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: 22338, 22339

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 2, 2021

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER WILLIAM BRANCARD and TECHNICAL EXAMINERS DEAN McCLURE and DYLAN ROSE-COSS on Thursday, December 2, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street, NW, Suite 105

Albuquerque, NM 87102

505-843-9241

1 HEARING EXAMINER BRANCARD: With that, I will

- 2 call Cases 22338 and 22339, Mewbourne Oil Company.
- 3 MR. BRUCE: Mr. Examiner, Jim Bruce representing
- 4 the applicant.
- 5 HEARING EXAMINER BRANCARD: And I have an entry
- 6 of appearance from Cimarex Energy.
- 7 MR. SAVAGE: Good morning, Mr. Examiner, Darin
- 8 Savage with Abadie & Schill on behalf of Cimarex Energy
- 9 Company.
- 10 HEARING EXAMINER BRANCARD: I have MRC Delaware
- 11 Resources.
- 12 MR. RANKIN: Mr. Examiner, Adam Rankin with the
- 13 Santa Fe office of Holland & Hart appearing on behalf of MRC
- 14 LLC Resources.
- 15 HEARING EXAMINER BRANCARD: Mr. Rankin, do you
- 16 have any objection to these cases going forward by
- 17 affidavit?
- 18 MR. RANKIN: We do not. We are entering our
- 19 appearance solely for preserving rights.
- 20 HEARING EXAMINER BRANCARD: Mr. Savage, do you
- 21 have any objection to these cases going forward by
- 22 affidavit?
- MR. SAVAGE: No objection to that. We are also
- 24 appearing to monitor and preserve rights.
- 25 HEARING EXAMINER BRANCARD: Thank you. Are there

1 any other interested persons for Cases 22338 and 22339? .

- 2 (No audible response.)
- 3 HEARING EXAMINER BRANCARD: Hearing none, Mr.
- 4 Bruce, you may proceed.
- 5 MR. BRUCE: Mr. Examiner, the exhibit package
- 6 contains the usual applications and proposed notices as
- 7 Exhibit 1.
- 8 In these cases the first applicant seeks to force
- 9 pool the N/2 N/2 of Section 21 and the N/2 N/2 of Section
- 10 22.
- In the second one they pool the S/2 N/2 of 21 and
- 12 so the S/2 N/2 of 22 all in Section -- in Township 18 South,
- 13 Range 29 East, the Puma Blanca Wells.
- 14 There is a landman's affidavit which is common
- 15 for both cases. I would note that on attachments A-1 and
- 16 A-2, one pertains to one case, one pertains to the other,
- 17 the ownership is slightly different, and that's the only
- 18 thing. And it contains the usual interest ownership,
- 19 proposal letters and AFEs.
- 20 Exhibit 3 is a self-affirming statement of
- 21 Charles Crosby, the geologist, and it is common for both,
- 22 for both cases. And then the notice affidavit and notice of
- 23 publication, and again, the same defect applies -- never
- 24 thought I would call Thanksgiving a defect, but --
- 25 And then finally the pooling checklist, I will be

- 1 filing the revised pooling checklist in Case 338 because I
- 2 forgot to sign the checklist, so I will be doing that today.
- 3 With that, I would ask that the exhibits be
- 4 admitted into the record and that the cases be continued for
- 5 two weeks to allow the notice to run out.
- 6 HEARING EXAMINER BRANCARD: Thank you. Mr.
- 7 Savage, any questions?
- 8 MR. SAVAGE: No questions at this time.
- 9 HEARING EXAMINER BRANCARD: Mr. Rankin, any
- 10 questions?
- MR. RANKIN: None.
- 12 HEARING EXAMINER BRANCARD: Mr. Rose-Coss, any
- 13 questions.
- 14 TECHNICAL EXAMINER ROSE-COSS: None.
- 15 HEARING EXAMINER BRANCARD: Thank you. So which
- 16 case needed the revised checklist, Mr. Bruce? I'm sorry.
- MR. BRUCE: 338. I will file a signed pooling
- 18 checklist today.
- 19 HEARING EXAMINER BRANCARD: Okay. Are there any
- other interested persons for Cases 22338 and 22339?
- 21 (No audible response.)
- 22 HEARING EXAMINER BRANCARD: Hearing none, the
- 23 exhibits will be admitted into the record, and these cases
- 24 will be taken under advisement and will be continued to
- 25 December 16 solely nor notice compliance and also for Mr.

```
Page 6
    Bruce to submit a revised checklist in case 22338. Thank
 2
    you.
 3
                (Exhibits admitted.)
 4
               (Taken under advisement.)
 5
 6
 8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
```

Page 7 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 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. I FURTHER CERTIFY that I am neither employed by 11 nor related to any of the parties or attorneys in this case 12 13 and that I have no interest in the final disposition of this 14 case. 15 I FURTHER CERTIFY that the Virtual Proceeding was of reasonable quality. 16 Dated this 2nd day of December 2021. 17 18 /s/ Irene Delgado 19 Irene Delgado, NMCCR 253 20 License Expires: 12-31-21 2.1 22 23 2.4 25