

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: 22648, 22672

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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JOBY RITTENHOUSE  
ConocoPhillips Company  
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Midland, TX 79701-4882

THOMAS NICHOLS

I N D E X

CASE CALLED	
22648 TAKEN UNDER ADVISEMENT	08
22672 CONTINUED	10
REPORTER CERTIFICATE	11

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

	Admitted
22468 Exhibits and Attachments	08

1 HEARING EXAMINER BRANCARD: Now we are on Item  
2 58, Case 22648 and I believe also 22672, Mewbourne Oil  
3 Company.

4 MR. BRUCE: Yes, Mr. Examiner, Jim Bruce on  
5 behalf of Mewbourne. The -- the cases are separate and  
6 notice is different. I think the reason I had them together  
7 mainly because the geology, they are adjoining well units  
8 and geology is all the same.

9 HEARING EXAMINER BRANCARD: All right. Well,  
10 we've got a few entries of appearance, here, so let's go  
11 through them. Let's start with Sabinal Energy.

12 MR. JONES: Blake Jones with Steptoe and Johnson  
13 on behalf of Sabinal Energy Operating.

14 HEARING EXAMINER BRANCARD: Thank you. And you  
15 are here for both cases. Is that correct, Mr. Jones?

16 MR. JONES: That's correct.

17 HEARING EXAMINER BRANCARD: COG Operating?

18 MR. RITTENHOUSE: Yes, sir, Mr. Examiner, this is  
19 Joby Rittenhouse appearing on behalf of COG. We are  
20 appearing in 672.

21 HEARING EXAMINER BRANCARD: Thank you. And then  
22 I have an entry of appearance NimTex Energy.

23 MR. NICHOLS: Thomas Nichols for NimTex Energy,  
24 and we are just in the 672 as well.

25 HEARING EXAMINER BRANCARD: Any other interested

1 persons for Case 22648 or 22672.

2 (No audible response.)

3 HEARING EXAMINER BRANCARD: Hearing none, let me  
4 first ask, do any of these persons who have entered  
5 appearances object to these cases going forward by  
6 affidavit?

7 (No audible response.)

8 MR. NICHOLS: I think we'd object, Mr. Examiner,  
9 we would object, but with that we don't have an affidavit  
10 filed.

11 HEARING EXAMINER BRANCARD: Okay. If you object  
12 to the case going forward by affidavit, that means we need  
13 to set the case for hearing on this case. That's the  
14 implication of objecting to the case going forward by  
15 affidavit.

16 MR. NICHOLS: Can we file a continuance on the  
17 case?

18 HEARING EXAMINER BRANCARD: Well, the case would  
19 be moved to another hearing docket.

20 MR. NICHOLS: That would be our preference.

21 HEARING EXAMINER BRANCARD: Mr. Bruce?

22 MR. BRUCE: Well, I don't think I have any  
23 options here, Mr. Examiner. I would point out one thing is  
24 that I was going to announce this on the record, Sabinal  
25 Operating is dismissed in these two cases. They have

1 reached agreement with Mewbourne, and so their interest is  
2 not being pooled.

3 HEARING EXAMINER BRANCARD: Mr. Jones, do you  
4 concur?

5 MR. JONES: That's correct. Thank you, Mr.  
6 Bruce.

7 HEARING EXAMINER BRANCARD: So we can move  
8 forward with Case 22648, and then after that we will set a  
9 time for Case 22672, try to find a docket for that. Are you  
10 willing to do that, Mr. Bruce?

11 MR. BRUCE: I think under the rules I have to,  
12 Mr. Examiner.

13 HEARING EXAMINER BRANCARD: But you are willing  
14 to separate the cases?

15 MR. BRUCE: Yes.

16 HEARING EXAMINER BRANCARD: So with that, would  
17 you please proceed with Case 22648?

18 MR. BRUCE: In this case, Mr. Examiner, Mewbourne  
19 seeks to force pool the S/2 SE of Section 28 and S/2 S/2 of  
20 Section 27 of 20 South, 27 East, to drill the Nina 28/27  
21 B30P Well Number 1H Third Bone Spring well. The application  
22 proposed notice are submitted as Exhibit 1.

23 Exhibit 2 is the affidavit of the landman Braxton  
24 Blandford, the usual tract maps, C-102s, list of interests  
25 owners and parties being pooled are attached as well as a

1 sample proposal letter, and the AFE. Again Mewbourne  
2 requests 8,000 and \$800 a month as the overhead on these  
3 wells -- on this well.

4           And the geologist, Charles Crosby, his affidavit  
5 is marked Exhibit 3 contains the structure map, cross  
6 section, Third Bone Spring production table and the offset  
7 wells and the survey calculation reports. Again it shows  
8 that the Third Bone Spring is uniformly thick across the  
9 proposed well unit, and so geologically speaking all  
10 quarter-quarter sections should be contributing to  
11 production when the well is drilled and completed.

