

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
for Compulsory Pooling,
Eddy County, New Mexico Case No. 21724

Application of Mewbourne Oil Company
for Compulsory Pooling,
Eddy County, New Mexico Case No. 21725

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JUNE 17, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, Legal
Examiner William Brancard, Technical Examiner
Leonard Lowe, on Thursday, June 17, 2021, via
the Webex virtual Conferencing platform.

Reported by: Mary Therese Macfarlane
New Mexico CCR No. 122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102

1 A P P E A R A N C E S.

2 For Mewbourne Oil Company: James Bruce, Esq.
 3 Post Office Box 1056
 4 Santa Fe & Hart, NM 87504
 (505) 982-2043
 jamesbruc@aol.com

5 For MRC Permian: Kaitlyn A. Luck, Esq.
 6 Holland & Hart
 7 110 North Guadalupe, Suite 1
 Santa Fe, New Mexico 87501
 (505) 988-4421
 kaluck@hollandandhart.com

9 C O N T E N T S

10	CASE Nos. 21724, 21728	PAGE
11	CASE CALLED:	3
12	INQUIRY BY EXAMINER LOWE:	5
13	TAKEN UNDER ADVISEMENT:	6

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

16	EXHIBITS:	PAGE
17	1 Application and Proposed Ad.	6
18	2 Landman's Affidavit (Case 21724)	6
19	3 Landman's Affidavit (Case 21725)	6
20	4 Geologist's Affidavit	6
21	5 Notice Affidavit	6
22	6 Pooling Checklist	6

23

24

25

1 (Time noted 9:02 a.m.)

2 EXAMINER BRANCARD: With that I'm calling Case
3 No. 9 and I believe 10, Cases 21724, 21725, Mewbourne Oil
4 Company.

5 Mr. Bruce, are you with us?

6 MR. BRUCE: Yes, I am.

7 EXAMINER BRANCARD: And you're here on behalf of
8 Mewbourne.

9 MR. BRUCE: Correct.

10 EXAMINER BRANCARD: Okay.

11 And I see an entry of appearance from MRC
12 Permian, Holland & Hart.

13 MS. LUCK: That is correct. Kaitlyn Luck with
14 the Santa Fe office of Holland & Hart.

15 EXAMINER BRANCARD: Are there any other
16 interested parties in Cases 21724 and 21725? (Note:
17 Pause.) Hearing none, I believe you may proceed,
18 Mr. Bruce.

19 MR. BRUCE. Mr. Examiner, in these cases in the
20 first case Mewbourne seeks to force pool the Wolfcamp
21 formation underlying the north half of Section 23 and the
22 north half of Section 24, 21 South, 27 East.

23 In the second case, 725, they seek the same
24 thing but in the south half of those two sections.

25 These are for their Chile Verde wells.

1 The exhibit package contains the
2 application and Proposed Notice, the landman's affidavit
3 for each case separately, although everything is pretty
4 much identical -- you know, the land plats and the C-102s,
5 et cetera -- the description of the property, or the
6 description of the tracts and the interest owners in each
7 tract. And there is a summary of contacts with the
8 parties.

9 And this proposal goes back over a year and
10 a half -- or no -- yeah, about a year and a half, so there
11 has been significant discussion between the parties. And
12 Mewbourne, of course, is willing to concede negotiating if
13 anybody wants to continue doing so.

14 Exhibit 4 is the geologist's affidavit,
15 which is a single exhibit for both cases: Usual Structure
16 Map, Isopach, Cross Section, et cetera, and a little
17 rationale for doing the laydown units in the immediate
18 area.

19 There is not too much production. There's
20 a couple of existing Mewbourne wells and there's a couple
21 of Devon wells that have not yet -- either not yet
22 completed, been completed, or haven't reported production
23 yet, and they are all laydown well units.

24 Attached as Exhibit 5 is my Affidavit of
25 Notice. All of parties who are being pooled received

1 actual Certified Notice so there is no Affidavit of
2 Publication.

3 One of the parties originally notified was
4 COG Resources, but they have come to terms with Mewbourne
5 concerning the applications.

6 Then finally Exhibit 6 contains the two
7 pooling application checklists, which I believe are
8 complete. These wells are in the Alacran Hills Upper
9 Wolfcamp. I think it's -- I did see a mistake on here.
10 Oil pool. It's actually a gas pool. I will correct
11 that -- which is spaced on 320 acres. So that's why the
12 well units are 640 acres each.

13 With that, I think the exhibit package is
14 complete except for changing that one word from "oil" to
15 "gas," and I move the admission of Exhibits 1 through 6
16 and ask the matter be taken under advisement.

17 EXAMINER BRANCARD: Thank you.

18 MRC Permian, Ms. Luck, I forgot to ask
19 whether you had any objection to this case going forward
20 by affidavit.

21 MS. LUCK: No objection to the cases proceeding
22 by affidavit and no objection to the exhibits being
23 admitted.

24 EXAMINER BRANCARD: Thank you.

25 Mr. Lowe, any questions?

1 EXAMINER LOWE: I've got a question for you,
2 Mr. Bruce.

3 MR. BRUCE: Yes.

4 EXAMINER LOWE: How do you intend to correct
5 that exhibit? Were you going to submit just that one
6 area, that one page?

7 MR. BRUCE: I'll submit a whole new exhibit, but
8 that is the only thing I see that needs to be corrected.
9 And I will do that this morning.

10 EXAMINER LOWE: Are you going to do that for
11 both cases?

12 MR. BRUCE: Yes.

13 EXAMINER LOWE: Okay. Thank you. That's all I
14 have.

15 EXAMINER BRANCARD: Thank you.

16 Which exhibit number was that, Mr. Bruce?

17 MR. BRUCE: Exhibit 6, the pooling checklist.

18 EXAMINER BRANCARD: The checklist. Okay. Thank
19 you.

20 Okay. Are there any other parties
21 interested in Cases 21724 or 21725? (Note: Pause.)
22 Hearing none, the exhibits are admitted into the record,
23 and the cases are taken under advisement, leaving the
24 record open for hopefully a very quick replacement of the
25 checklist exhibit.

1 MR. BRUCE: Thank you.
2 EXAMINER BRANCARD: All right.
3 (Time noted 9:05 a.m.)
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

4
5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 17,
8 2021, the proceedings in the above-captioned matter were
9 taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

18 /s/ Mary Macfarlane
19 _____

20 MARY THERESE MACFARLANE, CCR
21 NM Certified Court Reporter No. 122
License Expires: 12/31/2021

22
23
24
25