

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. 20670  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 8, 2019

Santa Fe, New Mexico

BEFORE:   LEONARD LOWE, CHIEF EXAMINER  
          MICHAEL McMILLAN, TECHNICAL EXAMINER  
          DANA Z. DAVID, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Leonard Lowe, Chief Examiner; Michael McMillan, Technical Examiner; and Dana Z. David, Legal Examiner, on Thursday, August 8, 2019, 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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INDEX

PAGE

Case Number 20670 Called	3
Case Presented by Affidavit	3
Proceedings Conclude	5
Certificate of Court Reporter	6

EXHIBITS OFFERED AND ADMITTED

Mewbourne Oil Company Exhibit Numbers 1 through 3	5
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1 (4:02 p.m.)

2 MR. BRUCE: If we could just run down the  
3 rest of the Mewbourne cases -- I promise you these will  
4 not be difficult -- starting with 20670.

5 EXAMINER LOWE: Do you want me to call that  
6 now?

7 MR. BRUCE: Yeah.

8 EXAMINER LOWE: Call 20670, application for  
9 Mewbourne Oil Company for compulsory pooling, Lea  
10 County, New Mexico.

11 Call for appearances.

12 MR. BRUCE: Jim Bruce of Santa Fe  
13 representing the Applicant.

14 I'm submitting this by affidavit.

15 EXAMINER LOWE: Are there any witnesses?

16 MR. BRUCE: No.

17 Mr. Examiner, in this case Mewbourne seeks  
18 the pooling of basically a mile-and-a-half-long well  
19 unit. It's essentially the west half-east half of  
20 Section 6. It's an oversized section, 21 South, 35 East  
21 in the Bone Spring Formation for the Cast Away 6 B2BW 1H  
22 well. This matter was previously heard, and an order  
23 was issued by Order R-20404, and there was -- a small  
24 interest owner popped up, and so I've handed you several  
25 exhibits.

1                   The first one is the affidavit of the  
2 landman, Cy Shook. The entity -- or the interest being  
3 pooled are the heirs or devisees of Joe R. Wright,  
4 deceased, who owns a little over .06 percent working  
5 interest in the well unit. The affidavit contains a  
6 land plat. The C-102 for the well, it's in the North  
7 Wilson; Bone Spring. The C-102 has the pool code and  
8 the API number. A well proposal was sent to the Wright  
9 heirs, and we don't even know who they are.

10                   And Attachment B is the AFE for the well.  
11 It's about a \$9 million test.

12                   Geology was previously presented, and so  
13 I'm not presenting any geology affidavit today. It's in  
14 that case file for that prior order. And, of course,  
15 that was under the old rules when -- well, no. I guess  
16 it was under the newer rules. And the Case Number was  
17 16450, but there is geology information.

18                   EXAMINER McMILLAN: What's the R number?

19                   MR. BRUCE: 20404.

20                   EXAMINER McMILLAN: Do you have any  
21 questions?

22                   EXAMINER LOWE: So basically you're opening  
23 Case Number 16450? Well, you're opening the situation?  
24 This is a new case number for it.

25                   MR. BRUCE: Yeah. I don't know -- I

1 remember Mr. Brooks saying something about we really  
2 don't -- I have re-opened cases, but he didn't like  
3 re-opening them once an order had been issued. So I  
4 filed it as a new case.

5 EXAMINER McMILLAN: Yeah. You have to have  
6 a new case because you can't have any "dash A's."

7 MR. BRUCE: Right. Right.

8 EXAMINER LOWE: Okay. Okay.

9 MR. BRUCE: And just so you know, they're  
10 asking for 8,000 for a drilling well, 800 a month for a  
11 producing well. Those are the same rates as in the  
12 prior order.

13 Exhibit 2 is my Affidavit of Notice.  
14 Notice was delivered, but just in case, I published  
15 notice, and that is submitted as Exhibit 3.

16 And I would move the admission of Exhibits  
17 1 through 3 and ask that this matter be taken under  
18 advisement.

19 EXAMINER LOWE: Exhibits 1 through 3 will  
20 be taken under advisement.

21 (Mewbourne Oil Company Exhibit Numbers 1  
22 through 3 are offered and admitted into  
23 evidence.)

24 (Case Number 20670 concludes, 4:07 p.m.)

25

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 19th day of August 2019.

21

22

23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters

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