

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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: 22727, 22728

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING AND APPROVAL OF  
OVERLAPPING WELL UNITS,  
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
AUGUST 4, 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 JOHN GARCIA on  
Thursday, August 4, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

A P P E A R A N C E S

For the Applicant:  
JAMES BRUCE  
P.O. Box 1056  
Santa Fe, NM 87504-1056  
505-982-2151  
jamesbruce@aol.com  
For Cimarex:  
DARIN SAVAGE  
ABADIE & SCHILL  
214 McKenzie Street  
Santa Fe, New Mexico 87501

I N D E X

SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	06
REPORTER CERTIFICATE	07

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

Exhibits and Attachments	Admitted 06
--------------------------	----------------

1 HEARING EXAMINER BRANCARD: With that, Items 30  
2 and 31, cases 22727, 22728 Mewbourne Oil Company.

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

5 HEARING EXAMINER BRANCARD: Thank you. I think  
6 we had an entry of appearance from Coterra.

7 MR. SAVAGE: Darin Savage of the Santa Fe office  
8 of Abadie & Schill for Coterra and Cimarex Energy Company.

9 HEARING EXAMINER BRANCARD: Thank you. And I  
10 have an entry for Snow Oil & Gas, but they may not be in  
11 this case anymore.

12 MR. BRUCE: They are not being pooled.

13 HEARING EXAMINER BRANCARD: I will let Mr.  
14 Padilla answer that.

15 MR. PADILLA: Mr. Examiner, I'm surprised we are  
16 still listed as being in this case. We were dismissed --  
17 Snow Energy, other affiliated persons were dismissed from  
18 the case.

19 HEARING EXAMINER BRANCARD: Thank you.

20 MR. PADILLA: So we don't have any further  
21 participation here.

22 HEARING EXAMINER BRANCARD: Thank you. All  
23 right. So where are we, Mr. Bruce?

24 MR. BRUCE: Mr. Examiner, this case was presented  
25 by affidavit four weeks ago, and the usual exhibits were

1 admitted, the landman and geologist affidavits, the  
2 affidavit of mailing and the publication affidavit was  
3 timely published and pooling checklist.

4 But one thing was that there are overlapping well  
5 units, and subsequently I submitted as Exhibit 7 the letters  
6 sent, sample copies of the letters sent by Mewbourne to the  
7 working interest owners regarding the affidavit.

8 And then in other another supplemental exhibit  
9 package, Exhibit 11 is the affidavit of the landman who  
10 mailed the overlapped letters stating that as of the date of  
11 his signature, which was a couple days ago, no objections  
12 had been received by Mewbourne regarding the overlap. So  
13 more than 20 days has passed since the letter was mailed, so  
14 I don't think that is an issue any longer.

15 Also the original pooling checklist, Exhibit 6,  
16 did not list the pool and pool code. I finally obtained  
17 those, so I submitted replacement Exhibit 6 with the correct  
18 pool and pool code.

19 At the prior hearing the technical examiner  
20 raised an issue because of the three-mile laterals, what was  
21 the status -- lay-down well units, what was the status of  
22 the lands to the east and west. And he was worried about  
23 potential stranded acreage.

24 Exhibit 8 is the affidavit of Charles Crosby  
25 which states two things, that there are -- There are not

1 wells immediately to the east and west of the wells involved  
2 in these pooling applications and so there are -- there is  
3 acreage for laterals in excess of one-mile long to the east  
4 and west, and also that that acreage, the offsetting acreage  
5 is operated by Mewbourne, so I don't think Mewbourne will be  
6 stranding its own acreage. So there is no issue regarding  
7 stranded acreage.

8           Exhibits 9 and 10, additional green cards.  
9 Exhibit 10 is a spreadsheet showing status of the certified  
10 mailings. And two people, the PJ Guy Family Trust and  
11 Cimarex, never got green cards back from them, but obviously  
12 Mr. Savage is entering an appearance for Cimarex, and they  
13 were also published against as was Mr. Guy, so I believe the  
14 list is correct.

15           And finally, Exhibit -- I did not have C-102s  
16 for the proposed wells at the time of the last hearing, so  
17 submitted as Exhibit 12 are C-102s for the wells. So I  
18 would move the additional -- the admission of the additional  
19 Exhibits 6 through 12 and ask that the matters be taken  
20 under advisement.

