

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

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

CASE NO. 14285

2009 APR 1 PM 3 20

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Legal Examiner
RICHARD EZEANYIM, Technical Examiner
TERRY G. WARNELL, Technical Examiner

March 19, 2009

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,
RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL,
Technical Examiner, on Thursday, March 19, 2009, at the
New Mexico Energy, Minerals and Natural Resources Department,
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

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

A P P E A R A N C E S

FOR THE APPLICANT:

James G. Bruce, Esq.
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

PAGE

APPLICANT'S EXHIBITS 1 AND 2 ADMITTED

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REPORTER'S CERTIFICATE

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1 MR. EZEANYIM: Now we call Case No. 14285. This is
2 the Application of Mewbourne Oil Company for Compulsory
3 Pooling, Eddy County, New Mexico.

4 Call for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
6 representing the applicant. I'm submitting this case by
7 affidavit.

8 MR. EZEANYIM: Any there any other appearances?

9 Go ahead, Mr. Bruce.

10 MR. BRUCE: Mr. Examiner, I've handed you two
11 exhibits. Exhibit 1 is the affidavit of Paul Haden, a landman
12 for Mewbourne Oil Company. Mewbourne is seeking to force pool
13 all mineral interests from the surface to the base of the Yeso
14 Formation underlying the NE/4, NW/4 of Section 10, Township 20
15 South, Range 25 East.

16 There are four parties being force-pooled. They are
17 identified at the bottom of page 1 and at the top of page 2.
18 They collectively own about 3.5 percent in the well unit. They
19 are unleased mineral interest owners.

20 Attachment A to the exhibit is a land plat showing
21 the well's location. Exhibit B is the proposal letter and some
22 e-mail correspondence to the parties involved in this case.
23 These parties have been force-pooled in, I think, two other
24 wells in this same section. They are locatable owners, and
25 they simply have not decided whether to lease or do anything

1 else in the well unit.

2 Attached as Exhibit C is the AFE for the well. The
3 proposed well cost is \$883,000. Those costs have come down a
4 little bit over the last couple of months. And the overhead
5 requested by the applicant are 4,000 a month for the drilling
6 well and 400 a month for the producing well.

7 Exhibit 2 is just my Affidavit of Notice. Both
8 parties -- or all parties, I should say -- all four parties did
9 receive actual notice of the application, and therefore, there
10 was no published notice.

11 And I would ask that Exhibits 1 and 2 be admitted and
12 that this matter be taken under advisement.

13 MR. EZEANYIM: Exhibits 1 and 2 will be admitted.

14 [Applicant's Exhibits 1 and 2 admitted into
15 evidence.]

16 MR. EZEANYIM: Mr. Brooks, any questions?

17 MR. BROOKS: Do you have -- the Stringer Family
18 interests are all in this one -- or all sent to one address?

19 MR. BRUCE: Yes, sir. They are all related.

20 MR. BROOKS: One person managing all those interests?

21 MR. BRUCE: Yes.

22 MR. BROOKS: Okay. That's all.

23 MR. BRUCE: And Mr. Brooks, the Elizabeth S.
24 Ferguson, the S is for Stringer --

25 MR. BROOKS: Right.

1 MR. BRUCE: -- which I found out from my wife who
2 knows these people.

3 MR. BROOKS: Well, that's convenient.

4 MR. EZEANYIM: Are there any title disputes or
5 anybody you can't locate in this case?

6 MR. BRUCE: What's that, Mr. Examiner?

7 MR. EZEANYIM: Is there anybody you can't locate? Do
8 you have any kind of disputes or you can't locate somebody?

9 MR. BRUCE: No, no. Everybody was locatable. There
10 are -- I forget exactly. I looked at something last night.
11 There are a couple of dozen fee mineral owners in this tract,
12 but everybody has been located in the lease except for these
13 parties.

14 MR. EZEANYIM: Okay. So there is no escrow
15 requirements?

16 MR. BRUCE: That is correct.

17 MR. EZEANYIM: And this well is drilled, or it's
18 supposed to be drilled?

19 MR. BRUCE: It has not yet been drilled.

20 MR. EZEANYIM: Have you obtained an APD number?

21 MR. BRUCE: Well --

22 MR. EZEANYIM: APD.

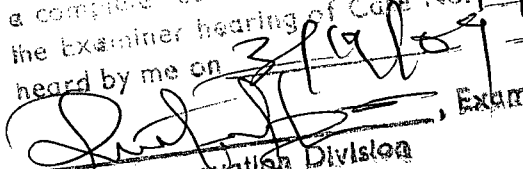
23 MR. BRUCE: Let me get that for you. I thought I had
24 one, and now I can't find it, Mr. Examiner. I will check that,
25 and I'll e-mail you the information.

1 MR. EZEANYIM: Okay. Your overhead cost is 4,400?

2 MR. BRUCE: 4,400.

3 MR. EZEANYIM: At this point, Case No. 14285 will be
4 taken under advisement.

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12 I do hereby certify that the foregoing is
13 a complete record of the proceedings in
14 the examiner hearing of Case No. 14285
15 heard by me on 3/19/89
16 , Examiner
17 Oil Conservation Division
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2 **REPORTER'S CERTIFICATE**

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

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

14 DATED this 19th day of March, 2009.

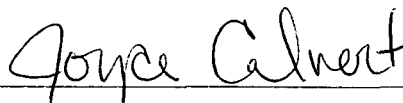
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21 JOYCE D. CALVERT
22 New Mexico P-03
23 License Expires: 7/31/09
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1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

3 I, JOYCE D. CALVERT, a New Mexico Provisional
4 Reporter, working under the direction and direct supervision of
5 Paul Baca, New Mexico CCR License Number 112, hereby certify
6 that I reported the attached proceedings; that pages numbered
7 1-6 inclusive, are a true and correct transcript of my
8 stenographic notes. On the date I reported these proceedings,
9 I was the holder of Provisional License Number P-03.

10 Dated at Albuquerque, New Mexico, 19th day of
11 March, 2009.

12 

13 Joyce D. Calvert
14 Provisional License #P-03
15 License Expires: 7/31/09

16 

17 Paul Baca, RPR
18 Certified Court Reporter #112
19 License Expires: 12/31/09
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