

STATE OF NEW MEXICO  
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

Application of Mewbourne Oil  
Company for expansion  
of a unit area Lea County,  
New Mexico

Case No. 21418

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

STATUS CONFERENCE

THURSDAY, OCTOBER 22, 2020

This matter came on for hearing before the  
New Mexico Oil Conservation Division, FELICIA ORTH,  
Hearing Examiner, LEONARD LOWE, Technical Examiner,  
via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane  
New Mexico CCR No. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

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1 (Time noted 8:42 a.m.)

2 HEARING EXAMINER ORTH: Let's move, then, to the  
3 next status conference. This is Matter 21418. Mewbourne  
4 Oil is the applicant. It's a application for unit  
5 expansion.

6 Mr. Bruce.

7 MR. BRUCE: Yes, I'm here for Mewbourne.

8 HEARING EXAMINER ORTH: All right. Thank you.  
9 We have a number of other appearances in this matter.

10 We have Modrall Sperling on behalf of  
11 Apache.

12 MR. HOUGH: That's correct, Madam Examiner.  
13 Lance Hough on behalf of Apache Corporation, as well as  
14 Cimarex Energy Co.

15 HEARING EXAMINER ORTH: Oh, thank you very  
16 much.

17 And then Marathon?

18 MS. BENNETT: Good morning, Madam Examiner.  
19 This is Deana Bennett on behalf of Marathon Oil Permian,  
20 LLC.

21 HEARING EXAMINER ORTH: Then Devon.

22 MR. RANKIN: Good morning, Madam Examiner. Adam  
23 Rankin appearing on behalf of Devon Energy, as well as  
24 COG, Chevron, and Chisholm.

25 HEARING EXAMINER ORTH: Okay. Terrific. Thank

1 you.

2 Let me pause for a moment to see if there  
3 are any other entries.

4 Hearing none, if you would, please, Mr.  
5 Bruce, kick off the discussion.

6 MR. BRUCE: This is simply a voluntary unit.  
7 Nobody can be forced into it. Chisolm has objected and  
8 doesn't want it done by affidavit, but this is the type of  
9 case that even if it was live it would take about 20  
10 minutes to put on. So this is not a big deal, because  
11 none of the parties can be forced into it.

12 And I guess there's two factors to  
13 consider. None of them can be forced into it.

14 I understood that COG wanted to retain the  
15 right to develop its own acreage. Well, if it still had  
16 that option it might have to deal with Mewbourne or some  
17 other interest owners, but it still has that option,  
18 No. 1.

19 And No. 2, if enough of the interest owners  
20 don't voluntarily join in the well, the State Land Office  
21 won't approve the unit. So I just see no point in  
22 continuing this a long time, because there's nothing to  
23 it.

24 HEARING EXAMINER ORTH: All right. Thank you.

25 I think we could identify a date, then,

1 before February, if it will be short, as you described.

2 Are there comments from any of the other  
3 counsel?

4 MR. RANKIN: Good morning, Madam Hearing  
5 Officer.

6 Not at this time. I think the parties are  
7 in discussion. As Mr. Bruce has pointed out it is a  
8 voluntary unit, meaning that individuals who do not wish  
9 to participate cannot be required to do so, and so in our  
10 case we are continuing to discuss with the applicant in  
11 this case, trying to resolve any concerns about inclusion  
12 of their acreage

13 HEARING EXAMINER ORTH: Okay. Thank you,  
14 Mr. Rankin. Anyone else? No?

15 MR. HOUGH: Not Apache. I'm sorry. Cimarex,  
16 not EOG. That's all.

17 HEARING EXAMINER ORTH: Thank you, Mr. Hough.

18 Mr. Bruce, I'm looking at the calendar, and  
19 it seems to me we have an awful lot of special hearings  
20 set at the moment in connection with November 19th.  
21 November 5th is much lighter, and December 3rd is light at  
22 this moment in terms of having special hearings set.

23 MR. BRUCE: December 3rd?

24 HEARING EXAMINER ORTH: Yes.

25 MR. BRUCE: That would be okay with me

1                   HEARING EXAMINER ORTH: All right. If you would  
2 then please prepare a Prehearing Order for December 3rd,  
3 and we'll put it on that docket.

4                   MR. BRUCE: Okay. Thank you very much.

5                   HEARING EXAMINER ORTH: All right. Thank you.

6                   (Time noted 8:44 a.m.)

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1 STATE OF NEW MEXICO )

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3 COUNTY OF TAOS )

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday,

8

October 22, 2020, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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I FURTHER CERTIFY that I am neither employed by

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nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

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that I have no interest whatsoever in the final

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disposition of this case in any court.

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/s/ Mary MacFarlane

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MARY THERESE MACFARLANE, CCR

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