

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 APACHE CORPORATION
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

Case No. 22806, 22807

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 2, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing
before the New Mexico Oil Conservation Division,
HEARING OFFICER WILLIAM BRANCARD and TECHNICAL
HEARING OFFICER JOHN GARCIA on Thursday, June 2,
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS
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16 I N D E X

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1 HEARING OFFICER BRANCARD: With that I
2 call Items 53 and 54. This is Cases 22806, 22807,
3 Mewbourne Oil Company.

4 MR. FELDEVERT: May it please the
5 Examiner, Michael Feldewert, Santa Fe office of
6 Holland & Hart appearing on behalf of Mewbourne Oil
7 Company. And if you would like, Mr. Examiner, we
8 can consolidate this with the next two cases. I'm
9 sorry, you have already done that with both cases.
10 Never mind.

11 HEARING OFFICER BRANCARD: I have an entry
12 or 807 Marathon Oil Permian.

13 MS. BENNETT: Good morning, Mr. Examiner,
14 Deana Bennett on behalf of Marathon Oil Permian,
15 LLC, and Marathon does not object to the case going
16 forward by affidavit.

17 HEARING OFFICER BRANCARD: Thank you.

18 Are there any other interested persons for
19 Cases 22806, and 22807?

20 Hearing none, Mr. Feldewert, you may
21 proceed.

22 MR. FELDEVERT: Mr. Examiner, these two
23 cases seek to create two different spacing units,
24 one in the east half of the west half and then one
25 in the west half of the west half of Sections 26 and

1 35, 23 South, 34 East for what are termed the Mad
2 Dog wells, which are to be drilled in the Bone
3 Spring formation.

4 You'll see that we submitted an exhibit
5 package for each case because we had separate land
6 affidavits for each case. But the geology affidavit
7 is the same for both cases in both packages and they
8 are organized the same in each case.

9 And that is that exhibit we provide the
10 checklist and the filed application as part of our
11 exhibit package.

12 Then in each package, the Exhibit A,
13 Mewbourne Exhibit A is the affidavit of Adriana
14 Salgado who is a landman with the company. She has
15 not previously testified, so in each of her
16 affidavits she offers her credentials, which we
17 believe qualifies her to testify as an expert in
18 petroleum land matters.

19 In each package she provides as Exhibit A1
20 a tract ownership map for each spacing unit.

21 And then in Exhibit A2 in each package is
22 an ownership breakdown for a particular spacing unit
23 and she notes that she identifies the parties that
24 they seek to pool by using an asterisk.

25 I do need to supplement the record to say

1 that they have reached an agreement with LH&H
2 Properties as well as MV Petroleum, so they are no
3 longer being pooled. They have each signed a JOA,
4 so if you take their interests out, they're roughly
5 pooling a little less than 10 percent of the
6 remaining interests.

7 Exhibit A3 is a summary of contacts with
8 the parties that they seek to pool. And that
9 exhibit includes the well proposal letter and some
10 of the correspondence between the parties in these
11 efforts.

12 Exhibit A4 in each package is the AFE for
13 each well.

14 And A5 is something we added to the
15 package and that is the C102, draft C102 for each
16 well by the pool code, dedicated acreage, et cetera.

17 Exhibit B, as in boy, the affidavit of
18 self-affirmed statement of Jordan Carrell who is a
19 geologist who has previously testified for this
20 Division.

21 His Exhibit B1 provides a general location
22 map for these Mad Dog drilling units. He provides
23 as well a structure map reached in each case, and
24 this is Exhibit B2.

25 And then Exhibit B3 is a structural cross

1 section showing the target intervals for each of the
2 Mad Dog wells.

3 Exhibit C is our affidavit of notice for
4 this particular, each case to the effective parties.
5 It looks like most of them were delivered but one
6 was going to arrive later than expected but still on
7 its way, according to the Postal Service, which is
8 why we then went ahead and submitted an affidavit of
9 publication as Exhibit D.

10 So with that, we ask that Exhibits A, B,
11 C, and D in each matter be admitted into evidence
12 and that these two cases be taken under advisement.

13 HEARING OFFICER BRANCARD: Thank you.

14 Ms. Bennett, let me start by asking, any
15 objections to Ms. Salgado being qualified as an
16 expert?

17 MS. BENNETT: No objections.

18 HEARING OFFICER BRANCARD: Okay.

19 Ms. Salgado is so qualified.

20 Any questions or comments?

21 MS. BENNETT: No questions from me.

22 Thank you very much.

23 HEARING OFFICER BRANCARD: Thank you.

24 Mr. Garcia?

25 TECHNICAL HEARING OFFICER GARCIA: I have

1 no questions.

2 HEARING OFFICER BRANCARD: I do not have
3 any questions either.

4 MR. FELDEVERT: Thank you very much.

5 HEARING OFFICER BRANCARD: So with -- are
6 there any interested persons, then, for cases 22806
7 and 22807?

8 Well, first of all, Mr. Feldewert, you
9 mentioned that some of these parties are now
10 omitted. Did you want to amend the exhibits? That
11 would be like A1 and A2.

12 MR. FELDEVERT: I don't -- I think -- I
13 don't see a need for that, Mr. Brancard. I mean, I
14 put it all on the record. I don't think either of
15 those parties are concerned since they've signed the
16 JOA, so I think you can move forward with what we
17 have.

18 HEARING OFFICER BRANCARD: All right.
19 Thank you.

20 With that, the exhibits will be admitted
21 into the record in Cases 22806 and 22807, and these
22 cases will be taken under advisement.

23 MR. FELDEVERT: Thank you.

24 (Matter concluded.)

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REPORTER'S CERTIFICATE

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I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter. I further certify that the transcript fees and format comply with those prescribed by the Court and the Judicial Conference of the United States.

Date: June 2, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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