

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: 21479 21480

APPLICATION OF MEWBOURNE OIL COMPANY  
TO POOL ADDITIONAL INTEREST OWNERS  
UNDER THE TERMS OF ORDER R-21292,  
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 5, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before  
the New Mexico Oil Conservation Division, HEARING OFFICER  
FELICIA ORTH and TECHNICAL EXAMINERS DYLAN ROSE-COSS on  
Thursday, November 5, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

A P P E A R A N C E S

1 For the Applicant:

2 DANA HARDY  
3 HINKLE SHANOR LLP  
4 P.O. Box 0268  
5 Santa Fe, NM 87504  
6 505-982-4554

I N D E X

6 CASE CALLED

7 SUMMARY OF CASE 03

8 TAKEN UNDER ADVISEMENT 06

9 REPORTER CERTIFICATE 07

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

11 Admitted

12 Exhibits and All Attachments 06

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1 HEARING EXAMINER ORTH: Let's move to Case 21479,  
2 the applicant is Mewbourne Oil. This is a request to amend  
3 an order in order to add additional parties. Ms. Hardy, I  
4 think I see you from Hinkle Shanor.

5 MS. HARDY: Yes. Good morning, Madam Examiner.  
6 Dana Hardy with the Santa Fe Office of Hinkle Shanor on  
7 behalf of Mewbourne Oil Company.

8 HEARING EXAMINER ORTH: Thank you. And I don't  
9 see other appearances made yet. Let me ask if there are any  
10 at this time.

11 (No audible response.)

12 HEARING EXAMINER ORTH: No? All right.

13 And I do hear some shuffling, Ms. Hardy, and  
14 it's -- I think it may interfere with our ability to hear  
15 you.

16 MS. HARDY: Let me adjust my microphone. It was  
17 kind of -- is that better?

18 HEARING EXAMINER ORTH: Not really. When you  
19 move, the -- let's see now.

20 MS. HARDY: Is that better?

21 HEARING EXAMINER ORTH: That's better.

22 MS. HARDY: Okay. I think the cord was wrapped  
23 around the microphone. I apologize.

24 HEARING EXAMINER ORTH: I didn't hear any other  
25 appearances, so if you would, go ahead.

1 MS. HARDY: Thank you. In Case 21479, Mewbourne  
2 seeks to pool additional interest owners under the terms of  
3 Order R-21292. That order was entered in April of 2020 in  
4 Case Number 21156. And it created a 240 acre standard  
5 horizontal spacing unit comprised of the W/2 of the E/2 of  
6 Section 26 and the W/2 of the SE/4 of Section 23, Township  
7 21 South, Range 34 East in Lea County. The order pooled  
8 interest in the Bone Spring formation and dedicated the unit  
9 to the Inland 26/23 B20J State Com 1H well.

10 And in Case Number 21480, Mewbourne seeks to  
11 similarly pool additional interest owners under the terms of  
12 Order Number R-21293. That order was also issued in April  
13 of 2020, and it was issued in Case Number 21157. It also  
14 created a 240 acre spacing unit, and this one was comprised  
15 of the E/2 of the E/2 of Section 26 and the E/2 of the SE/4  
16 of Section 23, Township 21 South, Range 34 East in Lea  
17 County. That order pooled interest in the Bone Spring  
18 formation and dedicated the unit to the Inland 26/23 B2PI.  
19 State Com 1H well.

20 We have provided in our exhibits the affidavit of  
21 landman Brad Dunn. And he discusses the orders that were  
22 issued by the Division, and those orders are also attached  
23 to his affidavits.

24 And he provides a plat of the tracts, and the  
25 ownership information is included in Exhibit A-5 in Case

1 21479, and it's Exhibit A-4 in Case 21480. And those  
2 exhibits identify the ownership interest in each tract, the  
3 parties who were pooled under the original orders, and then  
4 the parties who are being added here in these cases, and  
5 that exhibit also identifies the parties that are  
6 unlocatable.

7 We provided notice of the hearing more than 20  
8 days in advance by certified mail. That information is also  
9 attached to Mr. Dunn's affidavits, and in both cases we also  
10 did publish notice more than 10 days prior to the hearing,  
11 and I have provided the affidavits of publication.

12 So with that information, unless there are  
13 questions, I would ask that the exhibits be accepted into  
14 the record and that the cases be taken under advisement.

15 HEARING EXAMINER ORTH: Thank you, Ms. Hardy.  
16 Mr. Rose-Coss, do you have questions of Ms. Hardy in  
17 relation to matters 21479 or 21480.

18 TECHNICAL EXAMINER COSS: Thank you, Ms. Orth, I  
19 do not have any questions at this time. Thank you.

20 HEARING EXAMINER ORTH: All right. Ms. Hardy,  
21 your exhibits are admitted and these two matters will be  
22 taken under advisement.

23 MS. HARDY: Thank you very much.

24 (Exhibits admitted.)

25 (Taken under advisement.)

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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

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

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

17 Dated this 5th day of November 2020.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253  
License Expires: 12-31-20

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