

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: 16494, 16495

APPLICATION OF MEWBOURNE OIL
COMPANY FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
JULY 23, 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 JOHN GARCIA on Thursday,
July 23, 2020 through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
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1 A P P E A R A N C E S

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8 For EOG and XTO:

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14 For Marathon:

15 DEANA BENNETT
16 MODRALL SPERLING ROEHL HARRIS & SISK PA
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20 For Ridge Runner:

21 PADILLA LAW FIRM
22 ERNEST PADILLA
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25 I N D E X

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| 26 | CASE CALLED | |
| 27 | SUMMARY OF CASE AND EXHIBITS | 03 |
| 28 | TAKEN UNDER ADVISEMENT | 07 |
| 29 | REPORTER CERTIFICATE | 09 |

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

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|----|--------------------------|----------|
| 31 | | Admitted |
| 32 | Exhibits and Attachments | 07 |

1 HEARING EXAMINER ORTH: Let's move to the last
2 matters, which is 16494 and 16495, Mewbourne Oil, compulsory
3 pooling application in connection with a well named Little
4 Giant.

5 Mr. Bruce, are you here for Mewbourne?

6 MR. BRUCE: Yes, ma'am.

7 HEARING EXAMINER ORTH: We have a number of
8 appearances on behalf of Marathon, EOG, XTO and Ridge
9 Runner.

10 Who here is from Modrall Sperling?

11 MS. BENNETT: Good morning, Madam Hearing
12 Examiner. Deana Bennett on behalf of Marathon Oil Permian
13 LLC from Modrall Sperling.

14 HEARING EXAMINER ORTH: Hello. And is Bradfute
15 joining us?

16 MS. BENNETT: No, she is not.

17 HEARING EXAMINER ORTH: And who here is from
18 Holland & Hart.

19 MR. FELDEWERT: May it please the Examiner,
20 Michael Feldewert from the Santa Fe Office of Holland &
21 Hart. We are here for EOG Resources and XTO Energy. We do
22 not object to the matter proceeding.

23 HEARING EXAMINER ORTH: All right, thank you.
24 And, Mr. Padilla?

25 MR. PADILLA: You know, we, Madam Examiner, we

1 looked at this case yesterday and couldn't find that we
2 entered an appearance, and if we did, it would have been on
3 behalf of Ridge Runner.

4 But I think that case was -- that case was
5 dismissed at some point. So we have to check further to
6 see, but we checked OCD's website for this case and did not
7 find that I had entered an appearance for anyone.

8 And I recall that we were noticed on some cases
9 that we hadn't been involved in, but I really need to check
10 further, but I believe that Ridge Runner asked me to dismiss
11 this case quite a long time ago.

12 And this case is the 1600 case, so it's very old,
13 but other than that, I don't think we are in this thing with
14 anyone.

15 MR. BRUCE: If I could explain?

16 HEARING EXAMINER ORTH: Yes, Mr. Bruce.

17 MR. BRUCE: Yes. And Ms. Bennett can confirm.

18 There were, I believe, seven or eight Mewbourne cases and a
19 similar number of Marathon cases involving several sections
20 of land. They have settled out. We no longer seek to force
21 pool Marathon. I believe they traded acreage, so Marathon
22 had certain sections of land and Mewbourne has this, the
23 land involved in these two cases. And so Marathon is
24 officially dismissed from this pooling application.

25 Ridge Runner had filed applications, I do not --

1 it's been so long ago I do not remember the numbers, but
2 they did voluntarily dismiss their cases. I think they
3 involved other acreage that was in dispute between Marathon
4 and Mewbourne, and Ridge Runner backed off. And Ms.
5 Bennett, could you confirm that?

6 MS. BENNETT: This is Deana Bennett. That sounds
7 right to me. Sitting here right now I can't say 100
8 percent -- I can't confirm 100 percent, but that does sound
9 right to me. These are a series of contested cases that
10 have been going on for some time, so it's not surprising to
11 see Mr. Padilla may not have the materials at his fingertips
12 given the amount of time that these cases have been pending.
13 But Marathon is out of the cases now as Bruce stated, and
14 Marathon doesn't object to the cases going by affidavit, but
15 in terms of Ridge Runner's interests, I think that that
16 was -- I mean, Ridge Runner has dismissed a number of cases
17 that were in dispute with Marathon cases over a year ago.

18 MR. BRUCE: And Ridge Runner was noticed as a
19 party in these cases, and as a result, I would like to
20 submit them by affidavit as I have been -- I think Ms.
21 Bennett and Ms. Bradfute and I have been getting periodic
22 e-mails from Mr. (inaudible) one of these cases that lasted
23 well over a year and a half, and Marathon has dismissed all
24 of its pooling applications, and Mewbourne has dismissed
25 five or six of theirs, and these are the only ones

1 remaining. And the only parties sought to be force pooled
2 are now EOG and XTO.

3 HEARING EXAMINER ORTH: All right. Well, thank
4 you very much. And Mr. Feldewert does object to you
5 proceeding by affidavit on behalf of EOG and XTO. So with
6 no objection proceeding by affidavit, if you would,
7 Mr. Bruce.

8 MR. BRUCE: Yes, I have submitted you a package
9 of exhibits, only one package, although there are separate
10 land affidavits for both 494 and 495 similar to the geology,
11 although the geology is virtually identical, and really the
12 land testimony is identical for each case, these -- I think
13 the well proposals that Mewbourne sent out were first sent
14 out August of 2018.

15 Notice was properly given, and Exhibit 7 is an
16 affidavit of notice. The only thing I would point out on
17 that, on that affidavit of notice is that at the time I sent
18 out notice on behalf of Mewbourne, the interests that XTO
19 now owns were owned by certain family entities, Chisholm
20 Trail Ventures and through (inaudible) oil and gas, and
21 those are now XTO, and Mr. Feldewert did submit entries of
22 appearance on behalf of both EOG and XTO.

23 The exhibit package contains the usual exhibits,
24 applications and proposed ads. The landman, Tyler Jolly,
25 has previously qualified before the Division as an expert.

1 Same thing with Tyler Hill, the geologist. The affidavit
2 package is complete that -- everyone who was originally
3 pooled received actual notice by certified mail of the
4 applications and there is no affidavit of publication in the
5 newspaper.

6 And then the pooling check lists are attached as
7 Exhibits 8 and 9. With that I would move the admission of
8 Exhibits 1 through 9 and ask that the cases be taken under
9 advisement.

10 HEARING EXAMINER ORTH: Thank you, Mr. Bruce.
11 Exhibits 1 through 9 are admitted. Mr. Feldewert do you
12 have any questions of Mr. Bruce?

13 MR. FELDEWERT: No, I do not. Thank you.

14 HEARING EXAMINER ORTH: Mr. Garcia. Do you have
15 any questions of Mr. Bruce?

16 TECHNICAL EXAMINER GARCIA: I do not.

17 HEARING EXAMINER ORTH: Thank you all. Matter
18 16494 and 16495 will be taken under advisement.

19 (Exhibits admitted.)

20 (Taken under advisement.)

21 MR. BRUCE: Thank you.

22 HEARING EXAMINER ORTH: Thank you. And we have
23 reached the end of our docket for today. Is there anything
24 further before we adjourn?

25 (No audible response.)

1 HEARING EXAMINER ORTH: No? All right. Thank
2 you all very much. Have a wonderful weekend.

3 (Concluded.)

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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 23rd day of July 2020.

18

/s/ Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-21

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