

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: 22836

APPLICATION OF MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING,
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 Devon Energy:
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	07
REPORTER CERTIFICATE	08

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

Exhibits and Attachments	Admitted 07
--------------------------	----------------

1 HEARING EXAMINER BRANCARD: So let's take a look
2 then at case 22836, Mewbourne Oil Company.

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

5 HEARING EXAMINER BRANCARD: Entry from Devon
6 Energy?

7 MR. SAVAGE: Darin Savage with Abadie & Schill
8 for Devon Energy Production Company.

9 HEARING EXAMINER BRANCARD: Any other persons
10 here for case 22836?

11 (No audible response.)

12 HEARING EXAMINER BRANCARD: Hearing none, Mr.
13 Bruce, you may proceed.

14 MR. BRUCE: Mr. Examiner, there is a related
15 case, 22835 for an adjoining well unit. That case was
16 presented and taken under advisement in June -- I think the
17 first June hearing, but at that time, one party had not
18 received notice -- there was only one party in that case to
19 receive notice.

20 In this case 836, devon Energy is a party, they
21 received notice. But Rico New Mexico Exploration and
22 Production, which is related to Apache, had not received
23 notice, so the matter was continued to July 7. And the
24 notice letter and green card for Rico have been submitted to
25 the Division and so notice is complete. Both parties in the

Page 3

1 case received actual certified notice.

2 But what I forgot to do for July 7, I thought I
3 filed a prehearing statement on both cases, but I had not,
4 so the Division continued the case to this docket. I
5 subsequently filed a prehearing statement and that, I pray,
6 is in the record.

7 And then there are a couple of supplemental
8 exhibits, and one of them pertains to both cases. The
9 Division hearing examiner, the acreage being pooled combined
10 is the SE/4 of 17, E/2 of 20 and NE/4 of Section 29, in 21,
11 35, and the technical examiner wondered why, especially the
12 SE/4 of Section 29 was not included in the proposed well
13 unit. And the matter, it was -- and again, wondering about
14 stranded acreage.

15 And so I submitted as to both cases some
16 exhibits, A, B and C, which show that the reason that any
17 acreage in the SE of 29 was not included was that Mewbourne
18 is keeping the well units within the North Tolson Deep Unit,
19 which was approved by the Division last year. And so that's
20 one reason that Exhibits B and C also show that there is
21 sufficient acreage to the south, or for that matter, to the
22 east of the N/2 of Section 29 where the operators in that
23 acreage can drill extended laterals, although I doubt they
24 will go east-west because every well on these exhibits is a
25 stand-up well unit.

1 So I think that this deals with the lack of
2 stranded acreage issue, and, finally, when I submitted the
3 exhibit packages on this, I forgot to attach the geologic
4 exhibits, so I resubmitted in this case, Exhibit 3, which is
5 the geologist affidavit which pertains to both cases.

6 So at this point I think the record is complete.
7 All notices have been given, prehearing statement has been
8 filed, and I ask that this matter be taken under advisement.

9 HEARING EXAMINER BRANCARD: Thank you. Mr.
10 Savage, any questions or concerns?

11 MR. SAVAGE: No questions, thank you.

12 HEARING EXAMINER BRANCARD: Mr. Garcia?

13 TECHNICAL EXAMINER GARCIA: I have a question,
14 Mr. Bruce. This whole case file is pretty confusing to me
15 and it's kind of a mess. On the supplemental exhibits
16 submitted on the 2nd, first page I got to, the supplemental
17 notice of filing in both cases reference Eddy County while
18 these cases are Lea County.

19 So, yeah, I guess my question is, is notice
20 incorrect? Do we need another continuance. I guess I'm
21 confused on that.

22 MR. BRUCE: No. The only thing where I messed up
23 was on the notice of filing I put Eddy County, but all the
24 documents, all of the exhibits including notice letters and
25 the publication affidavit and the landman's, geologist's

1 affidavit all state Lea County.

2 I apologize for the confusion, but that is only
3 on a -- on the notices of filing, not on the pertinent
4 documents themselves.

5 TECHNICAL EXAMINER GARCIA: Okay. Okay, I think
6 that's interesting, the (inaudible) submission has Eddy
7 County on it.

8 HEARING EXAMINER BRANCARD: Mr. Bruce you are
9 referring to the caption?

10 MR. BRUCE: The caption. That's the risk of
11 pulling up an old document.

12 HEARING EXAMINER BRANCARD: Yes, it is. So you
13 indicated that you have provided notice to Devon; correct?

14 MR. BRUCE: Yes and that is in -- and that is in
15 the exhibit package for both cases. It was in the one for
16 case 22835 -- and maybe I better refile that. The case --
17 the original letter sent out to Devon pertained to both
18 cases 22835 and 22836. They did receive actual notice. It
19 is in the file for case 22835. I will refile that
20 particular notice letter in case 22836, if that's okay with
21 the Division.

