

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 BLACK MOUNTAIN OPERATING, CASE NO. 15628
8 LLC FOR A NONSTANDARD OIL SPACING AND
9 PRORATION UNIT AND COMPULSORY POOLING,
10 LEA COUNTY, NEW MEXICO.

Consolidated with

11 APPLICATION OF BLACK MOUNTAIN OPERATING, CASE NO. 15629
12 LLC FOR A NONSTANDARD OIL SPACING AND
13 PRORATION UNIT AND COMPULSORY POOLING,
14 LEA COUNTY, NEW MEXICO.

Consolidated with

15 APPLICATION OF BLACK MOUNTAIN OPERATING, CASE NO. 15630
16 LLC FOR A NONSTANDARD OIL SPACING AND
17 PRORATION UNIT AND COMPULSORY POOLING,
18 LEA COUNTY, NEW MEXICO.

Consolidated with

19 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15600
20 FOR A NONSTANDARD OIL SPACING AND
21 PRORATION UNIT AND COMPULSORY POOLING,
22 LEA COUNTY, NEW MEXICO.

Consolidated with

23 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15601
24 FOR A NONSTANDARD OIL SPACING AND
25 PRORATION UNIT AND COMPULSORY POOLING,
26 LEA COUNTY, NEW MEXICO.

Consolidated with

27 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15602
28 FOR A NONSTANDARD OIL SPACING AND
29 PRORATION UNIT AND COMPULSORY POOLING,
30 LEA COUNTY, NEW MEXICO.

31

32 REPORTER'S TRANSCRIPT OF PROCEEDINGS
33 EXAMINER HEARING
34 April 27, 2017
35 Santa Fe, New Mexico

36

1 BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
2 DAVID K. BROOKS, LEGAL EXAMINER

3 These matters came on for hearing before
4 the New Mexico Oil Conservation Division, Phillip
5 Goetze, Chief Examiner, William V. Jones, Technical
6 Examiner, and Gabriel Wade, Legal Examiner, on Thursday,
7 March 30, 2017, at the New Mexico Energy, Minerals and
8 Natural Resources Department, Wendell Chino Building,
9 1220 South St. Francis Drive, Porter Hall, Room 102,
10 Santa Fe, New Mexico.

11
12
13
14
15
16
17
18
19
20
21

22 REPORTED BY: Mary C. Hankins, CCR, RPR
23 New Mexico CCR #20
24 Paul Baca Professional Court Reporters
 500 4th Street, Northwest, Suite 105
 Albuquerque, New Mexico 87102

25

APPEARANCES

FOR APPLICANT BLACK MOUNTAIN OPERATING, LLC:

SETH McMILLAN, ESQ.
MONTGOMERY & ANDREWS LAW FIRM
325 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 982-3873
smcmillan@montand.com

FOR MEWBOURNE OIL COMPANY AND ICA ENERGY, INC.:

JAMES G. BRUCE, ESQ.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

INDEX

	PAGE
Case Numbers 15628, 15629, 15630 and 15600, 15601, 15602 Called	3
Exhibits Submitted	4
Proceedings Conclude	6
Certificate of Court Reporter	7

EXHIBITS OFFERED AND ADMITTED

Black Mountain Operating, LLC Exhibit Numbers 9 and 10	6
---	---

1 (8:24 a.m.)

2 EXAMINER JONES: Okay. We had three at the
3 end of the docket, Black Mountain versus Mewbourne.
4 Let's call all of those cases. Starting on page 4,
5 we're going to call Case Number 15628, application of
6 Black Mountain Operating, LLC for a nonstandard oil
7 spacing and proration unit and compulsory pooling, Lea
8 County, New Mexico. Let me call all the cases. Also
9 Case Number 15629, with the exact same wording, and Case
10 Number 15630.

11 Call for appearances. In those three
12 cases, call for appearances.

13 MR. McMILLAN: Mr. Examiner, Seth McMillan
14 on behalf of Black Mountain.

15 MR. BRUCE: And Jim Bruce representing
16 Mewbourne Operating Company.

17 EXAMINER JONES: Okay. Let's also call
18 Cases 15600 and 15601 and 15602, which are all the
19 application of Mewbourne Oil Company for a nonstandard
20 oil spacing and proration unit and compulsory pooling,
21 Lea County, New Mexico.

22 In those three cases, call for appearances.

23 MR. BRUCE: Mr. Examiner, Jim Bruce of
24 Santa Fe representing the Applicant.

25 MR. McMILLAN: And Seth McMillan

1 representing Black Mountain Operating.

2 Mr. Examiner, these cases were continued
3 from the March 30th hearing where we took testimony, and
4 we continued simply for notice purposes. I have with me
5 today an affidavit -- my Notice of Affidavit. We have
6 either received a green card or published timely to all
7 the remaining working interest owners and offset
8 operators in Section 10 of the subject acreage, and I
9 just wanted to move the admission of Exhibit 9 --
10 Exhibit 9, which is my affidavit, and Exhibit 10, which
11 is Affidavit of Publication.

12 EXAMINER JONES: Any objection?

13 MR. BRUCE: No. I have no objection.

14 I have a comment. One of the offsets of
15 Section 10 notified by Black Mountain is CML Exploration
16 who entered an appearance four weeks ago. And they are
17 an interest owner in Section 10, and they objected to
18 Black Mountain's applications.

19 EXAMINER JONES: Okay. And you're
20 representing CML?

21 MR. BRUCE: No, no. I did not represent
22 CML. Mark Adams appeared for them.

23 MR. McMILLAN: Yeah. Mark Adams appeared
24 and made a comment at the end of our hearing on the
25 30th.

1 EXAMINER JONES: Okay. We'll take Exhibit
2 Number -- we'll admit Exhibit Numbers 9 and 10 in cases
3 15628, 15629 and 15630.

4 MR. McMILLAN: That's everything from me,
5 Mr. Examiner.

6 (Black Mountain Operating, LLC Exhibit
7 Numbers 9 and 10 are offered and admitted
8 into evidence.)

9 MR. McMILLAN: We'd ask that the Division
10 take the matters under advisement.

11 EXAMINER JONES: Okay. Cases Number 15628,
12 15629, 15630, 15600, 15601 and 15602 are taken under
13 advisement.

14 MR. McMILLAN: Thank you very much.
15 (Case Numbers 15628, 15629, 15630, 15600,
16 15601 and 15602 conclude, 8:28 a.m.)

17
18
19
20
21
22
23
24
25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

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

20

21

22 MARY C. HANKINS, CCR, RPR
23 Certified Court Reporter
24 New Mexico CCR No. 20
25 Date of CCR Expiration: 12/31/2017
Paul Baca Professional Court Reporters