

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: 22869, 22870

APPLICATION 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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Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

MICHAEL FELDEWERT  
HOLLAND & HART  
110 North Guadalupe, Suite 1  
Santa Fe, NM 87501  
505-954-7286

DARIN SAVAGE  
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Santa Fe, New Mexico 87501

JOBY RITTENHOUSE  
ConocoPhillips Company  
600 W Illinois Ave  
Midland, TX 79701-4882

I N D E X

CASE CALLED	
TAKEN UNDER ADVISEMENT	08
REPORTER CERTIFICATE	09

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

	Admitted
Exhibits and Attachments	08

1 HEARING EXAMINER BRANCARD: Okay. We are now on  
2 Items 30 and 31, Cases 22869, 22870, Mewbourne Oil Company.

3 MR. FELDEWERT: Good morning, Mr. Brancard, Mr.  
4 McClure, Michael Feldewert of the Santa Fe office of Holland  
5 & Hart on above of the applicant.

6 HEARING EXAMINER BRANCARD: Cotera Energy.

7 MR. SAVAGE: Good morning. Darin Savage with  
8 Abadie & Schill on behalf of Cotera Energy.

9 HEARING EXAMINER BRANCARD: COG Operating?

10 MR. RITTENHOUSE: Joby Rittenhouse appearing on  
11 behalf of COG Operating.

12 HEARING EXAMINER BRANCARD: Any other persons for  
13 Cases 22869, 22870?

14 (No audible response.)

15 HEARING EXAMINER BRANCARD: Hearing none, I  
16 believe we had an objection, but it may be withdrawn. Mr.  
17 Feldewert, can you explain?

18 MR. FELDEWERT: Mr. Examiner, yes, it's my  
19 understanding that Mewbourne and Cotera filed the objection  
20 to the matter proceeding by affidavit have reached an  
21 agreement to allow us to move forward by affidavit. We are  
22 prepared to do that. We prefiled our exhibits in  
23 anticipation of that.

24 I know that Cotera has filed a pleading, I think  
25 it was yesterday, indicating the withdrawal of their

1 objection, and it likewise was sent to me in an e-mail to  
2 alert me that we could move forward, of course with your  
3 permission, which we would like to do.

4 HEARING EXAMINER BRANCARD: Thank you, Mr.  
5 Savage?

6 MR. SAVAGE: Mr. Brancard, that's correct. We  
7 want to accommodate Mewbourne in this matter and they can  
8 move forward.

9 HEARING EXAMINER BRANCARD: Mr. Rittenhouse?

10 MR. RITTENHOUSE: Nothing from COG, fine by us.

11 HEARING EXAMINER BRANCARD: Anyone else objecting  
12 to these cases moving forward by affidavit?

13 (No audible response.)

14 HEARING EXAMINER BRANCARD: Hearing none, Mr.  
15 Feldewert, you can move ahead with your case.

16 MR. FELDEWERT: Thank you, sir. Mr. Examiner,  
17 sorry, you will see our hearing package that was filed  
18 consolidated for both of these cases which contains our  
19 checklist for both matters in the applications.

20 We provided self affirmed statement of the  
21 landman Tyler Jolly, and you will see what Mewbourne is  
22 doing here is pooling two standard Bone Spring spacing units  
23 in what would be the N/2 equivalent of irregular sections 5  
24 and 6 in 20 South, 29 East in Eddy County.

25 Case 22870 involves a series of lots in both

1 sections which would be the N/2 N/2 equivalent of Sections 5  
2 and 6.

3 Case 22870 involves what is the S/2 of the N/2  
4 equivalent. I think there is one lot involved there.  
5 That's why the acreage amount varies between the two  
6 applications.

7 Mr. Jolly notes that he provides C-102s, general  
8 location plat for these two spacing units. He provides a  
9 breakdown of the ownership by tract and then by consolidated  
10 spacing unit, and you will see that we are seeking to pool  
11 only three parties, all of whom are major interest owners  
12 and therefore locatable.

13 He provides then the sample of the well proposal  
14 letter and the AFEs that were sent to these parties and a  
15 chronology of contacts. We then provided a self affirmed  
16 statement of Charles Crosby who is a geologist who provided  
17 a structure map across this area and a stratigraphic cross  
18 section for these two spacing units and provided the  
19 opinions that you customarily see for pooling.

20 We finally provided as Exhibit C my notice  
21 affidavit and noting that all the parties did receive actual  
22 notice of this hearing, therefore publication in the  
23 newspaper was unnecessary.

24 So with that, we would move the admission of  
25 Mewbourne Exhibits A, B and C and ask that these matters be

1 taken under advisement.

2 HEARING EXAMINER BRANCARD: Thank you. Mr.  
3 McClure, questions?

4 TECHNICAL EXAMINER McCLURE: No questions for  
5 either of these cases, Mr. Brancard.

6 HEARING EXAMINER BRANCARD: Okay. So Mr.  
7 Feldewert, if I understand that these -- the tracts consist  
8 of two lots each; is that correct?

9 MR. FELDEWERT: When you are looking at Tract 1 ,  
10 Tract 2, Tract 3 and Tract 4 in the breakdown, is that what  
11 you are looking at?

12 HEARING EXAMINER BRANCARD: Yes.

13 MR. FELDEWERT: Yes. Well, let me step back. On  
14 each case, the case for the N/2 N/2 equivalents has four  
15 lots across the top of each section. And you are correct,  
16 it would appear that lots -- there are two lots in each  
17 tract in the N/2 N/2 equivalent acreage.

18 HEARING EXAMINER BRANCARD: And so then lot  
19 five --

20 MR. FELDEWERT: Let me get to my map.

21 HEARING EXAMINER BRANCARD: (Inaudible.)

22 MR. FELDEWERT: Yes.

23 HEARING EXAMINER BRANCARD: So that lot,  
24 essentially, you know is this an undersized version of two  
25 quarter-quarter sections?

1                   MR. FELDEWERT: According to whoever mapped this  
2 out on USGS, I guess that's correct. It looks to me, I'm  
3 also looking at it, Mr. Examiner, I'm looking at a number of  
4 these tracts are on the same lease.

5                   HEARING EXAMINER BRANCARD: Yes. All right. I  
6 just want to get it on the record that you and I have  
7 discussed we are going to get into more complicated  
8 irregular sections at some point to determine for a purpose  
9 of just edification here, we are trying to determine for the  
10 purpose of a standard horizontal spacing unit when it says  
11 you combined tracts which are quarter-quarter Section 4  
12 equivalents where we are with that.

13                   These are fairly equivalent to normal  
14 quarter-quarter sections, it seems to me, and the acreage  
15 difference is not that significant when you look at the  
16 entire spacing unit. That's my pronouncement for today.

17                   MR. FELDEWERT: I agree, Mr. Examiner, this is  
18 fairly straightforward, of what they mean by equivalent in  
19 horizontal well rules.

20                   HEARING EXAMINER BRANCARD: Thank you. Are there  
21 any other questions or concerns then for Cases 22869, 22870?  
22 I guess I should have asked you, Mr. Savage, if you had  
23 questions.

24                   MR. SAVAGE: No questions today. Thank you.

25                   HEARING EXAMINER BRANCARD: Mr. Rittenhouse?

1 MR. RITTENHOUSE: Nothing from COG.

2 HEARING EXAMINER BRANCARD: All right. With  
3 that, the exhibits in Cases 22869, 22870 will be admitted  
4 into the record, and these cases will be taken under  
5 advisement.

6 MR. FELDEWERT: Thank you.

7 (Exhibits admitted.)

8 (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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