

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: 22365 - 22368

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
FEBRUARY 17, 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 EXAMINER KATHLEEN MURPHY on
Thursday, February 17, 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:

MICHAEL RODRIGUEZ
HINKLE SHANOR LLP
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Santa Fe, NM 87504

COG Operating and Concho Oil & Gas LLC:

ELIZABETH A. RYAN
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For MRC Permian:

ADAM RANKIN
HOLLAND & HART
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I N D E X

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1 HEARING EXAMINER BRANCARD: Let's move to the
2 next item, Case 22365. Mewbourne Oil --

3 (Audio interference.)

4 HEARING EXAMINER BRANCARD: Mr. Rodriguez, do you
5 want to try again?

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: My screen shows, Mr.
8 Rodriguez, you are not muted, but I'm not hearing anything.

9 (No audible response.)

10 MR. RANKIN: Mr. Examiner, this is Adam Rankin,
11 and just responding, if I might just take a moment, if it's
12 okay with you, to confirm, in response to your question
13 about the one well that was identified in the -- in Case
14 22465 that you identified as in the cross section, that
15 appears to be within the spacing unit.

16 HEARING EXAMINER BRANCARD: Yes, thank you.

17 MR. RANKIN: That is a well that is completed
18 designated to the Culebra South Bone Spring Pool, and this,
19 this proposed spacing unit is in the Brushy Canyon. It's a
20 different pool, so it is not an overlapping spacing unit.

21 HEARING EXAMINER BRANCARD: Thank you. Let's try
22 again, Mr. Rodriguez, are you with us?

23 (Audio interference.)

24 HEARING EXAMINER BRANCARD: I guess you are
25 caught in a windstorm, Mr. Rodriguez. All we are getting is

1 static.

2 MS. HARDY: Mr. Examiner, this is Dana Hardy with
3 the Santa Fe office of Hinkle Shanor, and I sent a text to
4 Mr. Rodriguez, and it sounds like he is having technical
5 issues, so I'm not sure if he wants to call in. -- he said
6 he is going to call in now so he should be on in a minute.

7 HEARING EXAMINER BRANCARD: He is not in the
8 building with you?

9 MS. HARDY: He is not in the building with me due
10 to the snow.

11 HEARING EXAMINER BRANCARD: Sounds like he is
12 caught in the snow storm.

13 MS. HARDY: It does sound that way.

14 HEARING EXAMINER BRANCARD: Give him a minute
15 here.

16 MS. HARDY: Mr. Examiner, if you would like to go
17 ahead with the next group of cases, I can do those and you
18 can come back to Mr. Rodriguez.

19 MS. SALVIDREZ: He is caller-in user 9.

20 HEARING EXAMINER BRANCARD: Mr. Rodriguez, are
21 you there?

22 MR. RODRIGUEZ: I'm so sorry, can you hear me?

23 HEARING EXAMINER BRANCARD: Now we can, yes.

24 MR. RODRIGUEZ: Perfect. No static or feedback?

25 HEARING EXAMINER BRANCARD: No, none whatsoever.

1 I just called Case 22365, and Mr. Rodriguez, you are
2 representing Mewbourne Oil Company; is that correct?

3 MR. RODRIGUEZ: That is correct, and I would also
4 like to consolidate that case with 22366, 67 and 68.

5 HEARING EXAMINER BRANCARD: All right, great. So
6 I will then call for COG Operating.

7 MS. RYAN: Good morning, Mr. Examiner, Beth Ryan
8 for COG Operating and Concho Oil & Gas LLC.

9 HEARING EXAMINER BRANCARD: Thank you. Ms. Ryan,
10 do you have any objection to these four cases being heard by
11 affidavit?

12 MS. RYAN: No objection.

13 HEARING EXAMINER BRANCARD: Thank you. Okay.
14 MRC Permian?

15 MR. RANKIN: Good morning, Mr. Examiner, Adam
16 Rankin appearing on behalf of MRC Permian in these cases.

17 HEARING EXAMINER BRANCARD: Thank you. And for
18 the record, Mr. Rankin, do you have any objections to the
19 three cases, I believe, that --

20 MR. RANKIN: That is correct, Mr. Examiner, we
21 are not in Case 22365, but we are in the other three cases.
22 We have no objection to these cases proceeding by affidavit
23 today.

