

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                      CASE NO. 15926  
FOR A NONSTANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

Consolidated with

APPLICATION OF PRIME ROCK RESOURCES,                      CASE NO. 15971  
LLC FOR A NONSTANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 3, 2018

Santa Fe, New Mexico

BEFORE:   MICHAEL McMILLAN, CHIEF EXAMINER  
             SCOTT DAWSON, TECHNICAL EXAMINER  
             DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Michael McMillan,  
Chief Examiner, Scott Dawson, Technical Examiner, and  
David K. Brooks, Legal Examiner, on Thursday, May 3,  
2018, at the New Mexico Energy, Minerals and Natural  
Resources Department, Wendell Chino Building, 1220 South  
St. Francis Drive, Porter Hall, Room 102, Santa Fe, New  
Mexico.

REPORTED BY:   Mary C. Hankins, CCR, RPR  
                     New Mexico CCR #20  
                     Paul Baca Professional Court Reporters  
                     500 4th Street, Northwest, Suite 105  
                     Albuquerque, New Mexico 87102  
                     (505) 843-9241

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# APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

JAMES G. BRUCE, ESQ.  
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FOR APPLICANT PRIME ROCK RESOURCES, LLC:

ADAM G. RANKIN, ESQ.  
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# EXHIBITS OFFERED AND ADMITTED

Mewbourne Oil Company Exhibit Numbers 12 through 14	4
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1 (9:14 a.m.)

2 EXAMINER McMILLAN: I would like, at this  
3 point, to call Case Number 15926, application of  
4 Mewbourne Oil Company for a nonstandard oil spacing and  
5 proration unit and compulsory pooling, Lea County, New  
6 Mexico.

7 This is combined with Case Number 15971,  
8 application of Prime Rock Resources for a nonstandard  
9 spacing and proration unit and compulsory pooling, Lea  
10 County, New Mexico.

11 Call for appearances.

12 MR. BRUCE: Mr. Examiner, Jim Bruce of  
13 Santa Fe representing the Mewbourne Oil Company.

14 EXAMINER McMILLAN: Any other appearances?

15 MR. RANKIN: Mr. Examiner, Adam Rankin,  
16 with Holland & Hart, on behalf of Prime Rock Resources,  
17 LLC.

18 MR. BRUCE: Mr. Examiner, this case was  
19 previously heard. Prime Rock had a competing case.  
20 Since then, Prime Rock and Mewbourne have entered into a  
21 JOA. And, therefore, we're no longer seeking to pool  
22 Prime Rock, but there were other parties who had to be  
23 pooled. And so submitted is Exhibit 12, the Affidavit  
24 of Notice for one remaining working interest owner, and  
25 Exhibits 13 and 14 are affidavits of publication from

1 the "Hobbs News-Sun." And all together, they show that  
2 all working interest owners received actual -- and  
3 offset operators received actual or constructive notice.

4 EXAMINER McMILLAN: Okay. The question I'm  
5 getting is: Exhibits 12 through 14, do they refer to  
6 both cases or just one case?

7 MR. BRUCE: Just the Mewbourne case because  
8 I believe with the agreement, the Prime Rock case should  
9 be dismissed.

10 EXAMINER McMILLAN: Okay.

11 Any objections to Exhibits 12, 13 and 14  
12 for Case Number 15926?

13 MR. RANKIN: No objection.

14 EXAMINER McMILLAN: Okay. Exhibits 12, 13  
15 and 14 for Case Number 15926 shall be accepted as part  
16 of the record.

17 (Mewbourne Oil Company Exhibit Numbers 12,  
18 13 and 14 are offered and admitted into  
19 evidence.)

20 EXAMINER McMILLAN: And are you requesting  
21 that Case Number 15926 be taken under advisement?

22 MR. BRUCE: Correct, sir.

23 EXAMINER McMILLAN: Okay. But remember,  
24 Case Number 15971 was combined, and we need to hear from  
25 Prime Rock.

1                   MR. RANKIN: So at this point,  
2   Mr. Examiner, I agree with Mr. Bruce, that the parties  
3   have reached agreement and that Case Number 15971 may be  
4   dismissed.

5                   EXAMINER McMILLAN: Okay. I've got to make  
6   a note of that. "Dismissed." Okay.

7                   MR. RANKIN: Thank you.

8                   EXAMINER McMILLAN: Thank you very much.

9                   (Case Numbers 15926 and 15971 conclude,  
10                   9:16 a.m.)

11                   (Recess, 9:16 a.m. to 9:28 a.m.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
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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 DATED THIS the 9th day of June 2018.  
21

22  
23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
25 New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2018  
Paul Baca Professional Court Reporters