21           HEARING EXAMINER BRANCARD: Thank you. Mr.  
22 Savage, any questions or concerns?

23           MR. SAVAGE: No concerns, no objection at this  
24 time.

25           HEARING EXAMINER BRANCARD: Thank you.

1 Mr. Garcia, any questions?

2 TECHNICAL EXAMINER GARCIA: No questions.

3 HEARING EXAMINER BRANCARD: All right. So with  
4 that, are there any other interested persons in cases 22727,  
5 22728?

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: Hearing none, these  
8 cases, the exhibits will be admitted into the record and  
9 cases will be taken under advisement. Thank you.

10 MR. BRUCE: Thank you.

11 (Exhibits admitted.)

12 (Taken under advisement.)

13

14

15

16

17

18

19

20

21

22

23

24

25

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF NEW MEXICO  
COUNTY OF BERNALILLO

REPORTER'S CERTIFICATE

I 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 poor to good quality.

Dated this 4th day of August 2022.

Irene Delgado  
Court Reporter  
License Expires: 12-31-22

[& - eddy]

<b>&amp;</b>	<b>6</b>	<b>applicant</b> 2:2	<b>checklist</b> 4:3,15
<b>&amp;</b> 2:7 3:8,10	<b>6</b> 4:15,17 5:19	<b>application</b> 1:8	<b>cimarex</b> 2:6 3:8 5:11,12
<b>0</b>	<b>7</b>	<b>applications</b> 5:2	<b>code</b> 4:16,18
<b>03</b> 2:11	<b>7</b> 4:5	<b>approval</b> 1:8	<b>company</b> 1:8 3:2 3:8
<b>06</b> 2:12,17	<b>8</b>	<b>attachments</b> 2:17	<b>compulsory</b> 1:8
<b>07</b> 2:13	<b>8</b> 4:24	<b>attorneys</b> 7:9	<b>concerns</b> 5:22,23
<b>1</b>	<b>87102</b> 1:24	<b>audible</b> 6:6	<b>conservation</b> 1:3 1:5,20
<b>10</b> 5:8,9	<b>87501</b> 2:8	<b>august</b> 1:17,21 7:14	<b>considering</b> 1:6
<b>102s</b> 5:15,17	<b>87504-1056</b> 2:4	<b>b</b>	<b>copies</b> 4:6
<b>105</b> 1:23	<b>9</b>	<b>b</b> 2:15	<b>correct</b> 4:17 5:14 7:6
<b>1056</b> 2:3	<b>9</b> 5:8	<b>backa</b> 1:23	<b>coterra</b> 3:6,8
<b>11</b> 4:9	<b>a</b>	<b>back</b> 5:11	<b>county</b> 1:9 7:2
<b>12</b> 5:17,19	<b>abadie</b> 2:7 3:8	<b>believe</b> 5:13	<b>couple</b> 4:11
<b>12-31-22</b> 7:17	<b>ability</b> 7:7	<b>bernalillo</b> 7:2	<b>court</b> 1:23 7:16
<b>2</b>	<b>acreage</b> 4:23 5:3 5:4,4,6,7	<b>best</b> 7:7	<b>crosby</b> 4:24
<b>20</b> 4:13	<b>additional</b> 5:8 5:18,18	<b>box</b> 2:3	<b>d</b>
<b>2022</b> 1:17,21 7:14	<b>admission</b> 5:18	<b>brancard</b> 1:21 3:1,5,9,13,19,22 5:21,25 6:3,7	<b>d</b> 2:10,15
<b>214</b> 2:8	<b>admitted</b> 2:16 4:1 6:8,11	<b>bruce</b> 2:3 3:3,3 3:12,23,24 6:10	<b>darin</b> 2:7 3:7
<b>22727</b> 1:7 3:2 6:4	<b>advisement</b> 2:12 5:20 6:9,12	<b>c</b>	<b>date</b> 4:10
<b>22728</b> 1:7 3:2 6:5	<b>affidavit</b> 3:25 4:2,2,7,9,24	<b>c</b> 2:1 5:15,17	<b>dated</b> 7:14
<b>3</b>	<b>affidavits</b> 4:1	<b>called</b> 1:5	<b>day</b> 7:14
<b>30</b> 3:1	<b>affiliated</b> 3:17	<b>cards</b> 5:8,11	<b>days</b> 4:11,13
<b>31</b> 3:2	<b>ago</b> 3:25 4:11	<b>case</b> 1:7 2:11 3:11,16,18,24 7:9,11	<b>delgado</b> 7:16
<b>4</b>	<b>albuquerque</b> 1:24	<b>cases</b> 3:2 6:4,8,9	<b>department</b> 1:2
<b>4</b> 1:17,21	<b>answer</b> 3:14	<b>certificate</b> 2:13 7:3	<b>dismissed</b> 3:16 3:17
<b>4th</b> 7:14	<b>anymore</b> 3:11	<b>certified</b> 5:9	<b>disposition</b> 7:10
<b>5</b>	<b>aol.com</b> 2:5	<b>certify</b> 7:4,8,12	<b>division</b> 1:3,5,20
<b>500</b> 1:23	<b>appearance</b> 3:6 5:12	<b>charles</b> 4:24	<b>e</b>
<b>505-843-9241</b> 1:24			<b>e</b> 2:1,1,10,15,15
<b>505-982-2151</b> 2:4			<b>east</b> 4:22 5:1,3
			<b>eddy</b> 1:9

