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

**ORIGINAL**

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NO: 14256

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

RECEIVED  
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REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

December 18, 2008  
Santa Fe, New Mexico

BEFORE: DAVID BROOKS: Hearing Examiner  
TERRY WARNELL: Technical Advisor

This matter came for hearing before the New Mexico  
Oil Conservation Division, David Brooks, Hearing Examiner,  
on December 18, 2008, at the New Mexico Energy, Minerals  
and Natural Resources Department, 1220 South St.  
Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: PEGGY A. SEDILLO, NM CCR NO. 88  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

1 Examiner's Hearing  
Case No. 14256

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A P P E A R A N C E S

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7 FOR THE APPLICANT: JAMES BRUCE, ESQ.  
Attorney at Law  
8 P. O. Box 1056  
Santa Fe, NM 87504

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E X H I B I T S

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14 APPLICANT'S EXHIBITS:

15 Exhibits 1 and 2 4

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19 COURT REPORTER'S CERTIFICATE 6

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1 HEARING EXAMINER: At this time, we'll call Case  
2 No. 14256, Application of Mewbourne Oil Company for  
3 Compulsory Pooling, Eddy County, New Mexico.

4 Call for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe  
6 representing the Applicant. I submit this matter by  
7 affidavit.

8 HEARING EXAMINER: Okay. You may proceed at  
9 your convenience, Mr. Bruce.

10 MR. BRUCE: Mr. Examiner, Mewbourne Oil Company  
11 seeks to force pool the southwest quarter of the northwest  
12 quarter of Section 10, Township 20 South, Range 25 East in  
13 Eddy County from the surface to the base of the Yeso  
14 formation.

15 Submitted as Exhibit 1 is the affidavit of the  
16 landman setting forth the parties being pooled, their  
17 interests and their addresses.

18 Applicant requests a 200 percent risk charge  
19 against any nonconsenting interest owner, and the  
20 affidavit sets forth the overhead rates, which are \$4,000  
21 a month for a drilling well, \$400 a month for a producing  
22 well.

23 I do not have an ATI number for this well as of  
24 yet. It's being permitted. It will probably be available  
25 within the next week, and I will get that for the

1 Examiner.

2           The well's footage location is 2,310 feet from  
3 the north line, and 990 feet from the west line as shown  
4 on the AFE marked as Exhibit C, or Attachment C to this  
5 exhibit. It's a shallow well. Costs are about \$990,000.  
6 The affidavit also sets forth or contains the proposal  
7 letters to the parties being pooled.

8           And Exhibit 2 is my Affidavit of Notice showing  
9 that notice was mailed and received by all parties being  
10 pooled, so there are no unlocatable interest owners.

11           And I'd move the admission of Exhibits 1 and 2,  
12 and ask that the case be taken under advisement.

13           HEARING EXAMINER: Exhibits 1 and 2 are  
14 admitted. This is a 40 acre unit, right?

15           MR. BRUCE: Yes, sir.

16           HEARING EXAMINER: It's southwest of the  
17 southeast of Section 10?

18           MR. BRUCE: Yes.

19           HEARING EXAMINER: 20 south, 25 east?

20           MR. BRUCE: Yes. And this is in the, I believe,  
21 the Cemetery-Yeso Pool.

22           HEARING EXAMINER: Okay. And who are the  
23 parties being pooled?

24           MR. BRUCE: Milton Kent, and then certain  
25 members of the -- actually, of the Stringer or Ferguson

1 family.

2 HEARING EXAMINER: Okay. Well -- Yeah, you've  
3 got return receipts here from both of them. I didn't  
4 realize you could drill anything for \$990,000 these days.  
5 Okay. Case No. 14256 will be taken under advisement.

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 14256  
heard by me on Dec 18 2008.  
David K. B... Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO )  
 ) ss.  
2 COUNTY OF BERNALILLO )

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REPORTER'S CERTIFICATE

I, PEGGY A. SEDILLO, Certified Court Reporter of the firm Paul Baca Professional Court Reporters do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this 8th day of January, 2008.

  
PEGGY A. SEDILLO, CCR NO. 88  
License Expires 12/31/09