

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:

ORIGINAL

CASE 15340

APPLICATION OF MEWBOURNE OIL COMPANY
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

July 23, 2015

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
GABRIEL WADE, LEGAL EXAMINER

RECEIVED OCT 1 2015
AUG 12 P 4: 06

This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, and Gabriel Wade, Legal Examiner, on May
28, 2015, 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: ELLEN H. ALLANIC
NEW MEXICO CCR 100
CALIFORNIA CSR 8670
PAUL BACA COURT REPORTERS
500 Fourth Street, NW
Suite 105
Albuquerque, New Mexico 87102

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

FOR APPLICANT MEWBOURNE OIL COMPANY

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

I N D E X

CASE NUMBER 15340 CALLED
MEWBOURNE OIL COMPANY
CASE-IN-CHIEF
(No witnesses; Case
Submitted through Affidavit)

Reporter's Certificate

PAGE
6

E X H I B I T I N D E X

Mewbourne Oil Company Exhibits Offered for Admission

	PAGE
Mewbourne Oil Company Exhibit 1	4
Mewbourne Oil Company Exhibit 2	4
Mewbourne Oil Company Exhibit 3	4

1 (Time noted 8:32 a.m.)

2 EXAMINER GOETZE: Next in docket is case
3 15340, Application of Mewbourne Oil Company for a
4 non-standard oil spacing and proration unit and
5 compulsory pooling, Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa
8 Fe representing the applicant. I have no witnesses. I
9 am presenting the case by affidavit.

10 EXAMINER GOETZE: No witnesses. Very good.
11 Thank you.

12 MR. BRUCE: In this case, Mewbourne seeks to
13 force pool two -- actually at this point one record
14 title owner for the purpose of obtaining approval of a
15 communitization agreement from the BLM.

16 The well involved is the Querecho 28 OB Fed
17 Com Well No. 1H located in the west half, east half of
18 section 28, 18 south, 32 east.

19 Submitted with Exhibit 1 is the affidavit of
20 the landman that two parties were originally pooled with
21 Chevron U.S.A., Inc., and Chesapeake Exploration, LLC.
22 Chevron just recently signed the Com agreement so they
23 can be dismissed from the case. The only matter being
24 pooled is Chesapeake.

25 The landman's affidavit contains a land

1 plat, the letters requesting signatures to the Com
2 agreement. And attachment C is the identification of
3 the offset operators. The only offsets are Mewbourne
4 and Chevron.

5 I'm not seeking any penalty on production or
6 overhead rates, because Chesapeake merely owns record
7 title with the working interest.

8 Exhibit 2 is the affidavit of the geologist,
9 Nathan Cless, containing the typical exhibits and a
10 structure map cross section, isopach. And containing
11 information on other wells in this area showing that
12 stand-up wells in this area are good producers and so a
13 stand up north, south west unit is proper, and that
14 there are no impediments to the drilling of this well.
15 And, finally, it contains the directional drilling
16 program.

17 And Exhibit 3 is my affidavit of notice.
18 And both Chesapeake and Chevron did receive actual
19 notice of this case. So I would move the admission of
20 Exhibits 1 through 3 and ask that the case be taken
21 under advisement.

22 EXAMINER GOETZE: Exhibits 1 through 3 are
23 so entered. And you provided these exhibits prior to
24 hearing?

25 (Mewbourne Oil Company Exhibits 1 through 3.)

1 were offered and admitted.)

2 MR. BRUCE: Yes, I did.

3 EXAMINER GOETZE: And we have had no
4 changes --

5 MR. BRUCE: The only change is that the
6 notice affidavit, I didn't have the green cards at that
7 time.

8 EXAMINER GOETZE: Ahh, the green cards
9 again.

10 MR. BRUCE: But they are here.

11 EXAMINER GOETZE: Yes, they are and they are
12 the right dates. So based on the information provided
13 in the package, the affidavits and exhibits, do you have
14 any questions for this.

15 EXAMINER WADE: I do not.

16 EXAMINER GOETZE: We will go ahead and
17 proceed with case No. 15340, and the case will be taken
18 under advisement.

19

20

21

(Time noted 8:36 a.m.)

22

23

24

25

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 15340
heard by me on July 23 2015.
[Signature]
Oil Conservation Division, Examiner.

1 STATE OF NEW MEXICO)
 2) ss.
 3 COUNTY OF BERNALILLO)
 4
 5
 6

7 REPORTER'S CERTIFICATE

8
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR
 10 No. 100, DO HEREBY CERTIFY that on Thursday, July 23,
 11 2015, the proceedings in the above-captioned matter were
 12 taken before me, that I did report in stenographic
 13 shorthand the proceedings set forth herein, and the
 14 foregoing pages are a true and correct transcription to
 15 the best of my ability and control.

16
 17 I FURTHER CERTIFY that I am neither employed by
 18 nor related to nor contracted with (unless excepted by
 19 the rules) any of the parties or attorneys in this case,
 20 and that I have no interest whatsoever in the final
 21 disposition of this case in any court.

22
 23
 24
 25


ELLEN H. ALLANIC, CSR
 NM Certified Court Reporter No. 100
 License Expires: 12/31/15