

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. 14347

TRANSCRIPT OF PROCEEDINGS

Hearing

July 23, 2009

9:40 a.m.

1220 South St. Francis Drive, Room 1  
Santa Fe, New Mexico 87504

RECEIVED OCD  
AUG 14 P 2:28

BEFORE: TERRY G. WARNELL, HEARING EXAMINER  
RICHARD EZEANYIM, TECHNICAL ADVISOR  
BRYAN JAMES, LEGAL ADVISOR

REPORTED BY: CONNIE JURADO, RPR, NM CCR #254  
Paul Baca Professional Court Reporters  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

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For the Applicant:

JAMES G. BRUCE  
Attorney at Law  
Post Office Box 1056  
Santa Fe, New Mexico 87504-1056

EXHIBITS

ADMITTED

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|---|---|
| 1. Verified Statement of Corey Mitchell | 4 |
| 2. Affidavit of Notice                  | 4 |
| 3. Affidavit of Publication             | 4 |

1 MR. WARNELL: We will call our next case,  
2 Case 14347, application of Mewbourne Oil Company for  
3 compulsory pooling, Eddy County, New Mexico. Call for  
4 appearances?

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

8 MR. WARNELL: Mr. Bruce, you may proceed.

9 MR. BRUCE: Again, I submitted you three  
10 exhibits, Mr. Examiner. Exhibit 1 is the affidavit of the  
11 landman. Mewbourne Oil Company seeks to force pool mineral  
12 interests from the surface to the base of the Yeso formation  
13 underlying the Northwest quarter, Southwest quarter of  
14 Section 15, 20 South, 25 East.

15 The affidavit lists the interest owners and their  
16 interests. As you can see, again, we are dealing with the  
17 fee mineral owners, unleased mineral owners, who have  
18 disappeared over the years. There is one person who was  
19 locateable. Again, they take the usual steps to try to  
20 track down these interest owners, and if you go back over  
21 the last half, Mewbourne has forced pooled five or six well  
22 units -- actually, in Sections 10 and 15, they force pooled  
23 seven or eight well units, and they have been out here  
24 examining title for quite some time and drilling a number of  
25 wells. And these are mainly fee tracts, and there is a lot

1 of people who disappeared a long time ago, and they cannot  
2 locate them.

3 Attachment B is simply the proposal letter sent to  
4 the locateable owner. Exhibit C is the AFE for the well.  
5 It is about a \$700,000 well. It's a quite shallow well.  
6 The overhead rates requested are \$4,000 a month for a  
7 drilling well and \$400 for a producing well.

8 Exhibit 2 is my affidavit of notice. It was only  
9 sent to Walter Parker, who did receive notice.

10 And, again, Exhibit 3 is the notice I published in  
11 the Carlsbad newspaper. Again, it was published at the same  
12 time as in the prior case, I think July 11. And, again, I  
13 have not received the affidavit of publication from the  
14 newspaper.

15 I would move the admission of Exhibits 1 through  
16 3, with the provision that I will substitute Exhibit 3 with  
17 the affidavit of publication when I receive it.

18 MR. WARNELL: Okay. We will admit Exhibits 1  
19 through 3 and wait for your publication.

20 (Exhibits 1 through 3 admitted.)

21 MR. BRUCE: And that's all I have.

22 MR. WARNELL: Your rate you said was?

23 MR. BRUCE: 4,000 and 400.

24 MR. WARNELL: Questions?

25 MR. EZEANYIM: In your case, we're going to

1 have to set an escrow, right?

2 MR. BRUCE: That is correct.

3 MR. EZEANYIM: On these two cases, any of  
4 wells have been drilled, right?

5 MR. BRUCE: They have not been drilled. The  
6 APDs are approved, Mr. Ezeanyim.

7 MR. EZEANYIM: And no API?

8 MR. BRUCE: Just a second. The API number  
9 for this well is ~~30-015-37121~~

10 MR. WARNELL: Did you say, Mr. Bruce, it is  
11 all fee?

12 MR. BRUCE: It is fee land. It's a single  
13 40-acre fee tract with undivided mineral interests.

14 MR. WARNELL: I don't think we have any more  
15 questions then. With that, we will take Case Number  
16 14347 -- or 143 --

17 MR. BRUCE: 47.

18 MR. WARNELL: 47 under advisement. Your  
19 paperwork says 47. Mine says 48. Help me out here, Mr.  
20 Bruce. Didn't we just hear 14 --

21 MR. BRUCE: We just heard 346.

22 MR. WARNELL: -- 347?

23 MR. BRUCE: 346 is what we heard, and then --  
24 this case should be -- we heard 346. ~~This one is 347.~~

25 MR. WARNELL: We heard 346. That was the

1 dismissal?

2 MR. BRUCE: That was, yes.

3 MR. WARNELL: Okay. We're back on track  
4 then. So Case 14347 will be taken under advisement.

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I do hereby certify that the foregoing is  
a complete and correct transcript of the proceedings in  
the Examiner's Office Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_.

\_\_\_\_\_, Examiner  
Oil & Gas Division

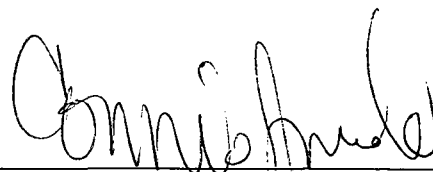
## REPORTER'S CERTIFICATE

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I, CONNIE JURADO, do hereby certify that I reported the foregoing case in stenographic shorthand and transcribed, or had the same transcribed under my supervision and direction, the foregoing matter and that the same is a true and correct record of the proceedings had at the time and place.

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 whatsoever in the final disposition of this case in any court.

WITNESS MY HAND this 23rd day of July, 2009.



Connie Jurado, CCR, RPR  
New Mexico CCR No. 254  
Expires: December 31, 2009