

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 MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

Case No. 22645

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 16, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing
before the New Mexico Oil Conservation Division,
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
HEARING OFFICER DYLAN ROSE-COSS on Thursday, June
16, 2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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1 A P P E A R A N C E S

2 For Mewbourne Oil Company:

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 6 505-982-2043
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1 HEARING OFFICER BRANCARD: I believe we
2 will jump forward with Case 22645, Item 31.

3 MR. BRUCE: Mr. Examiner, Jim Bruce
4 representing Mewbourne Oil Company.

5 HEARING OFFICER BRANCARD: Thank you.

6 Are there any other interested persons,
7 then, for Case 22645?

8 Hearing none, Mr. Bruce, you may proceed.

9 MR. BRUCE: Mr. Examiner, in this case,
10 Mewbourne seeks to pool the Bone Spring formation
11 underlying the north half-north half of Section 10
12 and north half-north half of Section 11, 18 South,
13 29 East, to drill its Seabass 10/11 B2DA 1H well.

14 Exhibit 1 is the application and proposed
15 add.

16 Exhibit 2 is the affidavit of the Landman
17 Tyler Jolly, which contains the usual information
18 that overhead rigs which are 8,800 and requesting a
19 risk charge that contains the land plats, C102, and
20 information on the tracts involved and the interest
21 ownership in those tracts.

22 The two parties sought to be pooled are
23 the -- are Finley Production Company and OXY USA,
24 Inc. A summary of communication shows that they
25 have had -- that Mewbourne has had contacts with

1 both companies for quite some time going back to
2 last year. They are still trying to work things out
3 with them and get them to sign a JOA, but nothing
4 has happened yet.

5 Exhibit 3, which, Mr. Examiner, I know I
6 am the chief culprit here. I was late filed because
7 my client didn't get me the geology in time, but
8 affidavit of Charles Crosby contains the usual
9 structure map, cross section showing the continuity
10 of the zone information and other producing second
11 Bone Spring wells in this area and horizontal
12 serving calculation reports. That is Exhibit 3.

13 Exhibit 4 is my affidavit of mailing. As
14 you can see, OXY did receive actual notice. Finley,
15 who is a client of mine, received notice but I
16 haven't gotten the green card back yet. I will
17 supplement the record with the green card.

18 And in addition, I have contacted Finley
19 to see if I can get an e-mail from them
20 acknowledging that they received notice and I think
21 that should be sufficient. I just request
22 permission to late file or file those after today.

23 Exhibit 5 is the pooling checklist.

24 And with that, I move the admission of
25 Exhibits 1 through 5 and subject to your desires on

1 the notice issue, ask that the matter be taken under
2 advisement.

3 HEARING OFFICER BRANCARD: Thank you.

4 Mr. Rose-Coss, any questions? I know that
5 in addition to the exhibits being filed a bit late,
6 the geologist affidavit was filed even later. So I
7 don't know if you had a chance to look at that.

8 MR. ROSE-COSS: No, I have it up on my
9 screen here. I also have Page 25 of 28 of the
10 exhibits that were filed yesterday. It's a green
11 card that has a PostIt note on it suggesting that --

12 HEARING OFFICER BRANCARD: Yeah.

13 MR. ROSE-COSS: It was from Finley
14 Production Company. Am I seeing that wrong or --

15 MR. BRUCE: This, what I -- you know, I
16 always refer to the -- what you're looking at as the
17 white slip that I get back from when I initially
18 mail the letter. But I did not receive the
19 certified green card like I got back from OXY.

20 MR. ROSE-COSS: Okay.

21 MR. BRUCE: This is just a print up from
22 the Postal Services website. You can look up and
23 see the tracking history and you will see up above
24 it says it was delivered and picked up. And I just
25 haven't gotten a green card back yet and I'm sure I

1 can cure that with the client by getting them to
2 acknowledge receipt of this application.

3 MR. ROSE-COSS: Okay. Well, that works
4 then. And that's about all my questions, then.

5 Thank you, Mr. Bruce.

6 HEARING OFFICER BRANCARD: Thank you. So,
7 Mr. Bruce, just I'm taking a leap of faith here
8 looking at your exhibits, but Attachment B to the
9 landman's affidavit, it lists a whole bunch of
10 people as interest owners.

11 MR. BRUCE: Those people have signed JOAs
12 with Mewbourne.

13 HEARING OFFICER BRANCARD: Okay.

14 MR. BRUCE: Other than OXY and Finley,
15 everyone else has signed a JOA.

16 HEARING OFFICER BRANCARD: Okay. It's
17 just not there in the record, just wanted to make
18 sure it was in the record that that's how we got
19 from all those names down to two.

20 MR. BRUCE: Yes.

21 HEARING OFFICER BRANCARD: All right. So
22 the issue, then, is the green card for Finley
23 because you have not done -- because you only have
24 two parties to notify, you didn't do a newspaper
25 which makes sense, but then we need something more

1 specific to verify that Finley did receive.

2 MR. BRUCE: Yes. And now I haven't been
3 to the post office. Since I'm the main culprit
4 here, I've spent the last three days, actually the
5 last four days compiling exhibits and the green card
6 may well be sitting at the post office, I just
7 haven't had a chance to get there.

8 HEARING OFFICER BRANCARD: All right.
9 Well, why don't we -- are there any other interested
10 persons, then, in Case 22645 Seabass?

11 Hearing none, the exhibits will be
12 admitted into the record and Case 22645 will be
13 taken under advisement subject to Mr. Bruce
14 providing either a green card or some sort of
15 certification that this Finley has received notice.

16 MR. BRUCE: Thank you.

17 (Proceedings concluded at 9:08 a.m.)

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REPORTER'S CERTIFICATE

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 16, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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