24 HEARING EXAMINER BRANCARD: Thank you. Any other
25 interested persons for Case 22365, 366, 367 and 368?

1 (No audible response.)

2 HEARING EXAMINER BRANCARD: Hearing none,
3 Mr. Rodriguez, are you ready to proceed?

4 MR. RODRIGUEZ: Yes, I am, thank you.

5 HEARING EXAMINER BRANCARD: Please proceed.

6 MR. RODRIGUEZ: In Case Number 22365, Mewbourne
7 is seeking an order pooling all uncommitted interest within
8 the Bone Spring formation underlying a 240 acre standard
9 horizontal spacing unit comprised of the E/2 E/2 of Section
10 11 and the E/2 SE/4 of Section 2. They seek to dedicate
11 this unit to its Dragonstone 11/2 B2PI Fed Com Number 1
12 well.

13 In Case Number 22366, Mewbourne is seeking an
14 order pooling all uncommitted interest within the Bone
15 Spring formation underlying a 240 acre standard horizontal
16 spacing unit comprised of the E/2 W/2 of Section 11 and E/2
17 SW/4 of Section 2 and seeks to dedicate that unit to the
18 Dragonstone 11/2 B2NK Fed Com 1 well.

19 In Case Number 22367, Mewbourne seeks an order
20 pooling all uncommitted interest within the Bone Spring
21 formation underlying a 240 acre standard horizontal spacing
22 unit comprised of the W/2 W/2 of Section 11 and the W/2 SW/4
23 of Section 2 and seeks to dedicate that unit to its
24 Dragonstone 11/2 B2ML Fed Com well.

25 And in Case Number 22368, Mewbourne seeks an

1 order pooling all uncommitted interest within the Bone
2 Spring formation underlying a 240 acre standard horizontal
3 spacing unit comprised of the W/2 E/2 of Section 11 and the
4 W/2 SE/4 of Section 2 and seeks to dedicate that unit to the
5 Dragonstone 11/2 B20J Fed Com Number 1 Well.

6 And the pool that Mewbourne is seeking to pool is
7 the Young Bone Spring North Pool 63350 within the Bone
8 Spring formation in Township 18 South, Range 32 East, Lea
9 County, New Mexico.

10 The exhibit packet submitted to the Division for
11 these cases are identical and contain the compulsory pooling
12 checklist, Exhibit A, which is the land professional
13 testimony and related land exhibits, Exhibit B which is the
14 geologist testimony and related geology exhibits, and
15 Exhibit A-6 and A-7 are the sample notice of hearing letters
16 and affidavits of publication reflecting all notice
17 requirements have been met.

18 And with that, I ask that Exhibits A through A-7,
19 and B through B-6 be admitted into the record and Case
20 Numbers 22365, 22366, 22367 and 22368 be taken under
21 advisement. Thank you.

22 HEARING EXAMINER BRANCARD: Thank you. Start
23 with Ms. Ryan. Any questions or concerns?

24 MS. RYAN: No. Thank you.

25 HEARING EXAMINER BRANCARD: Mr. Rankin, any

1 questions or concerns?

2 MR. RANKIN: None, thank you, Mr. Examiner.

3 HEARING EXAMINER BRANCARD: All right. Ms.
4 Murphy, questions?

5 TECHNICAL EXAMINER MURPHY: A general comment,
6 Mr. Rodriguez and others, the C-102 could be filled in more.
7 It doesn't have the certification signed, the dedicated
8 acres and the pool, and the pool code, you have those at
9 this point. And I understand when you go and get the --
10 when you submit for the APD, of course it's all filled in,
11 but it could be filled in at this point, too. Thank you.

12 MR. RODRIGUEZ: Thank you. I will take that into
13 consideration going forward.

14 TECHNICAL EXAMINER MURPHY: Thank you.

15 HEARING EXAMINER BRANCARD: Thank you. I always
16 hate it when you don't have a line for the well -- where the
17 well is actually -- anyway. I have no questions. Are there
18 any other questions or concerns for Cases 22365 and 366, 367
19 and 368?

20 (No audible response.)

21 HEARING EXAMINER BRANCARD: Hearing none, cases
22 22365, 22366, 23367, 22368 will be taken under advisement.
23 Thank you.

24 (Taken under advisement.)

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

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 17th day of February 2022.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253
License Expires: 12-31-22

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