[employed - published]

<p><b>employed</b> 7:8  <b>energy</b> 1:2 3:8  3:17  <b>entering</b> 5:12  <b>entry</b> 3:6,10  <b>examiner</b> 1:17  1:21 3:1,3,5,9,13  3:15,19,22,24  4:19 5:21,25 6:2  6:3,7  <b>excess</b> 5:3  <b>exhibit</b> 4:5,8,9  4:15,17,24 5:9  5:15,17  <b>exhibits</b> 2:11,17  3:25 5:8,19 6:8  6:11  <b>expires</b> 7:17</p>	<p style="text-align: center;"><b>h</b></p> <p><b>h</b> 2:15  <b>hearing</b> 1:5,17  1:20,20 3:1,5,9  3:13,19,22 4:19  5:16,21,25 6:3,7  6:7</p> <p style="text-align: center;"><b>i</b></p> <p><b>immediately</b> 5:1  <b>interest</b> 4:7 7:10  <b>interested</b> 6:4  <b>involved</b> 5:1  <b>irene</b> 7:16  <b>issue</b> 4:14,20 5:6  <b>items</b> 3:1</p> <p style="text-align: center;"><b>j</b></p> <p><b>james</b> 2:3  <b>jamesbruce</b> 2:5  <b>jim</b> 3:3  <b>john</b> 1:21</p>	<p><b>mailings</b> 5:10  <b>matter</b> 1:5,20  <b>matters</b> 5:19  <b>mckenzie</b> 2:8  <b>mewbourne</b> 1:8  3:2,4 4:6,12 5:5  5:5  <b>mexico</b> 1:1,9,18  1:20 2:8 7:1  <b>mile</b> 4:20 5:3  <b>minerals</b> 1:2  <b>move</b> 5:18</p> <p style="text-align: center;"><b>n</b></p> <p><b>n</b> 2:1,10,15  <b>natural</b> 1:2  <b>neither</b> 7:8  <b>never</b> 5:11  <b>new</b> 1:1,9,18,20  2:8 7:1  <b>nm</b> 1:24 2:4  <b>nos</b> 1:7  <b>nw</b> 1:23</p>	<p><b>overlapping</b> 1:9  4:4  <b>owners</b> 4:7</p> <p style="text-align: center;"><b>p</b></p> <p><b>p</b> 2:1,1  <b>p.o.</b> 2:3  <b>package</b> 4:9  <b>padilla</b> 3:14,15  3:20  <b>pages</b> 7:6  <b>participation</b>  3:21  <b>parties</b> 7:9  <b>passed</b> 4:13  <b>paul</b> 1:23  <b>people</b> 5:10  <b>persons</b> 3:17 6:4  <b>pj</b> 5:10  <b>platform</b> 1:21  <b>pool</b> 4:16,16,18  4:18  <b>pooled</b> 3:12  <b>pooling</b> 1:8 4:3  4:15 5:2  <b>poor</b> 7:13  <b>potential</b> 4:23  <b>presented</b> 3:24  <b>prior</b> 4:19  <b>proceeding</b> 7:12  <b>proceedings</b>  1:16 7:5,7  <b>professional</b>  1:23  <b>proposed</b> 5:16  <b>publication</b> 4:2  <b>published</b> 4:3  5:13</p>
<p style="text-align: center;"><b>f</b></p> <p><b>family</b> 5:10  <b>fe</b> 1:18 2:4,8 3:7  <b>final</b> 7:10  <b>finally</b> 4:16 5:15  <b>foregoing</b> 7:5,6  <b>four</b> 3:25  <b>fourth</b> 1:23  <b>further</b> 3:20 7:8  7:12</p>	<p style="text-align: center;"><b>l</b></p> <p><b>landman</b> 4:1,9  <b>lands</b> 4:22  <b>laterals</b> 4:20 5:3  <b>lay</b> 4:21  <b>letter</b> 4:13  <b>letters</b> 4:5,6,10  <b>license</b> 7:17  <b>list</b> 4:16 5:14  <b>listed</b> 3:16  <b>long</b> 5:3  <b>longer</b> 4:14</p>	<p style="text-align: center;"><b>o</b></p> <p><b>objection</b> 5:23  <b>objections</b> 4:11  <b>obtained</b> 4:16  <b>obviously</b> 5:11  <b>office</b> 3:7  <b>officer</b> 1:20  <b>offsetting</b> 5:4  <b>oil</b> 1:3,5,8,20 3:2  3:10  <b>operated</b> 5:5  <b>original</b> 4:15  <b>overlap</b> 4:12  <b>overlapped</b> 4:10</p>	
<p style="text-align: center;"><b>g</b></p> <p><b>garcia</b> 1:21 6:1,2  <b>gas</b> 3:10  <b>geologist</b> 4:1  <b>good</b> 7:13  <b>green</b> 5:8,11  <b>guy</b> 5:10,13</p>	<p style="text-align: center;"><b>m</b></p> <p><b>mailed</b> 4:10,13  <b>mailing</b> 4:2</p>		

