an entity which filed an entry of appearance after a hearing was held and then sought to re-open the record after the Division had issued an order was a “party of record”. *Colgate Operating, LLC*, Order R-21679 (April 30, 2021).
8. The Commission has also determined that competing compulsory pooling cases should be heard by the Division before any possible appeal to the Commission. *Ascent Energy, LLC*, Order R-21454 (August 25, 2020) (“competing applications, including those that have yet to be filed, should be heard by the Division prior to the Commission hearing the applications”). This follows the Commission’s general presumption that the Act and Commission rules “intend for a full and fair proceeding before the Division hearing examiners and the Division Director...in the hopes that the issues will be fully developed and addressed by the Division.” *Matador Production Company*, Order R-14907-A, ¶16 (March 10, 2016).
9. In this proceeding, Matador is a party and was entitled to file the Motion to Re-Open. 19.15.4.10 NMAC.
10. The Mewbourne Cases and the Matador Cases are overlapping, competing compulsory pooling applications.
11. The competing compulsory pooling applications should be heard by the Division.

The Division orders that:

1. The Motion to Re-Open is granted.
2. The Motion to Strike is denied.
3. The Mewbourne Cases and the Matador Cases are consolidated for hearing.
4. The Mewbourne Cases are stayed, and the Division shall not issue an order on the Mewbourne Cases, until a hearing is held on all the contested cases.,
5. The evidence presented by Mewbourne at the October 7, 2021 hearing remains part of the record and Mewbourne is not required to resubmit the evidence. Mewbourne may supplement or amend any evidence previously submitted.

6. The Matador Cases and the Mewbourne Cases will be scheduled for a hearing that will commence on December 2, 2021 following the completion of the Division's regular hearing docket and continue as necessary through completion.
7. The hearing will be recorded and transcribed by a court reporter.
8. The hearing will be conducted using the virtual meeting platform; sign-in information will be sent to the parties closer to the date of the hearing. The Examiner may modify the format of the hearing consistent with the available resources and public distancing directives in place at the time of the hearing.
9. The parties shall file, with the pre-hearing statement required by 19.15.4.13.B NMAC, the following additional information, all of which is due by 5 p.m. no later than seven (7) calendar days before the hearing:
 - a. a list of material facts not in dispute;
 - b. a list of disputed facts and issues;
 - c. identification of the witnesses and their qualifications; and
 - d. a full narrative of the direct testimony and exhibits for each witness.
10. Any evidentiary objections to the filed direct testimony or any exhibit shall be filed by 5 p.m. no later than two (2) calendar days before the hearing and will be addressed at the commencement of the hearing.
11. All witnesses filing direct testimony shall attend the hearing and will be subject to cross examination by counsel for the parties and the Division Examiners.
12. Any requests for continuances or status conferences shall be filed in writing through the Division fee portal.

**STATE OF NEW MEXICO
OIL CONSERVATION DIVISION**

William R. Brancard
WILLIAM R. BRANCARD
HEARING EXAMINER

Date: October 27, 2021