

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:

APPLICATIONS OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 22582

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MARCH 3, 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 EXAMINER DEAN McCLURE on
Thursday, March 3, 2022, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE
P.O. Box 1056
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For Cimarex:

DARIN SAVAGE
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214 McKenzie Street
Santa Fe, New Mexico 87501

For COG Operating/Concho Oil & Gas:

ELIZABETH A. RYAN
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I N D E X

CASE CALLED

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E X H I B I T I N D E X

Admitted

All Exhibits and Attachments 07

1 HEARING EXAMINER BRANCARD: With that I call Case
2 22582, Mewbourne Oil Company.

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

5 HEARING EXAMINER BRANCARD: An entry of
6 appearance here from Cimarex Energy?

7 MR. SAVAGE: Darin Savage with Abadie & Schill on
8 behalf of Cimarex Energy Company.

9 HEARING EXAMINER BRANCARD: Mr. Savage, do you
10 object to this case going forward by affidavit?

11 MR. SAVAGE: No objection.

12 HEARING EXAMINER BRANCARD: We have an entry from
13 COG Operating slash Concho Oil & Gas.

14 MS. RYAN: Yes, Beth Ryan on behalf of COG
15 Operating and Concho Oil & Gas, and I believe Mr. Bruce will
16 be reflecting us as not being a pooled party in this case on
17 the record.

18 HEARING EXAMINER BRANCARD: Okay. And otherwise
19 you have no objection to this going forward by affidavit.

20 MS. RYAN: Correct. Correct.

21 HEARING EXAMINER BRANCARD: Thank you. Any other
22 interested persons in Case 22582.

23 (No audible response.)

24 HEARING EXAMINER BRANCARD: Hearing none,
25 Mr. Bruce, you may proceed.

1 MR. BRUCE: Thank you, Mr. Examiner. In this
2 case Mewbourne seeks to pool the Bone Spring formation
3 underlying a well unit comprised of the, essentially the W/2
4 E/2 of Section 5, 22 South, 34 East, and the W/2 E/2 of
5 Section 32 of 21 South, 34 East for purposes of drilling its
6 Red Stag Wells. One is a Second Bone Spring and one is a
7 Third Bone Spring well occupying the same well unit.

8 Once again the landman's affidavit, Tyler Jolly,
9 contains the usual information, land plats, C-102s, proposal
10 letters, information on the requested overhead rate and the
11 AFEs.

12 And Ms. Ryan is correct, originally Mewbourne
13 sought to force pool Cimarex Energy, COG Operating and
14 Concho Oil & Gas. COG Operating and Concho Oil & Gas are
15 dismissed from this proceeding. So at this point Cimarex is
16 the only company that Mewbourne seeks to pool, although
17 Cimarex and Mewbourne are in regular contact trying to work
18 out a JOA, and hopefully that will be accomplished, but in
19 the interim Mewbourne seeks to move forward with these
20 wells, and that is why they are still prosecuting the case.

21 The geologist affidavit contains information on
22 both the Second and Third Bone Spring with respect to the
23 isopachs and cross sections. It contains well production
24 data. This is Exhibit 3-E that shows that the proposed
25 orientation of the well unit is the preferred stand-up

1 orientation in this area.

2 And the Exhibit 4 is the affidavit of notice
3 showing that Cimarex did receive actual notice. I also
4 received green cards back from COG and Concho, but since
5 they are not being pooled, I did not include them in the
6 exhibit package.

7 And then Exhibit 5, of course, is the pooling
8 checklist. And with that I would move the admission of
9 Exhibits 1 through 5.

10 HEARING EXAMINER BRANCARD: Thank you.

11 (Inaudible) any questions? If you are trying to say
12 something you are muted.

13 MR. SAVAGE: I'm sorry, Mr. Examiner, were you
14 speaking to --

15 TECHNICAL EXAMINER McCLURE: Miss Ryan spoke up,
16 Mr. Brancard.

17 HEARING EXAMINER BRANCARD: I'm sorry, Miss Ryan,
18 any questions?

19 MS. RYAN: No questions.

20 HEARING EXAMINER BRANCARD: Mr. Savage, any
21 questions?

22 MR. SAVAGE: No questions.

23 HEARING EXAMINER BRANCARD: Mr. McClure?

24 TECHNICAL EXAMINER McCLURE: No questions here,
25 either.

1 HEARING EXAMINER BRANCARD: Thank you. And Mr.
2 Bruce, there was another interest owner, Aller, are they not
3 being pooled either?

4 MR. BRUCE: They are not being pooled. They have
5 come to terms with Mewbourne.

6 HEARING EXAMINER BRANCARD: Okay. All right.
7 Are there any other interested persons in Case 22582?

8 (No audible response.)

9 HEARING EXAMINER BRANCARD: Hearing none, the
10 exhibits will be admitted into the record, and Case 22582
11 will be taken under advisement.

12 And Mr. Bruce, we are continuing the Cases 22581,
13 22592, so you don't need to file continuances.

14 MR. BRUCE: Thank, Mr. Brancard. Thank you for
15 letting me move up. I better, I better get back to my
16 daughter, so --

17 HEARING EXAMINER BRANCARD: Thank you.
18 Congratulations.

19 MR. BRUCE: Bye.

20 (Exhibits admitted.)

21 (Taken under advisement.)

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STATE OF NEW MEXICO
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I, IRENE DELGADO, New Mexico Certified Court Reporter, CCR 253, do hereby certify that I reported the foregoing virtual proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this case.

I FURTHER CERTIFY that the Virtual Proceeding was of extremely poor to good quality.

Dated this 3rd day of March 2022.

/s/ Irene Delgado

Irene Delgado, NMCCR 253
License Expires: 12-31-22