22 HEARING EXAMINER BRANCARD: Yeah, I think we are
23 just missing a green card, that's all.

24 MR. BRUCE: Yeah. That's it. I will do that
25 today.

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

HEARING EXAMINER BRANCARD: Okay. Thank you. So
any other persons for case 22836?

(No audible response.)

HEARING EXAMINER BRANCARD: Hearing none, the
exhibits will be admitted into the record and cases taken
under advisement and the record left open for submission of
revisions.

MR. BRUCE: Thank you.

(Exhibits admitted.)

(Taken under advisement.)

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

[& - documents]

&	505-982-2151	b	concerns 5:10
& 2:7 3:7	2:4	b 2:15 4:16,20	confused 5:21
0	7	 Baca 1:23	confusing 5:14
03 2:11	7 3:23 4:2	bernalillo 8:2	confusion 6:2
07 2:12,17	8	best 8:7	conservation 1:3 1:5,20
08 2:13	836 3:20	better 6:16	considering 1:6
1	87102 1:24	box 2:3	continuance 5:20
105 1:23	87501 2:8	brancard 1:21 3:1,5,9,12 5:9,12 6:8,12,22 7:1,4	continued 3:23 4:4
1056 2:3	87504-1056 2:4	bruce 2:3 3:3,3 3:13,14 5:14,22 6:8,10,14,24 7:8	correct 6:13 8:6
12-31-22 8:17	a	c	county 1:9 5:17 5:18,23 6:1,7 8:2
17 4:10	abadie 2:7 3:7	c 2:1 4:16,20	couple 4:7
2	ability 8:7	called 1:5	court 1:23 8:16
2 4:10,22	acreage 4:9,14 4:17,21,23 5:2	caption 6:9,10	d
20 4:10	actual 4:1 6:18	card 3:24 6:23	d 2:10,15
2022 1:17,21 8:14	adjoining 3:15	case 1:7 2:11 3:2 3:10,15,15,18,20 4:1,4 5:4,14 6:16,16,19,20 7:2 8:9,11	darin 2:7 3:7
21 4:10	admitted 2:16 7:5,9	cases 4:3,8,15 5:5,17,18 6:15 6:18 7:5	dated 8:14
214 2:8	advisement 2:12 3:16 5:8 7:6,10	certificate 2:13 8:3	day 8:14
22835 3:15 6:16 6:18,19	affidavit 5:5,25 6:1	certified 4:1	deals 5:1
22836 1:7 3:2,10 6:18,20 7:2	albuquerque 1:24	certify 8:4,8,12	deep 4:18
29 4:10,12,17,22	aol.com 2:5	combined 4:9	delgado 8:16
2nd 5:16	apache 3:22	company 1:8 3:2 3:8	department 1:2
3	apologize 6:2	complete 3:25 5:6	devon 2:6 3:5,8 3:20 6:13,17
3 5:4	applicant 2:2	compulsory 1:9	disposition 8:10
35 4:11	application 1:8		division 1:3,5,20 3:25 4:4,9,19 6:21
4	approved 4:19		docket 4:4
4 1:17,21 4:10,10 4:12	attach 5:3		document 6:11
4th 8:14	attachments 2:17		documents 5:24 6:4
5	attorneys 8:9		
500 1:23	audible 3:11 7:3		
505-843-9241 1:24	august 1:17,21 8:14		

[doubt - platform]

