

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: 22334, 22335

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
DECEMBER 2, 2021
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER WILLIAM BRANCARD and TECHNICAL EXAMINERS DEAN McCLURE and DYLAN ROSE-COSS on Thursday, December 2, 2021, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:

JAMES BRUCE
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For MRC Delaware Resources, MRC Spiral Resources, and MRC Explorers Resources:

ADAM RANKIN
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I N D E X

CASE CALLED	
SUMMARY OF CASE AND EXHIBITS	03
TAKEN UNDER ADVISEMENT	08
REPORTER CERTIFICATE	09

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

	Admitted
Exhibits and Attachments	08

1 HEARING EXAMINER BRANCARD: With that, I call
2 Numbers 50 and 51, Cases 22334 and 22335, Mewbourne Oil
3 Company.

4 MR. BRUCE: Mr. Examiner, Jim Bruce representing
5 Mewbourne Oil Company.

6 HEARING EXAMINER BRANCARD: Okay. And I have an
7 entry of appearance for a whole bunch of MRC entities.

8 MR. RANKIN: Mr. Examiner, Adam Rankin appearing
9 on behalf of MRC Delaware Resources, MRC Spiral Resources,
10 and MRC Explorers Resources.

11 HEARING EXAMINER BRANCARD: Thank you. Do you
12 have any objection to the cases going ahead by affidavit?

13 MR. RANKIN: We do not, Mr. Examiner.

14 HEARING EXAMINER BRANCARD: Are there any other
15 interested parties for Cases 22334, 22335.

16 (No audible response.)

17 HEARING EXAMINER BRANCARD: Hearing none,
18 Mr. Bruce, you may proceed.

19 MR. BRUCE: Yes, Mr. Examiner, there are separate
20 exhibit packages for each case although they are virtually
21 identical. I will just go through the first one.

22 In Case 22334, Mewbourne seeks to pool the N/2
23 SW/4 of Section 3 and the N/2 S/2 of Section 4 in 18-29 for
24 purposes of drilling its Samsonite 3-4 B2KL Well Number 1H.

25 That application and proposed notice are Exhibit

1 1. Exhibit 2 is the landman's affidavit, contains the usual
2 land plats, C-102s, lists the interests of the owners, and
3 notes specifically the parties being pooled by --
4 designation by an asterisk among the various parties.

5 Contains a proposal letter, the AFE, all the
6 usual -- the overhead rates requested are 8,000 and \$800 a
7 month.

8 Number 3 is the geologist affidavit which is
9 identical in both exhibit packages which contains the usual
10 structure isopach and cross section plats showing that the
11 reservoir is continuous across the well unit.

12 Exhibit 4 is the affidavit of -- my affidavit of
13 mailing, and Exhibit 5 is the affidavit of publication, so
14 the interests owners did receive either notice by mail or
15 notice by publication.

16 I have not received any return mail, so somewhere
17 at the federal postal system there are probably some green
18 cards coming back to me, but everyone did receive notice.
19 And finally, Exhibit 6 is the pooling checklist, so that
20 will be the exhibit package is complete.

21 In Case 22335, it's a similar identical listing
22 of exhibits, the only difference is that the acreage being
23 being pooled is the S/2 SE/4 of Section 3 and the S/2 S/2 of
24 Section 4.

25 I believe all the information that -- that the

1 Division usually requests is in there, so I would ask that
2 the matters -- the exhibits be admitted into the record and
3 the matters be taken under advisement.

4 HEARING EXAMINER BRANCARD: Thank you.

5 Mr. Rankin, any questions?

6 MR. RANKIN: No questions and no objections.

7 HEARING EXAMINER BRANCARD: Thank you. Mr.
8 Rose-Coss?

9 TECHNICAL EXAMINER ROSE-COSS: No questions or
10 objections either.

11 HEARING EXAMINER BRANCARD: Okay. Mr. Bruce,
12 perhaps you can sort of walk me through the notice here.
13 I'm looking at your Exhibit 4, I think in the first case,
14 334.

15 MR. BRUCE: Okay.

16 HEARING EXAMINER BRANCARD: So it's hard to tell
17 from the certified mailers when this was sent out. Would we
18 assume that the date that's on your attachment A, November
19 10 is the date it would have been mailed?

20 MR. BRUCE: Yes, Mr. Examiner. I do not -- I
21 mail them through the Pack Mail over on Montezuma Street,
22 and they do not date them like they do at the post office.
23 The reason I use them is because they are about -- it only
24 takes me ten minutes over there, whereas it would probably
25 take me an hour at the post office getting everything

1 stamped.

2 But I -- I actually try to get there, like
3 November 10, I actually prepared these on November 9, and I
4 put the 10th down in case I didn't get out to mail them on
5 the 9th, but that is my usual procedure.

6 HEARING EXAMINER BRANCARD: Okay. I was just
7 noticing because the delivery dates are like November 22,
8 November 24. It might just be holidays slowing everything
9 down.

10 MR. BRUCE: I don't know, but I have some that I
11 mailed out for an upcoming case, I mailed to Chevron and it
12 wasn't delivered for three weeks.

13 HEARING EXAMINER BRANCARD: Wow.

14 MR. BRUCE: I'm always concerned about that and
15 getting all of those mailings back.

16 HEARING EXAMINER BRANCARD: At this point I don't
17 see any returns; right?

18 MR. BRUCE: Correct. None of them are returned.

19 HEARING EXAMINER BRANCARD: So we would assume
20 that you didn't really need the newspaper notice?

21 MR. BRUCE: Well, I started doing them, newspaper
22 notices on almost all of them just in case something like
23 Chevron happens.

24 HEARING EXAMINER BRANCARD: Absolutely. I think
25 it's a good idea. Because I think you missed the newspaper

1 deadline by a day.

2 MR. BRUCE: Oh, I did?

3 HEARING EXAMINER BRANCARD: Yeah, because the
4 trick here is, it's ten business days, but Thanksgiving is a
5 holiday under New Mexico law.

6 MR. BRUCE: Ah. I thought ten business days.

7 HEARING EXAMINER BRANCARD: Well, I actually
8 looked it up, it's in the statutes. Black Friday is not
9 legal holiday in New Mexico, but Thanksgiving is.

10 All right. You wanted to go through that. I had
11 essentially the same questions for the next two cases, so I
12 think you have answered them all at this point.

13 MR. BRUCE: Okay. I will, at the end of the
14 hearing I will continue -- may I continue them to the 16th
15 for publication purposes?

16 HEARING EXAMINER BRANCARD: If you would like to
17 do that, that's fine, yeah. That would be useful, yes.

18 MR. BRUCE: I will do that.

19 HEARING EXAMINER BRANCARD: Are there any other
20 interested persons for Cases 22334, 22335?

21 (No audible response.)

22 HEARING EXAMINER BRANCARD: Hearing none, the
23 exhibits will be admitted into the record, and cases are
24 taken under advisement, but continued to December 16 solely
25 for fulfilling notice requirements. Thank you.

1 (Exhibits admitted.)

2 (Taken under advisement.)

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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 reasonable quality.

17 Dated this 2nd day of December 2021.

18

/s/ Irene Delgado

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

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