

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 MEWBOURNE OIL COMPANY
FOR COMPULSORY POOLING
EDDY COUNTY, NEW MEXICO

Case No. 22646, 22647

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
June 16, 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 DYLAN ROSE-COSS on Thursday, June
16, 2022, through the Webex Platform.

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

For Mewbourne Oil Company:

JAMES GARRETT BRUCE, ATTORNEY AT LAW
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1 HEARING OFFICER BRANCARD: Cases 22646,
2 22647, Mewbourne Oil Company.

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

5 HEARING OFFICER BRANCARD: Thank you.

6 Are there any other interested persons for
7 Cases 22646, 22647?

8 Hearing none, you may proceed, Mr. Bruce.

9 MR. BRUCE: Mr. Examiner, Case -646
10 Mewbourne seeks to force pool Bone Spring formation
11 in the north half-south half of both Sections 21 and
12 20 of 20 South, 27 East.

13 In -647, it seeks to pool the south
14 half-south half of both of those sections as to the
15 Bone Spring formation. Each exhibit package is
16 pretty much identical other than, of course, the
17 different C102s, et cetera, and different pooling
18 checklists for each well.

19 Exhibit 1 is the application of proposed
20 notice.

21 Exhibit 2 is the affidavit of
22 Mr. Blandford, the Landman containing all the usual
23 information, land plats, C102s, maps showing the
24 different tracts involved and the interest owners
25 involved and then showing the people who are being

1 pooled who are designated on the final tract
2 ownership plats. You can see that Mewbourne and a
3 number of people have signed JOAs and there's a
4 listing of people with an asterisk by their names
5 who have not signed a JOA and those are the parties
6 being pooled.

7 OXY, et al., the landman gives a summary
8 of contacts with various parties. There's a sample
9 copy of the proposal letter. And a sample copy of
10 the -- or I shouldn't say a sample copy, there's a
11 copy of the AFE certified notice was given, that's
12 Exhibit 4.

13 I should say Exhibit 3 is the affidavit of
14 the geologist. And contains the usual structure
15 map, isopach and cross section showing that the zone
16 is continuous across the proposal well units and
17 that each quarter-quarter section should contribute
18 more or less equally to production.

19 Exhibit 4 is my affidavit of mailing.
20 Most people did receive certified notice. There
21 were two outstanding parties, Thomas Smith and OXY,
22 who I have not received green cards back from. But
23 those parties were also notified by publication, and
24 that's shown by Exhibit 5. And I know this might
25 knock you out of your chair, Mr. Examiner, but it

1 will be published in time for a change.

2 And Exhibit 6 of each package is the
3 pooling checklist.

4 I think the packages are complete.
5 Except, once again, I got bogged down in doing the
6 main exhibit packages and I need to give you a
7 spreadsheet just so you don't have to waste time on
8 the certified -- looking at who did and didn't get
9 notice, so I will submit to you a spreadsheet on
10 these cases.

11 HEARING OFFICER BRANCARD: Thank you.

12 Are you complete, Mr. Bruce?

13 MR. BRUCE: Yes, sir.

14 HEARING OFFICER BRANCARD: Mr. Rose-Coss,
15 any questions?

16 MR. ROSE-COSS: Sure, maybe a simple one.
17 I'm looking at Page 24 of 41 in the exhibit packet.
18 It looks like there's a survey for one of the wells.
19 Have these wells been drilled yet, or this a
20 continuation of an existing project?

21 MR. BRUCE: Let me see. These --
22 Mr. Rose-Coss, I can confirm for you, but I did
23 check the OCD's website and these wells have not
24 been drilled because there is an API number issued
25 to these wells. So I will confirm that to you, but

1 I know I looked at this probably over the weekend as
2 I was trying to come up with an API number for the
3 pooling checklists. But there is no APD in the
4 OCD's files for these two wells.

5 MR. ROSE-COSS: Okay. It says the
6 affidavit of the geologist. Explain why there's a
7 survey in there.

8 MR. BRUCE: Well, this is their -- usually
9 I get a plat but if a well is not near -- hasn't
10 been totally permitted yet, the survey calculation
11 reports is what they give to me. It's estimated,
12 you know, what depth they're going to and where the
13 various points are on the wells. And this is what
14 they give me. I don't have --

15 MR. ROSE-COSS: An estimation, it's not
16 the actual survey?

17 MR. BRUCE: Correct.

18 MR. ROSE-COSS: Well, that clears it up
19 then. No worries. That was my only question.

20 Thank you, Mr. Bruce.

21 HEARING OFFICER BRANCARD: Thank you.
22 You're okay, then, with that Attachment E,
23 Mr. Rose-Coss? Because I think the geologist
24 affidavit does say it's for the proposed wells.

25 MR. ROSE-COSS: Yeah, I see that. I would

1 say the information is only really useful to a
2 robot. I don't know what to make of it.

3 MR. BRUCE: I will ask the geologist when
4 I may expect to get an actual survey report, you
5 know, a predrilling survey. But I do know they
6 don't have one yet or I would have gotten one.

7 MR. ROSE-COSS: Okay. That's fine.

8 HEARING OFFICER BRANCARD: Thank you.

9 Mr. Bruce, I appreciate that you got the
10 newspaper done well in time, but I will note that
11 when you go to Exhibit 5, the actual copy of the
12 newspaper notice is not attached.

13 MR. BRUCE: Yeah, and I did mean to bring
14 that up. It may be sitting in my office but this
15 weekend I went crazy looking for that and I couldn't
16 find it anywhere.

17 Well, wait a minute. This -- no, this is
18 the actual. There's another case where I don't have
19 it. This is the actual affidavit of publication.
20 This is what I get from looking at newspapers.

21 HEARING OFFICER BRANCARD: Well, there's
22 an affidavit but the actual copy of the publication
23 is not there and I think it's just for the first
24 case. The second case may have it.

25 MR. BRUCE: Okay. I will do a

1 supplemental filing. I do have it in my file.

2 HEARING OFFICER BRANCARD: Believe it or
3 not, I actually read those so --

4 MR. BRUCE: I've come to read them, too.

5 HEARING OFFICER BRANCARD: Make sure it's
6 the right case and the right parties and whatever.

7 Thank you. Let's ask once again are there
8 any other interested persons for Cases 22646, 22647?

9 Hearing none, these cases will be taken
10 under advisement. We will leave the record open.

11 Mr. Bruce, you will provide us a notice
12 spreadsheet and then hopefully you can find a copy
13 of the actual newspaper clipping.

14 MR. BRUCE: Okay. Will do.

15 HEARING OFFICER: Thank you.

16 (Proceedings concluded at 9:19 a.m.)

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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 16, 2022

/s/ Edwina Castillo

EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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