

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. 14399

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

RECEIVED OCD  
2009 NOV 12 P 3:44

BEFORE: WILLIAM V. JONES, Presiding Examiner  
DAVID K. BROOKS, Legal Examiner

October 29, 2009

Santa Fe, New Mexico

This matter came on for hearing before the  
New Mexico Oil Conservation Division, WILLIAM V. JONES,  
Presiding Examiner, and DAVID K. BROOKS, Legal Examiner,  
on Thursday, October 29, 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

INDEX

PAGE

EXHIBITS 1 THROUGH 3 WERE ADMITTED

4

REPORTER'S CERTIFICATE

5

1 MR. JONES: Let's call Case 14399,  
2 application of Mewbourne Oil Company for compulsory  
3 pooling, Eddy County, New Mexico. Call for appearances.

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

7 Mr. Examiner, this case is in the same  
8 township, 20/25. Submitted as Exhibit 1, is the verified  
9 statement of Corey Mitchell, landman for Mewbourne. In  
10 this case they're seeking to force pool the  
11 Southwest/Southwest of Section 15/20/25, from the surface  
12 to the base of the Yeso formation. The subject well is  
13 the Limousine "15" M Well No. 1, and that does have an  
14 API number. The last five digits are 37301.

15 In this case Mewbourne is seeking to force  
16 pool eight interest owners, only totalling about 11 or 12  
17 percent of the well unit. All but one of them are  
18 unlocateable. Again, to locate the unlocateables, they  
19 checked county records, the Internet searches, et cetera.  
20 As you can see from past dockets, Mewbourne is drilling a  
21 number of wells out here and has been examining title out  
22 here for a couple of years. A lot of those old fee  
23 tracts, they just can't locate people on.

24 They have attempted to lease -- these are  
25 unleased mineral interest owners. They have attempted to

1 lease Mr. Walter Parker III, and he has not executed a  
2 lease. This Southwest/Southwest quarter is part of a  
3 common tract that also includes the north half Southwest  
4 quarter, and there's already been pooling on those. So  
5 they've been in touch with Mr. Parker for sometime  
6 regarding this acreage, and he has not responded. And  
7 Mr. Parker was given actual notice, as shown by Exhibit  
8 2.

9 And as to the unlocateable parties, notice was  
10 given by publication, and that is submitted. The  
11 affidavit of publication in the "Carlsbad Current-Argis,"  
12 is submitted as Exhibit 3.

13 The overhead rates are the same, 4,000 per  
14 month and 400 per month, and the AFE is submitted as  
15 Attachment C to the landman's exhibit. Again, these are  
16 about \$700,000 wells.

17 With that, I move the admissions of Exhibits 1  
18 through 3.

19 MR. JONES: Exhibits 1, 2 and 3 will be  
20 admitted. It's California. They probably starved out  
21 and moved to California and forgot all about this thing,  
22 made their fortunes.

23 We'll take Case 14399 under advisement.

24 (Exhibits 1 through 3 were admitted, going to  
25 a complete record of the proceedings in  
the Examiner's hearing of Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_)

Examiner

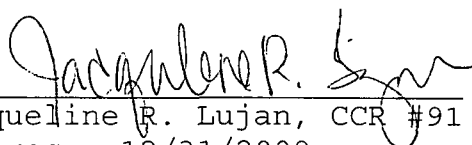
## REPORTER'S CERTIFICATE

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO  
HEREBY CERTIFY that on October 29, 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 10th day of November,  
2009.

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