

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION

4 IN THE MATTER OF THE HEARING CALLED
5 BY THE OIL CONSERVATION DIVISION FOR
6 THE PURPOSE OF CONSIDERING:
7 APPLICATION OF MEWBOURNE OIL COMPANY
8 FOR COMPULSORY POOLING
9 EDDY COUNTY, NEW MEXICO

Nos. 22727, 22728

10
11 REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
12 July 21, 2022
13 SANTA FE, NEW MEXICO

14 This matter came on for virtual hearing
15 before the New Mexico Oil Conservation Division,
16 HEARING OFFICER WILLIAM BRANCARD and TECHNICAL EXAMINER
17 LEONARD LOWE on Thursday, July 21, 2022, through the
18 Webex Platform.
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22 Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS
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1 (Audio interference.)

2 HEARING OFFICER BRANCARD: Anybody else for
3 cases 22727 and 22728?

4 (Audio interference.)

5 MR. BRUCE: And Exhibit 10 is a spreadsheet
6 showing the status of certified mail. I would note two
7 things on there. One thing is Cimarex Energy Company,
8 I never received a green card back, although they are
9 here today, and their sister company, Magnum Hunter
10 Production, did receive mail. And I got a green card
11 back from them.

12 And then the only other interest owner who
13 did not receive a green card is P.J. Guy Family Trust.
14 But notice was published timely so either by green
15 cards or by publication, everyone did receive notice.

16 And the only other request from the technical
17 examiner at the time was the actual horizontal survey
18 plat which was not available when this matter was
19 presented and still hasn't been prepared. But I hope
20 to have it soon and I will submit that to the division
21 when available.

22 But with that, I move for the admission of
23 exhibits, replacement of Exhibit 6 and then additional
24 Exhibits 7, 8, 9 and 10. I would move those into the
25 record.

1 HEARING OFFICER BRANCARD: Thank you.

2 Mr. Savage, did you have any questions?

3 MR. SAVAGE: No questions and no objections.

4 Thank you.

5 HEARING OFFICER BRANCARD: Mr. Lowe, any
6 questions?

7 TECHNICAL EXAMINER LOWE: I have one question
8 for you, Mr. Bruce. I'm just curious to know what --
9 what is the concern that was brought up about the
10 acreage, the acreage question?

11 MR. BRUCE: I think it was -- I think -- I
12 can't remember now. I think the technical examiner was
13 Mr. Rose-Coss and he had a question about based on the
14 plats whether by making this -- these wells 3 miles
15 rather than 2-mile wells might there be offset acreage
16 that would maybe not be stranded but would have limited
17 laterals available to them. And so Mr. Crosby said
18 that to the east, and informed me that to the east and
19 to the west at least 2-mile laterals could be drilled
20 and again Mewbourne does operate offsetting acreage.
21 And so it would not -- it would not try to strand it's
22 own acreage, I would say.

23 TECHNICAL EXAMINER LOWE: Okay. Yeah, I'm
24 trying to look for your C-102s or maps and I'm
25 referring to your previous exhibits of the initial case

1 and the previous case.

2 MR. BRUCE: Yeah.

3 TECHNICAL EXAMINER LOWE: And I'm just trying
4 to understand that, I guess, that question.

5 Is the operator -- the operator all the
6 way around this whole spacing unit that's being
7 sought here?

8 MR. BRUCE: Now, it is -- now what is that is
9 the operator -- well, the operator of these three
10 sections, 31, 32 and 33, these two particular cases
11 involve the N/2N/2 and the S/2N/2 of these two
12 sections. Mewbourne is also the operator of the S/2 of
13 these sections and it is also the operator to the east
14 and west of these sections.

15 So it pretty much has the controlling
16 interest in this area.

17 TECHNICAL EXAMINER LOWE: Okay. What's the
18 pool information for this, for this request?

19 MR. BRUCE: It is --

20 TECHNICAL EXAMINER LOWE: Bone Spring?

21 MR. BRUCE: Yeah, Bone Spring, East Palmillo
22 Bone Spring Oil Pool.

23 TECHNICAL EXAMINER LOWE: And you stated that
24 these are taking the N/2 of those three sections or
25 just the N/2N/2?

1 MR. BRUCE: The first one, the first case
2 involves the N/2N/2 of these three sections and the
3 second involves the S/2N/2 of these three sections.

4 TECHNICAL EXAMINER LOWE: Okay. Those are my
5 questions. Thank you, Mr. Bruce.

6 MR. BRUCE: Thank you.

7 HEARING OFFICER BRANCARD: Thank you.

8 So, Mr. Bruce, we need to let the notice
9 period run on this?

10 MR. BRUCE: On the overlap there. Yes, sir.

11 HEARING OFFICER BRANCARD: Okay. So we just
12 need to continue this until the next docket?

13 MR. BRUCE: Yeah.

14 HEARING OFFICER BRANCARD: All right.

15 So are there any other persons in here for
16 cases 22727, 22728?

17 Hearing none, these cases will be continued
18 to August 4th. And you don't need to file a
19 continuance.

20 MR. BRUCE: Thank you.

21 (Proceedings concluded.)

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REPORTER'S CERTIFICATE

I, EDWINA CASTILLO, DO HEREBY CERTIFY that I did, in stenographic shorthand, transcribe the Zoom Hearing set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability. The Zoom Hearing was of poor quality due to internet interference.

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



EDWINA CASTILLO, RPR, CCR
Certified Court Reporter #407
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[& - edwina]

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