

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 Compulsory Pooling,  
Lea County, New Mexico                      Case No. 22035, 22036

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

AUGUST 5, 2021

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, Baylen Lamkin, Technical Examiner, on August 5, 2021 through the Webex Virtual Conferencing Platform hosted by the New Mexico Department of Energy, Minerals and Natural Resources.

Reported by:     Mary Therese Macfarlane  
                      New Mexico CCR #122  
                      PAUL BACA COURT REPORTERS  
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A P P E A R A N C E S

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C O N T E N T S

CASE NOS. 22035, 22036	PAGE
CASE CALLED:	3
TAKEN UNDER ADVISEMENT:	6

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

EXHIBITS:	ADMITTED
1 Application and Proposed Ads	6
2-A Self-Affirmed Statement of Brad Dunn Case 22035	6
2-B Verified Statement of Brad Dunn Case 22036	6
3 Self-Affirmed Statement of Jordan Carrell (Geologist)	6
4 Notice Affidavit	6
5 Affidavits of Publication	6
6 Pooling Checklist	6

1 (Time noted 8:47 a.m.)

2 EXAMINER BRANCARD: The next item on the agenda  
3 is Cases 22035 and 22036, Mewbourne Oil Company, Mr.  
4 Bruce.

5 MR. BRUCE: Yes, I'm here on behalf of  
6 Mewbourne.

7 The exhibit package, Exhibit 1 contains  
8 the --

9 EXAMINER BRANCARD: Hold on a second. Let me  
10 just ask if there is any other interested persons in these  
11 cases.

12 MS. SHAHEEN: Thank you, Mr. Brancard. Sharon  
13 Shaheen, Montgomery Andrews, entering an appearance on  
14 behalf of Siana Oil & Gas. Siana is entering an  
15 appearance to preserve its right to seek de novo review  
16 before the Commission, but does not object to these cases  
17 going forward by affidavit today.

18 EXAMINER BRANCARD: Could you spell Siana for  
19 the record, please.

20 MS. SHAHEEN: Yes. S-i-a-n-a.

21 EXAMINER BRANCARD: And you're here on both  
22 cases; is that correct?

23 MS. SHAHEEN: That's correct.

24 EXAMINER BRANCARD: Thank you. Are there any  
25 other interested persons in Cases 22035, 22036? (Note:

1 Pause.) Hearing none, Mr. Bruce you may proceed.

2 MR. BRUCE: In Case 22035 Mewbourne seeks to  
3 force pool the west half/west half of Section 26 and the  
4 west half/southwest quarter of Section 23 in Township 21  
5 South, Range 34 East as to the Bone Spring Formation for  
6 purposes of drilling a 2nd Bone Spring well and a 3rd Bone  
7 Spring well.

8 In Case 22036, Mewbourne is force pooling  
9 the east half/west half of Section 26 and east  
10 half/southwest quarter of Section 23 in the same Township  
11 and Range, again for purposes of drilling a 2nd Bone  
12 Spring and a 3rd Bone Spring well.

13 Exhibit 2 -- 2-A is the landman's affidavit  
14 for case 22035, Exhibit 2-B is the landman's affidavit for  
15 of 22036. They are virtually identical as to their  
16 contents. Each package contains the usual land plat, the  
17 C-102s for the wells, a list of the parties and their  
18 interest in the proposed well unit, and it notes the  
19 parties who are being force pooled.

20 Siana is one of those, and they own a 10  
21 percent interest in the well unit.

22 The exhibit package also contains the  
23 summary of communications between the parties, and the  
24 usual AFDs, the Proposal Letter, and the AFEs.

25 The overhead rates being sought are 8,000 a

1 month and 800 a month, and 200 percent penalty is being  
2 requested for unconsenting interest owners.

3           Exhibit 3 is the geologist's affidavit.  
4 There is one affidavit covering both cases, and it  
5 contains the usual structure map, a 2nd Bone Spring  
6 isopach, cross-section, 3rd third Bone Spring isopach, and  
7 a cross-section showing that the thickness of the Bone  
8 Spring zone is pretty uniform across the well units, and  
9 they are continuous across the well units.

10           And the wellbore sketches are attached.  
11 The wells are at orthodox locations.

12           And finally Exhibit 4 is my Affidavit of  
13 Notice. The parties -- most of the parties did receive  
14 actual notice. There's a couple -- well, one that was  
15 returned to sender and another one I just haven't gotten  
16 the green card back yet.

17           And then Exhibit 5 is the Affidavit of  
18 Publication, and -- well, actually there is an Affidavit  
19 of Publication, separate ones for each case, and all  
20 parties did receive notice either by Certified Mail or  
21 constructively by publication.

22           Finally, Exhibit 6 contains the pooling  
23 checklists with, I believe, all the pertinent data.

24           So the case is complete, I believe, and I  
25 would move the admission of Exhibits 1 through 6 and ask

1 that both cases be taken under advisement

2 EXAMINER BRANCARD: Thank you. Ms. Shaheen, any  
3 questions?

4 MS. SHAHEEN: No questions and no objections to  
5 the exhibits. Thank you.

6 EXAMINER BRANCARD: Thank you. Mr. Lamkin, any  
7 questions?

8 EXAMINER LAMKIN: No questions from me, either.  
9 Thank you.

10 EXAMINER BRANCARD: Thank you.

11 Once again, are there any other interested  
12 persons in Cases 22035 and 22036? (Note: Pause.)  
13 Hearing none, the exhibits will be admitted into the  
14 record and Cases 22035 and 22036 will be taken under  
15 advisement.

16 MR. BRUCE: Thank you.

17 EXAMINER BRANCARD: Thank you, Mr. Bruce.

18 (Time noted 8:50 a.m.)

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

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter  
CCR No. 122, DO HEREBY CERTIFY that on Thursday, August 5,  
2021, the proceedings in the above-captioned matter were  
taken before me; that I did report in stenographic  
shorthand the proceedings set forth herein, and the  
foregoing pages are a true and correct transcription to  
the best of my ability and control.

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

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/s/ Mary Macfarlane

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MARY THERESE MACFARLANE, CCR  
NM Certified Court Reporter No. 122  
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