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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  
LEA COUNTY, NEW MEXICO

APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING  
LEA COUNTY, NEW MEXICO

Case No. 22672

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS  
July 8, 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 DEAN McCLURE on Thursday, July 8,  
2022, through the Webex Platform.

Reported by: PAUL BACA COURT REPORTERS  
500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102  
505-843-9241

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APPEARANCES

FOR MEWOURNE OIL COMPANY:

JAMES GARRETT BRUCE ATTORNEY AT LAW  
PO Box 1056  
Santa Fe, New Mexico 87504-1056  
505-982-2043  
BY: JAMES G. BRUCE  
jamesbrucc@aol.com

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EXHIBITS

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1 HEARING OFFICER BRANCARD: So Mr. Bruce,  
2 are you on the line?

3 MR. BRUCE: Yes, sir.

4 HEARING OFFICER BRANCARD: Excellent. So  
5 with that, I will call Case No. 22672. This is  
6 Number 59 on the worksheet, Mewbourne Oil Company.

7 MR. BRUCE: Mr. Examiner, Jim Bruce on  
8 behalf of Mewbourne Oil Company.

9 HEARING OFFICER BRANCARD: Thank you.  
10 I don't know if anyone else is here but  
11 we'll try.

12 Sabinal Energy Operating?

13 MR. BRUCE: And Mr. Examiner, Sabinal has  
14 been dismissed from this application.

15 HEARING OFFICER BRANCARD: That's right.  
16 Thank you.

17 COG Operating? And then finally NimTex  
18 Energy.

19 MR. BRUCE: And Mr. Examiner, I emailed  
20 you a little while ago. I finally got a response  
21 from NimTex and they agreed to the proposal to  
22 dismiss them from the application. And I will  
23 probably do a supplement filing just to include that  
24 email in the record of the case.

25 HEARING OFFICER BRANCARD: And that will

1 be helpful. Thank you. Since they didn't file an  
2 objection.

3 All right. With that Mr. Bruce, please  
4 proceed.

5 MR. BRUCE: And that will be very short,  
6 Mr. Examiner, so that you can get to the main event.

7 In this case, Mewbourne seeks to force  
8 pool a well unit in the Bone Spring formation  
9 underlying the S/2 SW quarter of Section 28 and the  
10 S/2 S/2 of Section 29, 20 South, 27 East, for  
11 purposes of drilling its Pinta 28/29 B3NM Fed. Com.  
12 Well No. 1H.

13 The application and proposed noticed are  
14 submitted as Exhibit 1.

15 Exhibit 2 is the affidavit of Braxton  
16 Blandford, landman for Mewbourne Oil Company. It  
17 contains the usual tract plats, the C-102. The  
18 information on each tract, included in the well unit  
19 including those people who need to be forced pooled,  
20 a summary of communications with the interest  
21 owners, a copy of the proposal letter, and the AFE  
22 which is stated to be a fair and reasonable.

23 As usual, Mewbourne requests overhead  
24 rates of 8,000 per month while drilling, 800 a month  
25 while producing, and a 200 percent risk charge.

1           Exhibit 3 is the affidavit of Charles  
2 Crosby, the geologist. And it contains the usual  
3 structure map, cross section which shows that the  
4 target zone is uniform, almost uniformly thick  
5 across the well unit and is capable of being  
6 produced by a horizontal well and each  
7 quarter-quarter section contributes more or less  
8 equally to production. And there is production.

9           This is a third Bone Spring well and there  
10 is production data from offset wells submitted as  
11 Exhibit C3. There's not many wells in this area but  
12 there is some data, including a couple of new wells  
13 that have no data.

14           The survey calculation reports -- a survey  
15 calculation report for the well is attached as  
16 Exhibit 3D. When I get a horizontal survey plat, I  
17 will submit to that to the division but one was not  
18 available this week.

19           Exhibit 4 is my affidavit of notice. I  
20 will update this because I have received additional  
21 green cards, and I will provide a spreadsheet  
22 showing service to the various people.

23           Exhibit 5 is the publication affidavit  
24 which was timely published and so everyone has  
25 received either actual or constructive notice.

1           And Exhibit 6 is the pooling checklist,  
2           which does not contain the pool name or pool code,  
3           which will I obtain and I will submit a revised  
4           Exhibit 6.

5           But with that, I think the application  
6           packet is complete and I do request admission of  
7           Exhibits 1 through 6 and ask that this matter be  
8           taken under advisement.

9           HEARING OFFICER BRANCARD: Thank you.

10          Mr. McClure, questions?

11          MR. McCLURE: Yes, Mr. Brancard, I just  
12          have one question for Mr. Bruce. Maybe I missed it,  
13          maybe I asked it yesterday, Mr. Bruce. Did we have  
14          a pool for the Bone Spring there?

15          MR. BRUCE: I believe there is one. And I  
16          will get that information and update the pooling  
17          checklist with that information.

18          MR. McCLURE: Okay. Thank you. No more  
19          questions.

20          HEARING OFFICER BRANCARD: Thank you.

21          Just one thing, Mr. Bruce, I mentioned  
22          this yesterday. It might have been a companion  
23          case, you need to make sure that your legal  
24          publication includes the case number.

25          MR. BRUCE: Yes. I -- I recognized that,

1 Mr. Examiner. I almost always do. And I don't know  
2 what happened on this one. I guess I just -- to use  
3 the old term, spaced it out so ...

4 HEARING OFFICER BRANCARD: So I believe  
5 you said you need to submit some green cards, a  
6 notice spreadsheet, revise the checklist for pool  
7 codes. I think there was one other thing.

8 MR. BRUCE: Oh, the -- I will submit  
9 copies of the email from NimTex showing that they  
10 agreed to allow this matter to go forward.

11 HEARING OFFICER BRANCARD: Right.

12 Okay. Thank you. So are there any other  
13 interested persons for Case 22672?

14 Hearing none, this case will be taken  
15 under advisement with the record left open with a  
16 list of items that Mewbourne has to provide. Thank  
17 you.

18 MR. BRUCE: Thank you, very much.

19 (Proceedings concluded at 8:40 a.m.)  
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REPORTER'S CERTIFICATE

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: July 8, 2022

EDWINA CASTILLO

/s/ \_\_\_\_\_

EDWINA CASTILLO, RPR, CCR  
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