

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: 21418

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR APPROVAL OF EXPANSION OF A UNIT AREA,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

DECEMBER 3, 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 EXAMINER BAYLEN LAMKIN on  
Thursday, December 3, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253  
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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 Apache:

LANCE HOUGH  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
500 4th Street, NW, Suite 1000  
Albuquerque, NM 87102  
505-848-9710

For Marathon:

DEANA BENNETT  
MODRALL SPERLING ROEHL HARRIS & SISK PA  
500 4th Street, NW, Suite 1000  
Albuquerque, NM 87102  
505-848-9710

For Devon, COG, Chisholm and Chevron:

ADAM RANKIN  
HOLLAND & HART  
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Santa Fe, NM 87501  
505-954-7286

I N D E X

CASE CALLED	
STATUS CONFERENCE	03
REPORTER CERTIFICATE	08

1 HEARING EXAMINER ORTH: We have one more matter  
2 on this worksheet. This is case 21418. Mewbourne Oil is  
3 the applicant. Mr. Bruce, you are here for Mewbourne?

4 MR. BRUCE: That is correct.

5 HEARING EXAMINER ORTH: All right. We also have  
6 entries of appearance by Apache, Marathon, Devon, COG,  
7 Chisholm and Chevron. Who is here from Modrall Sperling for  
8 Apache and Marathon?

9 (Interruption in proceeding to address issues  
10 from prior case.)

11 HEARING EXAMINER ORTH: Now, let us go to the  
12 final matter this morning, 21418. Mewbourne Oil is the  
13 applicant. Already ascertained that Mr. Bruce is here for  
14 Mewbourne. Thank you, Mr. Bruce. And I believe I called  
15 for an appearance on behalf of the Apache and Marathon from  
16 Modrall Sperling.

17 MR. HOUGH: That's correct, Madam Examiner, I am  
18 entering -- this is Lance Hough from Modrall Sperling  
19 entering an appearance on behalf of Apache Corporation and  
20 Cimarex Energy Co.

21 HEARING EXAMINER ORTH: Thank you. Good morning,  
22 Mr. Hough. And then we have Devon, COG, Chisholm and  
23 Chevron. Who is here from Holland & Hart?

24 MR. RANKIN: Good morning, Madam Examiner. Adam  
25 Rankin appearing on behalf of the entities you just

1 identified, as well as the ConocoPhillips Company.

2 HEARING EXAMINER ORTH: Thank you. And good  
3 morning, Mr. Rankin, you and Mr. Hough have been on a long  
4 time waiting for this moment.

5 MS. BENNETT: Madam Examiner, if I could  
6 interject. This is Deana Bennett from Modrall Sperling on  
7 behalf of Marathon Oil Permian LLC.

8 HEARING EXAMINER ORTH: Thank you very much. And  
9 let me pause for a moment to see if there are any other  
10 appearances this morning.

11 (No audible response.)

12 HEARING EXAMINER ORTH: No? In that case, what I  
13 would like to do is talk about a January hearing. The two  
14 hearing sessions we have in January in 2021 are January 7  
15 and January 21. We do have contested matters already set, a  
16 few on the 7th and another few on the 21st. However, what I  
17 would like to do is choose one of those dates, back the  
18 hearing on top of the other contested matters and continue  
19 onto either January 8 or January 22, just a Friday following  
20 the two sessions as necessary.

21 HEARING EXAMINER ORTH: Mr. Bruce, do you have  
22 any comment on the January hearing date?

23 MR. BRUCE: I may have a witness unavailable on  
24 the 22, but he is not the primary witness. So either date,  
25 the 8th or the 22nd would be acceptable.

1 HEARING EXAMINER ORTH: All right. Thank you.  
2 Ms. Bennett?

3 MS. BENNETT: Thank you, thank you Madam  
4 Examiner. I had raised with Marathon the dates of the 21st  
5 and continuing on to the 22nd if necessary, and those dates  
6 work for Marathon. I haven't discussed with Marathon the  
7 the 8th to the 9th, but that would likely work for Marathon,  
8 but I can say with certainty that the 21st and 22nd work for  
9 Marathon. Thank you.

10 HEARING EXAMINER: Thank you. Mr. Hough?

11 MR. HOUGH: Apache is in a similar boat, spoken  
12 with them, the 22nd, that window of time works. Haven't  
13 followed up about the 8th, but I'm sure we can adjust if  
14 necessary, but the 22nd of January is available for Apache.  
15 And I guess in the matter that Cimarex has entered in this  
16 case, they do not intend to actually participate at this  
17 time, so this is no issue there. I wanted to add that.

18 HEARING EXAMINER ORTH: Thank you, Mr. Hough.  
19 Mr. Rankin?

20 MR. RANKIN: Madam Examiner, just one brief  
21 announcement. Chisholm and Mewbourne have reached a  
22 voluntary agreement, so Chisholm is withdrawing its  
23 objection to formation of the units.

24 So as to dates, I discussed with COG and Devon,  
25 and the preference would be for the January 21-22 date. And

1 frankly, for Holland & Hart, the earlier dates in January  
2 won't work for us because we will be in the midst of the  
3 Commission rulemaking on venting and flaring and will be  
4 fully occupied by --

5 MR. BRUCE: That will take full time for about  
6 six or eight days, Adam, that's all.

7 MR. RANKIN: That's wishful thinking, too, I  
8 believe, but anyway, so --

9 MR. BRUCE: Madam Examiner, it sounds like it's a  
10 later date and I will deal with that with respect to my  
11 witnesses, so --

12 HEARING EXAMINER ORTH: Well, thank you very  
13 much, all of you. And I will, without the necessity of any  
14 one of you floating a prehearing order to the other, I will  
15 issue a prehearing order noting that the hearing date is  
16 January 21 so that it can be noticed up with the regular  
17 hearing session.

18 However, we certainly can, if the other contested  
19 hearings already set on that date actually go, we can set it  
20 with the understanding that we'll actually be going on the  
21 22nd.

22 MR. BRUCE: Okay. I've already got one on my  
23 computer so I will e-mail that around to everyone today.

24 HEARING EXAMINER ORTH: You don't have to do  
25 that, Mr. Bruce?

1 MR. BRUCE: I don't.

2 HEARING EXAMINER ORTH: You could e-mail it to me  
3 if you would like.

4 MR. BRUCE: Okay. I will e-mail that to you  
5 then.

6 HEARING EXAMINER ORTH: I was saying earlier, I  
7 would like to just switch up a little bit how we do these  
8 status conferences such that we focus on choosing a date,  
9 agreeing to a date, and then I'm happy to just attach that  
10 to a prehearing order since they all follow roughly the same  
11 form.

12 Okay. Is there anything else at all on 21418? .

13 MR. BRUCE: Not for me.

14 HEARING EXAMINER ORTH: Okay. Thank you all  
15 then. We will get that taken care of. We have come to the  
16 end of the docket. Let me see here.

17 (Concluded.)

18 (Remaining informal discussion appended to  
19 prehearing.)

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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 3rd day of December 2020.

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/s/ Irene Delgado

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

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