12           Exhibit 4 is my affidavit of notice, again a  
13 couple of additional green cards have come in, but they are  
14 not in the exhibit package, but there is a publication of  
15 notice marked Exhibit 5 which is timely published, and so  
16 parties received actual notice or constructive notice.

17           And Exhibit 6 is the pooling checklist which I  
18 remembered to sign this time. And with that, I would move  
19 Exhibits 1 through 6 as to case 22648 and ask that it be  
20 taken under advisement.

21           HEARING EXAMINER BRANCARD: Mr. McClure, any  
22 questions?

23           TECHNICAL EXAMINER McCLURE: Yes, Mr. Brancard, I  
24 do. Mr. Bruce, do we know which pool is in this area for  
25 the Bone Spring? I notice it's not included on your C-102.

1           MR. BRUCE: Correct. I asked that information of  
2 the landman, but he was out of the office yesterday, and I  
3 will get that info.

4           TECHNICAL EXAMINER McCLURE: No more questions,  
5 Mr. Brancard.

6           HEARING EXAMINER BRANCARD: Thank you. Mr.  
7 Bruce, I noticed an odd thing in the publication for these  
8 cases. As far as I can tell when I read the actual  
9 publication, the case number is not listed.

10          MR. BRUCE: Oversight. Would you like --

11          HEARING EXAMINER BRANCARD: Are there any other  
12 interested persons for Case 22648?

13                   (No audible response.)

14          HEARING EXAMINER BRANCARD: Hearing none, you are  
15 going to revise the C-102 --

16          MR. BRUCE: Yes.

17          HEARING EXAMINER BRANCARD: -- to provide us with  
18 the pool information?

19          MR. BRUCE: That is correct.

20          HEARING EXAMINER BRANCARD: Then is there  
21 anything else that we needed?

22                   (No audible response.)

23          MR. BRUCE: I don't think so.

24          HEARING EXAMINER BRANCARD: Okay. With that, the  
25 exhibits in Case 22648 will be admitted into the record, and

1 the case will be taken under advisement and the record left  
2 open to provide additional information in the C-102. As for  
3 Case 22672, Mr. Bruce, I believe the choice is September 1  
4 or September 15.

5 (Exhibits in Case 22648 admitted.)

6 (Case 22648 taken under advisement.)

7 MR. BRUCE: Did you say September 1 or 15?

8 HEARING EXAMINER BRANCARD: Yes.

9 MR. BRUCE: I prefer September 1.

10 MR. NICHOLS: This is Thomas Nichols for NimTex  
11 Energy, I don't suppose there is any way to approve  
12 everything except the compulsory pooling of NimTex Energy,  
13 or does it all have to be done at once? I apologize for my  
14 lack of familiarity with the process and proceeding.

15 HEARING EXAMINER BRANCARD: Well, some parties do  
16 try to agree to exclude parties from the pooling order. Mr.  
17 Bruce?

18 MR. BRUCE: I -- I am willing to do that if the  
19 gentleman would be acceptable to that. I prefer to pool  
20 everyone at once, but if they don't reach terms, I guess we  
21 would have to pool NimTex some date in the future, but it  
22 would be nice to get the order out.

23 MR. NICHOLS: I think the issue is we are going  
24 to object to the proceeding and would like to save the time.

25 MR. BRUCE: And would like to save what, sir? It

1 cut out a little bit.

2 (Audio dropped.)

3 HEARING EXAMINER BRANCARD: Mr. Nichols, you cut  
4 out there.

5 MS. SALVIDREZ: I think he might have dropped the  
6 call, so maybe we can wait for him to come back on because I  
7 don't see him any more.

8 MR. RITTENHOUSE: I guess while we wait -- this  
9 is Joby Rittenhouse (audio dropped) I will make clear  
10 that (audio dropped) there is no objection or no position  
11 taken by COG with respect to that approach.

12 HEARING EXAMINER BRANCARD: Thank you.  
13 Mr. Jones, is Sabinal still in this case also, or have you  
14 dropped in this case.

15 MR. JONES: They are not in this case as well.

16 HEARING EXAMINER BRANCARD: Thank you.

17 MR. BRUCE: They are out of this case, also.

18 HEARING EXAMINER BRANCARD: Any luck, Marlene?

19 MS. SALVIDREZ: I do not see him at all.

20 HEARING EXAMINER BRANCARD: Why don't we put the  
21 Case 22672 on hold. Is that okay, Mr. Bruce?

22 MR. BRUCE: Sure.

23 HEARING EXAMINER BRANCARD: It sounds like there  
24 is an opportunity here to possibly go ahead today, so I  
25 don't want to immediately make a decision. We will wait and

1 hopefully Mr. Nichols will get back on line.

2 (Pause in proceeding due to Mr. Nichols audio  
3 difficulties.

4 (Case 22672 continued.)

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1 STATE OF NEW MEXICO  
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REPORTER'S CERTIFICATE

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

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

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

Dated this 7th day of July 2022.

/s/ Irene Delgado  
\_\_\_\_\_  
Court Reporter  
License Expires: 12-31-22