

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:

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

ORIGINAL

CASE NO. 14400

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

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BEFORE: RICHARD EZEANYIM, Presiding Examiner  
DAVID K. BROOKS, Legal Examiner

November 12, 2009

Santa Fe, New Mexico

This matter came on for hearing before the  
New Mexico Oil Conservation Division, RICHARD EZEANYIM,  
Presiding Examiner, and DAVID K. BROOKS, Legal Examiner,  
on Thursday, November 12, 2009, at the New Mexico Energy,  
Minerals and Natural Resources Department, 1220 South St.  
Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91  
Paul Baca Professional Court Reporters  
500 Fourth Street, N.W., Suite 105  
Albuquerque, NM 87103 505-843-9241

A P P E A R A N C E S

FOR THE APPLICANT:

JAMES G. BRUCE, ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, New Mexico 87504-1056

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EXHIBITS 1 THROUGH 3 WERE ADMITTED

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REPORTER'S CERTIFICATE

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1 MR. EZEANYIM: We call Case Number 14400.

2 This is the 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  
6 Santa Fe representing the applicant. I'm submitting this  
7 by affidavit.

8 MR. EZEANYIM: Any other appearances?  
9 Okay. You may proceed.

10 MR. BRUCE: Mr. Examiner, this is one of a  
11 series of cases that Mewbourne has filed in the Township  
12 20 South, Range 25 East. In this particular case,  
13 they're seeking to force pool the Northeast Quarter  
14 Southwest Quarter of Section 15 from the surface to the  
15 base of the Yeso formation. The unit will be dedicated  
16 to Mewbourne's Limousine 15 K Well No. 1, which will be  
17 drilled at an orthodox location. The last I checked, Mr.  
18 Examiner, there was not an API number for the well, but  
19 I'll recheck and email you.

20 In this case, the applicant seeks to force  
21 pool a number of parties totalling about 11 or 12 percent  
22 of the working interest in the well. Actually, they are  
23 all unleased mineral interest owners. Most of them are  
24 unlocatable.

25 Attachment A to Exhibit 1, the Affidavit of

1 the landman, is a land plat showing the location of the  
2 well. Attachment B are a summary of the contacts with  
3 Walter Parker, who is the only locatable interest owner.  
4 All others are unlocatable. And attachment C is an AFE  
5 for the well. It's about a \$700,000 well.

6 Again, there are a number of unlocatable  
7 people, and Mewbourne has checked the county records,  
8 internet directories, et cetera, and has been unable to  
9 locate these people, most of whom showed up in the record  
10 about 50 or 60 years ago and there has been nothing  
11 since.

12 Applicant requests that a 200 percent risk  
13 charge be assessed against nonconsenting working interest  
14 owners and requests overhead rates of 4,000 a month for a  
15 drilling well and 400 a month for a producing well.

16 Exhibit 2 is the Affidavit of Notice. Written  
17 notice was sent to Walter Parker. He did receive actual  
18 notice. And then Exhibit 3 is the Affidavit of  
19 Publication from the Carlsbad newspaper showing that  
20 notice by publication was given to all of the unlocatable  
21 interest owners. And with that, I'd move the admission  
22 of Exhibits 1 through 3 and ask that the matter be taken  
23 under advisement.

24 MR. EZEANYIM: Exhibits 1 through 3 will  
25 be admitted.

1 (Exhibits 1, 2 and 3 were admitted.)

2 MR. BROOKS: Nothing.

3 MR. EZEANYIM: Do you know the location of  
4 the well?

5 MR. BRUCE: Mr. Examiner, let me email you  
6 back. I thought I had that in my file, but I do not. I  
7 actually do.

8 MR. EZEANYIM: You have it?

9 MR. BRUCE: It's 2,210 feet from the south  
10 line and 1,650 feet from the west line. I just don't  
11 know the API number yet.

12 MR. EZEANYIM: So you need to establish  
13 escrow.

14 MR. BRUCE: Yes, sir.

15 MR. EZEANYIM: Okay. At this point, Case No.  
16 Number 14400 will be taken under advisement.

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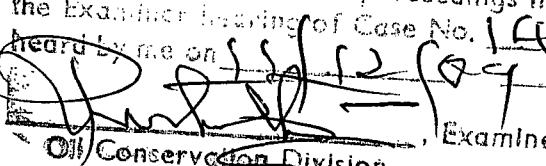
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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 14400  
heard by me on 11/12/09  
  
Oil Conservation Division, Examiner

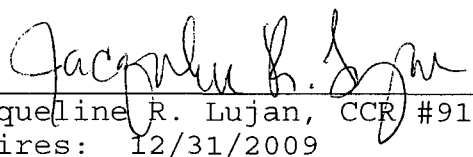
## REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO  
HEREBY CERTIFY that on November 12, 2009, proceedings in  
the above captioned case were taken before me and that I  
did report in stenographic shorthand the proceedings set  
forth herein, and the foregoing pages are a true and  
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by  
nor related to nor contracted with 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 24th day of November, 2009.

  
Jacqueline R. Lujan, CCR #91  
Expires: 12/31/2009