

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. 14389

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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

October 29, 2009

Santa Fe, New Mexico

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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

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1 MR. JONES: Okay. Let's call Case  
2 14389 -- do you want to call them all together? Are they  
3 all different?

4 MR. BRUCE: This one is different and the  
5 last one is different. The middle two, you can call  
6 together.

7 MR. JONES: Let's call Case 14389,  
8 Application of Mewbourne Oil Company for compulsory *OGRID 14744*  
9 pooling, Eddy County, New Mexico. Call for appearances.

10 MR. BRUCE: Mr. Examiner, Jim Bruce of  
11 Santa Fe representing the applicant. I'm presenting this  
12 by affidavit.

13 Mr. Examiner, I've submitted to you two  
14 exhibits. The first one is the affidavit of Paul Haden,  
15 the landman for Mewbourne. Mewbourne is seeking to force  
16 pool the Southeast Quarter/Northwest Quarter of Section  
17 14, 20 South, 25 East, to form a 40-acre oil spacing unit  
18 from the surface to the base of the Yeso formation.

19 The only -- the subject well is the Quick Draw  
20 "14" F Federal Well No. 1. *(30-015-37366) (1815 FNL/1800 FWL)* I did check the Division's  
21 record yesterday, and there is not an API number for that  
22 well yet. I think a permit might have been filed in the  
23 last day or so, but it does not have an API number.

24 The only party being force pooled is Redwine  
25 Resources, Inc., which owns an undivided 5 percent

*3167 TD*  
*11/14/09*  
*11/25/09 Ref*  
*Yeso*  
*40 acres*  
*Federal*

*Yeso N. TRS* *Camel* *Yeso* *11795*

1 interest in the -- working interest in the tract of land.  
2 Applicant requests a 200 percent risk charge and overhead  
3 rates of 4,000 per month for a drilling well and \$400 per  
4 month for a producing well.

5 Attached to the affidavit as Exhibit A is land  
6 plat showing the location of the well unit, the  
7 correspondence with Redwine Resources and an AFE.  
8 Exhibit C is an AFE for the well. It's a \$700,000 well.  
9 It's a fairly shallow well.

10 Redwine Resources is a locateable party, and  
11 submitted to you as Exhibit 2 is the affidavit of notice  
12 showing that Redwine Resources did receive actual notice  
13 of this application. The one thing I'd point out in the  
14 correspondence, just right above the AFE, you'll notice  
15 there were two wells proposed by Mewbourne. One is  
16 covered by a JOA, but this one is not, hence, the force  
17 pooling. With that, I'd move the admission of Exhibits 1  
18 and 2.

19 MR. JONES: Exhibits 1 and 2 will be  
20 admitted.

21 (Exhibits 1 and 2 were admitted.)

22 MR. BROOKS: I can't find anything to  
23 quibble with.

24 MR. BRUCE: As much as it pains you.

25 MR. BROOKS: I have to do my duty.

1 MR. JONES: Let's take Case 14389 under  
2 advisement.

3 \* \* \*

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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. 14389  
heard by me on 11/12/10  
[Signature]  
Oil Conservation Division, Examiner

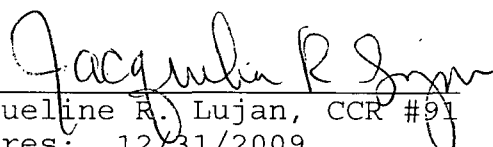
## REPORTER'S CERTIFICATE

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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