

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. 22729, 22730

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  
500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102  
505-843-9241

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A P P E A R A N C E S

For Mewbourne Oil Company:

JAMES GARRETT BRUCE, ATTORNEY AT LAW  
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Santa Fe, New Mexico 87504-1056  
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BY: JAMES G. BRUCE  
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1 HEARING OFFICER BRANCARD: With that, we  
2 are back on our list Numbers 45 and 46. These will  
3 be Cases 22729 and 22730. Mewbourne Oil Company.

4 MR. BRUCE: Mr. Examiner, Jim Bruce for  
5 Mewbourne.

6 HEARING OFFICER: Thank you.

7 Are there any other interested persons for  
8 Cases 22727, 22730?

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

10 MR. BRUCE: Yes, sir. Submitted as  
11 Exhibit 1 are the applications and proposed notices  
12 in Case -729. Mewbourne seeks to force pool the  
13 north half-southwest of Section 2, the north  
14 half-south half Section 3 and north half-south half  
15 of Section 4 and north half-south half of Section 4,  
16 18 South, 30 East. These are eighteen  
17 two-and-a-half mile laterals for one of its Loco  
18 Hills Bone Spring wells.

19 And in the other one, -730 Mewbourne seeks  
20 to force pool the south half-southwest of Section 2,  
21 the south half-south half of 3 and the south half of  
22 4, same Township and Range for the second of its  
23 Loco Hills second Bone Spring wells.

24 There's an affidavit of the landman. I  
25 don't know what happened. The affidavit of the

1 landman, and I will have to supplement the record on  
2 this. I realize I put, copied Page 2 twice and I  
3 forgot to -- I mean copied Page 1 of the landman's  
4 affidavit and I forgot to slip in Page 2 of the  
5 landman's affidavit, so I need to supplement the  
6 record. Although that is usually pretty much just  
7 the boilerplate on overhead rates and costs, et  
8 cetera.

9 There is a land plat and the two C102s.

10 There are tract maps which contain not  
11 only the acreage and tract but the names of the  
12 interest owners in each tract. And then a summary  
13 of who's being pooled.

14 The only parties being pooled in both  
15 cases are Rialto, R-I-A-L-T-O, Production Company  
16 and Sydtran, S-Y-D-T-R-A-N, LP, both out of Houston.

17 The landman's affidavit contains also a  
18 summary of communications. They've been in touch  
19 since -- well, now almost six months with these  
20 companies, since January of this year. These  
21 parties are locatable. And there's been quite a bit  
22 of back and forth between the parties.

23 The proposal letters to the companies are  
24 included and as far as that, I included the delivery  
25 documentation that Mewbourne received that the

1 proposal letters were indeed delivered in January.  
2 There are also Attachment D is the AFEs for the  
3 well.

4 And then Exhibit 3 is the affidavit of  
5 Charles Crosby, the geologist. Once again it shows  
6 the usual structure map, isopach, cross section  
7 showing that the second Bone Spring sand is  
8 continuous across the well unit.

9 And in anticipating one of Mr. Rose-Coss'  
10 questions whether there is stranded acreage, I will  
11 confirm that, but looking at Attachment A to the  
12 geologist's affidavit, the structure map, there are  
13 Bone Spring wells to the west of Section 4 so there  
14 should not be any stranded acreage there.

15 And to the east it looks like that acreage  
16 can be fully developed, but I will confirm to the  
17 Division that information so that we can verify that  
18 from the east half of Section 2 eastward the land  
19 can be developed. And it does look like in this  
20 area lay-down units the preferred medium of  
21 development.

22 Attachment B, Mr. Rose-Coss, this is what  
23 I normally get if the plans are advanced enough from  
24 Striker or whatever other company Mewbourne may be  
25 used showing the horizontal plan. Those are the

1 type of plats I would hope to get for these other  
2 cases where you question that.

3 Exhibit 4 is my affidavit of mailing.  
4 Notice was sent and I have never gotten the green  
5 cards back, so I better do a little spreadsheet to  
6 dig up what I can from the post office on that.  
7 Again, maybe they were returned but it's been five  
8 days since I've been to the post office. But I will  
9 do a spreadsheet just so you will have more  
10 information as to delivery, et cetera.

11 Notice was published against the two  
12 entities being pooled and low and behold publication  
13 was timely. That is shown on Exhibit 5.

14 And then Exhibit 6 contains the pooling  
15 checklist for both wells. Let me see. I did  
16 remember to sign each one.

17 With that, I move the admission of  
18 Exhibits 1 through 6 and subject to providing that  
19 notice spreadsheet, I would ask that the matter be  
20 taken under advisement.

21 HEARING OFFICER BRANCARD: Thank you.

22 Mr. Rose-Coss?

23 MR. ROSE-COSS: No, Mr. Bruce, I'm good.

24 Thank you, Mr. Brancard.

25 HEARING OFFICER BRANCARD: Thank you.

1           So Mr. Bruce, what, you need the second  
2 page on the land affidavit?

3           MR. BRUCE: Yes.

4           HEARING OFFICER: Landman's affidavit?

5           MR. BRUCE: I will submit --

6           HEARING OFFICER BRANCARD: Notice on the  
7 spreadsheet?

8           MR. BRUCE: Yup.

9           HEARING OFFICER BRANCARD: You'll find out  
10 if there is an issue with the stranded acreage?

11          MR. BRUCE: Yeah.

12          HEARING OFFICER BRANCARD: And what else  
13 was there?

14          MR. BRUCE: I think that was it.

15          HEARING OFFICER BRANCARD: Okay. I have  
16 one more item for you, though. Your checklists, the  
17 legal description has a typo in it.

18          MR. BRUCE: Oh, it does.

19          HEARING OFFICER BRANCARD: You're  
20 referring to the north half of the northwest quarter  
21 and the south half of the northwest quarter and that  
22 should be the southwest quarter.

23          MR. BRUCE: Yeah, I see what you're  
24 saying.

25          HEARING OFFICER BRANCARD: So it's minor,

1 but we attach these checklists to the order and  
2 that's where the description of the unit is, so it  
3 has to be perfect.

4 MR. BRUCE: I will. You just want me to  
5 work until 10 o'clock again tonight, don't you.

6 HEARING OFFICER: Yeah, keep billing those  
7 hours.

8 MR. BRUCE: As the landman it all pays the  
9 same.

10 I will take care of that. Thank you.

11 HEARING OFFICER BRANCARD: Any other  
12 interested persons, then, for Cases 22729, 22730?

13 Hearing none, the exhibits in these cases  
14 will be accepted into the record and Case 22729,  
15 22730 will be taken under advisement and the record  
16 left open for the submittal of the items that have  
17 been discussed.

18 MR. BRUCE: Thank you.

19 HEARING OFFICER BRANCARD: Thank you.

20 (Proceedings concluded at 10:33 a.m.)

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REPORTER'S CERTIFICATE

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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

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EDWINA CASTILLO, RPR, CCR  
Certified Court Reporter #407  
License Expires: 12-31-2022