

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: 22638, 22639

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
EXAMINER HEARING  
JULY 7, 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 EXAMINER DEAN McCLURE on  
Thursday, July 7, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS  
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A P P E A R A N C E S

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I N D E X

CASE CALLED	
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1 HEARING EXAMINER BRANCARD: All right. With that  
2 we are now looking at Items 56 and 57 in Cases 22638, 22639,  
3 Mewbourne Oil Company.

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

6 HEARING EXAMINER BRANCARD: We have MRC Delaware  
7 Resources.

8 MR. FELDEWERT: Good morning, Mr. Brancard and  
9 Mr. McClure, Michael Feldewert with the Santa Fe office of  
10 Holland & Hart.

11 HEARING EXAMINER BRANCARD: Any other interested  
12 persons for Cases 22638 and 22639.

13 (No audible response.)

14 HEARING EXAMINER BRANCARD: Thank you. Mr.  
15 Feldewert, is your client okay with these cases going  
16 forward by affidavit?

17 MR. FELDEWERT: Yes, Mr. Examiner.

18 HEARING EXAMINER BRANCARD: Thank you. Please  
19 proceed, Mr. Bruce.

20 MR. BRUCE: Mr. Examiner, I submitted two exhibit  
21 packages just because of the size of them. Going to 638 in  
22 this case, Exhibit 1 is the application and proposed ad.  
23 Mewbourne seeks to force pool the N/2 S/2 of Section 22, 18  
24 South and 29 East for the Puma Blanca 22 B2IL Number 1H  
25 Well. This is a one-mile lateral, only a one-mile lateral

1 because there is an existing well in the N/2 S/2 of Section  
2 21. And -- yes, in the N/2 S/2 of Section 21.

3 Mewbourne is planning on drilling a Second Bone  
4 Spring Well. Exhibit 2 is the affidavit of Tyler Jolly, the  
5 landman. It contains the usual information, C-102, land  
6 plats, lists the interest owners.

7 And as part of Exhibit 2-B, there is one list of  
8 interest owner -- owners at the end that lists in red all of  
9 the parties who are subject to forced pooling. There is a  
10 number of additional parties who might have been given  
11 notice, but Mewbourne has come to terms with them.

12 There is a copy sample of the proposal letter,  
13 the AFE. Mewbourne seeks \$8,000 dollars a month for  
14 drilling well, \$800 a month for producing well and the usual  
15 200 percent risk charge.

16 There is a geologic affidavit by Mr. Crosby which  
17 addresses both cases. It contains the usual cross section,  
18 isopach, and structure map, as well as a horizontal drilling  
19 plan and production from -- there is not much production in  
20 this area, but there is a production -- production table  
21 attached to Mr. Crosby's information. And it does show that  
22 the Second Bone Spring is continuous across the proposed  
23 well units and contains the usual information.

24 Exhibit 4 is the affidavit of notice. There --  
25 some of these parties have multiple addresses. Notice was

1 sent to them all. Just yesterday I did receive a bunch of  
2 green cards back, which leaves only one person, Mr. Clifford  
3 Cone, who has not returned a green card, but notice was  
4 timely published for a change by me, so I believe notice is  
5 correct.

6 The exhibits for 22639 are submitted separately,  
7 and in this one this is a two-mile lateral covering the S/2  
8 S/2 of Sections 21 and 22 for the Puma Blanca B2PM 1H well.  
9 The landman's plat is similar to the first one, just  
10 addressing the longer lateral. There's the usual C-102s,  
11 land tract maps, again, it shows the interest being pooled.

12 There is a couple of different additional  
13 interest owners being pooled in this one and specifically  
14 Devon Energy and Magnum Hunter Production, which were not  
15 pooled in 638.

16 And there is information on the proposal letter,  
17 negotiations with the parties, and again the affidavit of  
18 Charles Crosby, which is identical which covers both well  
19 units. There is a proposal letter.

20 At this point everyone except one person has  
21 received notice, but there is an affidavit of publication  
22 which shows -- which was timely published which shows that  
23 people, if they did not receive a green card, they did  
24 receive substitute notice by publication.

25 I believe the exhibit packages are complete, and

1 I would move the admission of Exhibits 1 through 6 in each  
2 case and ask that the matters be taken under advisement. I  
3 will later today prepare a spreadsheet showing the notice  
4 and along with additional green cards, so the Division has  
5 in its records as to who received actual notice, if that is  
6 acceptable.

7 HEARING EXAMINER BRANCARD: Thank you. Mr.  
8 Feldewert, any questions?

9 MR. FELDEWERT: No, thank you, sir.

10 HEARING EXAMINER BRANCARD: Mr. McClure?

11 TECHNICAL EXAMINER McCLURE: No, Mr. Brancard, I  
12 have no questions for either of these cases.

13 HEARING EXAMINER BRANCARD: Thank you. Mr. Bruce  
14 it's really helpful to have the spreadsheet. The one thing  
15 I noticed in the second case is that under the list of  
16 parties being pooled, you indicate them in red. That's  
17 also -- Devon is listed as having over 20 percent spacing  
18 unit being pooled; is that correct?

19 MR. BRUCE: Yes, that is correct.

20 HEARING EXAMINER BRANCARD: Okay. But then when  
21 you go to the next page where it has like summary of  
22 communications, it has no communication to Devon. And then  
23 when you go to your affidavit of notice, there is an  
24 attached Exhibit A which has a list of all the people and  
25 addresses that it's being sent to, and I don't see anything

1 for Devon.

2                   However, there is a green -- there is -- it  
3 looks like a certified mailing to Devon at some point in  
4 your stack of certified mailings. So it may just be that  
5 they are not on the list and should be on the list, that's  
6 all. So your spreadsheet can help clarify that.

7                   MR. BRUCE: Okay. Will do. All right. That was  
8 all I have, so --

9                   HEARING EXAMINER BRANCARD: All right, that was  
10 all I have. So with that, Cases 22638, 22639, are there any  
11 other comments?

12                   (No audible response.)

13                   HEARING EXAMINER BRANCARD: Hearing none, these  
14 cases will be taken under advisement. And Mewbourne will  
15 submit a spreadsheet on notice and any other additional  
16 notice information that you have.

17                   MR. BRUCE: Thank you.

18                   (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 do hereby certify that I reported the  
7 foregoing virtual proceedings in stenographic shorthand and  
8 that the foregoing pages are a true and correct transcript  
9 of those proceedings to the best of my ability.

10 I FURTHER CERTIFY that I am neither employed by  
11 nor related to any of the parties or attorneys in this case  
12 and that I have no interest in the final disposition of this  
13 case.

14 I FURTHER CERTIFY that the Virtual Proceeding was  
15 of poor to good quality.

16 Dated this 7th day of July 2022.

17

/s/ Irene Delgado

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\_\_\_\_\_  
Court Reporter  
License Expires: 12-31-22

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