[purpose - x]

<b>purpose</b> 1:6	<b>showing</b> 5:9	<b>thursday</b> 1:21
<b>q</b>	<b>signature</b> 4:11	<b>time</b> 5:16,24
<b>quality</b> 7:13	<b>snow</b> 3:10,17	<b>timely</b> 4:3
<b>questions</b> 5:22 6:1,2	<b>spreadsheet</b> 5:9	<b>transcript</b> 1:16 7:6
<b>r</b>	<b>state</b> 1:1 7:1	<b>true</b> 7:6
<b>r</b> 2:1	<b>states</b> 4:25	<b>trust</b> 5:10
<b>raised</b> 4:20	<b>stating</b> 4:10	<b>two</b> 4:25 5:10
<b>received</b> 4:12	<b>status</b> 4:21,21 5:9	<b>u</b>
<b>record</b> 6:8	<b>stenographic</b> 7:5	<b>units</b> 1:9 4:5,21
<b>regarding</b> 4:7,12 5:6	<b>stranded</b> 4:23 5:7	<b>usual</b> 3:25
<b>related</b> 7:9	<b>stranding</b> 5:6	<b>v</b>
<b>replacement</b> 4:17	<b>street</b> 1:23 2:8	<b>virtual</b> 1:16,20 7:5,12
<b>reported</b> 1:23 7:4	<b>submitted</b> 4:5,17 5:17	<b>w</b>
<b>reporter</b> 2:13 7:16	<b>subsequently</b> 4:5	<b>webex</b> 1:21
<b>reporter's</b> 1:16 7:3	<b>suite</b> 1:23	<b>weeks</b> 3:25
<b>reporters</b> 1:23	<b>summary</b> 2:11	<b>wells</b> 5:1,1,16,17
<b>representing</b> 3:3	<b>supplemental</b> 4:8	<b>west</b> 4:22 5:1,4
<b>resources</b> 1:2	<b>surprised</b> 3:15	<b>william</b> 1:21
<b>response</b> 6:6	<b>t</b>	<b>working</b> 4:7
<b>right</b> 3:23 6:3	<b>t</b> 2:15	<b>worried</b> 4:22
<b>s</b>	<b>taken</b> 2:12 5:19 6:9,12	<b>x</b> 2:10,15,15
<b>s</b> 2:1	<b>technical</b> 1:21 4:19 6:2	
<b>sample</b> 4:6	<b>thank</b> 3:5,9,19 3:22 5:21,25 6:9 6:10	
<b>santa</b> 1:18 2:4,8 3:7	<b>thing</b> 4:4	
<b>savage</b> 2:7 3:7,7 5:12,22,23	<b>things</b> 4:25	
<b>schill</b> 2:7 3:8	<b>think</b> 3:5 4:14 5:5	
<b>sent</b> 4:6,6	<b>three</b> 4:20	
<b>shorthand</b> 7:5		