doubt 4:23 drill 4:23	fourth 1:23 further 8:8,12	july 3:23 4:2 june 3:16,17	new 1:1,9,18,20 2:8 3:21 8:1 nm 1:24 2:4 north 4:18 nos 1:7 notice 3:18,19,21 3:23,24,25 4:1 5:17,19,23,24 6:13,18,20 notices 5:7 6:3 nw 1:23
e	g	k	o
e 2:1,1,10,15,15 4:10 east 4:22,24 eddy 1:9 5:17,23 6:6 employed 8:8 energy 1:2 2:6 3:6,8,20 entry 3:5 especially 4:11 examiner 1:17 1:21 3:1,3,5,9,12 3:14 4:9,11 5:9 5:12,13 6:5,8,12 6:22 7:1,4 exhibit 5:3,4 6:15 exhibits 2:11,17 4:8,16,20,24 5:4 5:15,24 7:5,9 expires 8:17 exploration 3:21 extended 4:23	garcia 1:21 5:12 5:13 6:5 geologic 5:3 geologist 5:5 geologist's 5:25 given 5:7 go 4:24 good 8:13 green 3:24 6:23 guess 5:19,20	keeping 4:18 kind 5:15	officer 1:20 oil 1:3,5,8,20 3:2 okay 6:5,5,20 7:1 old 6:11 open 7:6 operators 4:22 original 6:17
f	h	l	p
fe 1:18 2:4,8 file 5:14 6:19 filed 4:3,5 5:8 filing 5:17,23 6:3 final 8:10 finally 5:2 first 3:17 5:16 foregoing 8:5,6 forgot 4:2 5:3	h 2:15 hearing 1:5,17 1:20,20 3:1,5,9 3:12,12,17 4:9 5:9,12 6:8,12,22 7:1,4,4	lack 5:1 landman's 5:25 laterals 4:23 lea 5:18 6:1 left 7:6 letter 3:24 6:17 6:20 letters 5:24 license 8:17 look 3:1	p 2:1,1 p.o. 2:3 package 6:15 packages 5:3 page 5:16 pages 8:6 particular 6:20 parties 3:25 8:9 party 3:17,18,20 paul 1:23 persons 3:9 7:2 pertained 6:17 pertains 4:8 5:5 pertinent 6:3 platform 1:21
	i	m	
	inaudible 6:6 included 4:12,17 including 5:24 incorrect 5:20 indicated 6:13 interest 8:10 interesting 6:6 irene 8:16 issue 5:2	matter 1:5,20 3:23 4:13,21 5:8 mckenzie 2:8 mess 5:15 messed 5:22 mewbourne 1:8 3:2,4 4:17 mexico 1:1,9,18 1:20 2:8 3:21 8:1 minerals 1:2 missing 6:23	
	j	n	
	james 2:3 jamesbruce 2:5 jim 3:3 john 1:21	n 2:1,10,15 4:22 natural 1:2 ne 4:10 need 5:20 neither 8:8	

[point - year]

<p>point 5:6 pooled 4:9 pooling 1:9 poor 8:13 pray 4:5 prehearing 4:3,5 5:7 presented 3:16 pretty 5:14 proceed 3:13 proceeding 8:12 proceedings 1:16 8:5,7 production 3:8 3:22 professional 1:23 proposed 4:12 provided 6:13 publication 5:25 pulling 6:11 purpose 1:6 put 5:23</p>	<p>reference 5:17 referring 6:9 refile 6:16,19 related 3:14,22 8:9 reported 1:23 8:4 reporter 2:13 8:16 reporter's 1:16 8:3 reporters 1:23 representing 3:3 resources 1:2 response 3:11 7:3 resubmitted 5:4 revisions 7:7 rico 3:21,24 risk 6:10</p>	<p>stenographic 8:5 stranded 4:14 5:2 street 1:23 2:8 submission 6:6 7:6 submitted 3:24 4:15 5:2,16 subsequently 4:5 sufficient 4:21 suite 1:23 summary 2:11 supplemental 4:7 5:15,16</p>	<p>u unit 3:15 4:13,18 4:25 units 4:18</p>
			<p>v virtual 1:16,20 8:5,12</p>
			<p>w webex 1:21 west 4:24 william 1:21 wondered 4:11 wondering 4:13</p>
		<p>t</p>	<p>x</p>
		<p>t 2:15 take 3:1 taken 2:12 3:16 5:8 7:5,10 technical 1:21 4:11 5:13 6:5 thank 5:9,11 7:1 7:8 thing 5:22 think 3:16 5:1,6 6:5,22 thought 4:2 thursday 1:21 time 3:17 today 6:25 tolson 4:18 transcript 1:16 8:6 true 8:6</p>	<p>x 2:10,15,15</p>
			<p>y yeah 5:19 6:22 6:24 year 4:19</p>
<p>q</p>	<p>s</p>		
<p>quality 8:13 question 5:13,19 questions 5:10 5:11</p>	<p>s 2:1 santa 1:18 2:4,8 savage 2:7 3:7,7 5:10,11 schill 2:7 3:7 se 4:10,12,17 section 4:10,12 4:22 sent 6:17 shorthand 8:5 show 4:16,20 south 4:21 stand 4:25 state 1:1 6:1 8:1 statement 4:3,5 5:7</p>		
<p>r</p>			
<p>r 2:1 reason 4:16,20 receive 3:19 6:18 received 3:18,21 3:22 4:1 record 4:6 5:6 7:5,6</p>			