

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 CASE NO. 16002
FOR A NONSTANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

March 22, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, William V. Jones,
Chief Examiner, on Thursday, March 22, 2018, at the New
Mexico Energy, Minerals and Natural Resources
Department, Wendell Chino Building, 1220 South St.
Francis Drive, Porter Hall, Room 102, Santa Fe, New
Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR
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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

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FOR INTERESTED PARTY EOG RESOURCES:

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1 (8:27 a.m.)

2 EXAMINER JONES: Okay. Let's go through
3 the docket. Most of the notice cases have been
4 continued, it looks like.

5 I think there is one case, Case Number
6 16002. It's a Mewbourne case.

7 MR. BRUCE: Yes, Mr. Examiner.

8 EXAMINER JONES: Call Case Number 16002,
9 application of Mewbourne Oil Company for a nonstandard
10 gas spacing and proration unit and compulsory pooling in
11 Eddy County, New Mexico.

12 Call for appearances.

13 MR. BRUCE: Mr. Examiner, Jim Bruce of
14 Santa Fe representing the Applicant.

15 MR. FELDEWERT: Mr. Examiner, Michael
16 Feldewert, with the Santa Fe Office of Holland & Hart,
17 appearing on behalf of EOG Resources.

18 MR. BRUCE: Mr. Examiner, this case was
19 heard a couple of weeks ago. It was continued for
20 notice purposes. The only notice issue was I had not
21 received -- the only offset notified was Matador
22 Production Company, and I hadn't gotten the green card
23 back, still haven't. But Mewbourne's Exhibit 17, which
24 is an email from an attorney at Matador stating that
25 they did indeed receive notice of the application. So I

1 believe notice is complete in this case, and I move the
2 admission of Exhibit 17.

3 MR. FELDEWERT: No objection.

4 EXAMINER JONES: Exhibit Number 17 for
5 Mewbourne is admitted in this case.

6 (Mewbourne Oil Company Exhibit Number 17 is
7 offered and admitted into evidence.)

8 EXAMINER JONES: Mr. Feldewert?

9 MR. FELDEWERT: Mr. Examiner, EOG is a
10 party that is being pooled here, and in the event they
11 are unable to reach an agreement with Mewbourne, they
12 ask that there be a provision in the pooling order
13 allowing for separate elections for the two wells.

14 If you'll note, this case involves the
15 drilling of the two Chicago wells. My understanding is
16 that they're going to be drilled sequentially, from the
17 last hearing, and EOG is requesting that the pooling
18 order provide a provision that would allow the pooling
19 parties to make an election on the first well, and then
20 30 days prior to the spudding of the second well, that
21 they be afforded to make -- that the ballot be sent,
22 and, thereby, they would have 30 days, once they've
23 filed assent to the second wells, to allow the election
24 right before the spudding of the second well.

25 EXAMINER BROOKS: Excuse me. The reporter

1 will note in the record that I am not participating in
2 this case.

3 MR. BRUCE: Mr. Examiner, Mewbourne doesn't
4 object to that, but it should only be for the drilling
5 of the well, not the completion of the wells. The wells
6 are going to be drilled sequentially and then completed
7 subsequently.

8 EXAMINER JONES: So is EOG okay with the
9 30-day prior on the second well even though the first
10 well has already been drilled?

11 MR. FELDEWERT: So the ballot will go out
12 30 days before the spudding of the second well, and then
13 they would have the normal 30-day election period so a
14 decision can be made before that second well is spudded.

15 EXAMINER JONES: Okay. So there's no
16 concern whether the first well is complete -- or,
17 actually, finished drilling or logs run on it or
18 anything by EOG? They just want 30 days' notice before
19 the second well is spud?

20 MR. FELDEWERT: And have the normal 30-day
21 period to make their election.

22 EXAMINER JONES: Okay. Okay. Is that it
23 with this?

24 MR. BRUCE: That's it and ask the matter be
25 taken under advisement.

1 EXAMINER JONES: Thank you both.

2 Case Number 16002 is taken under

3 advisement. I will let Mr. McMillan know.

4 (Case Number 16002 concludes, 8:30 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

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

20 DATED THIS 10th day of April 2018.

21
22 MARY C. HANKINS, CCR, RPR
23 Certified Court Reporter
24 New Mexico CCR No. 20
25 Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters