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

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO

CASE NO. 14086

FEBRUARY 21, 2008

1220 South St. Francis Drive  
Santa Fe, New Mexico

EXAMINER: WILLIAM L. JONES

LEGAL ADVISOR: David Brooks

2008 FEB 24 PM 1 09

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ATTORNEY FOR APPLICANT:

JAMES BRUCE, ESQ.  
P O Box 1056  
Santa Fe, New Mexico 87545

EXHIBITS 1 - 3

REPORTED BY: JOYCE D. CALVERT, P-03  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

*WJ 3/2/08*

1 EXAMINER JONES: Let's call Case No. 14086,  
2 application of Mewbourne Oil Company for compulsory pooling,  
3 Lea County, New Mexico. Call for appearances.

4 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe  
5 representing the applicant. Again, I am submitting this case  
6 by affidavit. Mr. Examiner, in this matter, Mewbourne Oil  
7 Company seeks to force pool all of Section 20, 20S, 36E, from  
8 the base of the Bone Spring to the base of the Morrow.

9 All pools based on 640 acres and that vertical  
10 extent. The only pool that's based on that acreage is the  
11 North Osudo-Morrow Gas Pool, which is 640 acres spacing with  
12 one well allowed per quarter section and the normal footage  
13 rules. The application asks also to force pool the east half  
14 for 320 acres spacing. But that portion can be dismissed  
15 because all of the interest owners who own an interest in the  
16 east half are signed up in the well.

17 Submitted as Exhibit 1 is the affidavit of Steven  
18 Smith, the landman, the well plat, a list of the interest  
19 owners being pooled. And their working interests in the  
20 640-acre unit contains the proposal letter sent to the interest  
21 owners and an AFE for the well. It's roughly a \$2.6  
22 million-dollar Morrow test. The interest owners being pooled  
23 are all locatable.

24 Exhibit 2 is an Affidavit of Notice. Actually, some  
25 of the people on the notice list have since joined in the well.

1 So the correct identity of the parties being pooled is in  
2 Exhibit 1. Notice was received by all but two parties, at  
3 least as of today. One of the persons who was sent notice was  
4 Sally Rogers who lives here in Santa Fe. She has not picked up  
5 her mail.

6 I'm submitting to you as Exhibit 3 a copy of the  
7 Santa Fe phone book, which, if you'll turn to page two, you'll  
8 see right down at the bottom left-hand column that her address  
9 is listed in the phone book as 152 Arroyo Hondo Road. She is  
10 Max Call's ex-wife, and she does live in town, and I've mailed  
11 numerous things to her.

12 MR. BROOKS: She also works for this department.

13 MR. BRUCE: I do recall that. And she just hasn't  
14 picked up her mail. And I have given her notice before on  
15 numerous occasions at that address. A second notice -- one of  
16 the parties being pooled was John F. Call II was sent out  
17 notice on the original mailing and it came back and said "no  
18 such address."

19 I inquired of the applicant about that, and  
20 Mr. Smith. And it's in his affidavit that he has mailed stuff  
21 to John F. Call, and they have been in touch, and that is his  
22 address. And so I re-sent the notice letter only to Mr. Call.  
23 And this one did say notice was left, but he hadn't picked it  
24 up, and I hadn't gotten notice back. So one other matter. And  
25 I -- if the case needs to be re-advertised, that's fine. But

1 this application asks for forced pooling, and the name of the  
2 well is the Paloma 20 State Com Well No. 2. That was its  
3 original name. Just recently the well name was changed to the  
4 Paloma 20 State Com No. 1, and that is in the Division's files.  
5 And you can handle that any way you would like. If it needs to  
6 be re-advertised, fine.

7 MR. BROOKS: I really don't see -- if the location is  
8 the correct, I really don't see a reason to re-advertise just  
9 because the well name has been changed.

10 EXAMINER JONES: Okay.

11 MR. BRUCE: And with that I move the admission of  
12 Exhibits 1 through 3.

13 EXAMINER JONES: Exhibits 1 through 3 will be  
14 admitted. Do you have any questions?

15 MR. BROOKS: I don't have any.

16 EXAMINER JONES: Case No. 14086 will be taken under  
17 advisement.

18 [Hearing concluded.]

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I do hereby certify that the foregoing is  
a complete record of the proceedings  
heard by the examiner hearing of Case No. 14086  
[Signature], Examiner  
Oil Conservation Division

REPORTER'S CERTIFICATE

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I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

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



JOYCE D. CALVERT  
New Mexico P-03  
License Expires: 7/31/08

1 STATE OF NEW MEXICO )  
2 COUNTY OF BERNALILLO )

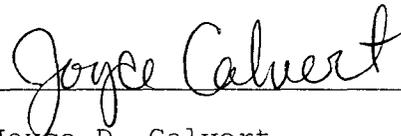
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I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of Paul Baca, New Mexico CCR License Number 112, hereby certify that I reported the attached proceedings; that pages numbered 1-4 inclusive, are a true and correct transcript of my stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03.

Dated at Albuquerque, New Mexico, this 27th day of February, 2008.

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Joyce D. Calvert  
Provisional License #P-03  
License Expires: 7/31/08

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Paul Baca, RPR  
Certified Court Reporter #112  
License Expires: 12/31/08

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