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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 14435

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

March 4, 2010
Santa Fe, New Mexico

RECEIVED OCD
2010 MAR 11 A 11:31

BEFORE: DAVID BROOKS: Hearing Examiner
WILLIAM JONES: Technical Advisor

This matter came for hearing before the New Mexico
Oil Conservation Division, David Brooks, Hearing Examiner,
on March 4, 2010, at the New Mexico Energy, Minerals and
Natural Resources Department, 1220 South St. Francis
Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Peggy A. Sedillo, NM CCR No. 88
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

E X H I B I T S

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APPLICANT'S EXHIBITS:

Exhibit No. 1, with Attachments A - E	5
Court Reporter's Certificate	6

A P P E A R A N C E S

FOR THE APPLICANT:	WILLIAM F. CARR, ESQ. Holland and Hart 110 North Guadalupe, Suite 1 Santa Fe, NM 87504
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1 HEARING EXAMINER: At this time we'll call Case
2 No. 14435, Application of Mewbourne Oil Company for
3 Compulsory Pooling, Eddy County, New Mexico. Call for
4 appearances.

5 MR. CARR: May it please the Examiner, my name
6 is William F. Carr with the Santa Fe office of Holland and
7 Hart, LLP. We represent Mewbourne Oil Company in this
8 matter, and I request permission to present the case by
9 affidavit.

10 HEARING EXAMINER: Permission granted.

11 MR. CARR: May it please the Examiner, this is
12 the third of the three Wyatt wells that are the subject of
13 the three cases I'm presenting this morning.

14 This is an application by Mewbourne to drill its
15 Wyatt Draw 24 L Well No. 1. They're seeking an order
16 pooling the northwest quarter of the southwest quarter of
17 Section 24 in Township 19 South, Range 25 East.

18 And again, they are pooling in this case from
19 the surface again to the top of the Bone Spring line. And
20 it says that the primary formation they're interested in,
21 Mr. Brooks, is the Yeso formation in this affidavit.

22 Again, the same attachments as we had before.
23 Attached as A is a plat that shows the spacing unit and
24 the location.

25 Exhibit B is a list of the parties who are being

1 pooled who are subject to pooling, those being Nearburg
2 and El Paso Gas Marketing Company. An agreement has been
3 reached with El Paso Gas Marketing Company, the documents
4 just have not as of this point in time been executed.

5 Here again, we're pooling only working interest
6 owners who do not object to the pooling. Relevant
7 correspondence with El Paso and Nearburg is included in
8 Attachment C.

9 Mewbourne requests that it be pooled and it be
10 designated operator. And again, they seek overhead rates
11 of \$4,000 a month while drilling, \$400 a month while
12 producing.

13 And these figures have been accepted in a joint
14 operating agreement dated January 15th of this year by
15 Marshall and Winston, the public party that's -- who have
16 voluntarily committed to participate in the well. The AFE
17 is included. Estimated cost to casing point are \$342,100,
18 for a completed well cost of \$755,900.

19 Mewbourne plans to commence drilling the Wyatt
20 Draw 24 L No. 1 well by March 15th. The Attachment B is
21 again --

22 HEARING EXAMINER: If you want to commence by
23 March 15th, that's pretty close upon us.

24 MR. CARR: That is very close upon us, and I was
25 hoping there would not be an error in the case that would

1 require it to be continued.

2 My affidavit shows that notice did go to
3 Nearburg and El Paso Gas Marketing, and that those letters
4 were, in fact, received.

5 Mewbourne requests that the application be
6 granted and it be designated operator of the well. And I
7 therefore move the admission into evidence of Mewbourne
8 Exhibit 1 and all attachments thereto.

9 HEARING EXAMINER: Okay. Exhibit 1 with
10 Attachments A through E are admitted.

11 There's no depth severance in the title, this is
12 surface to the top of the Bone Spring again?

13 MR. CARR: Yes, sir. The primary objective
14 appears to be the Yeso, and I suspect that's in all of
15 these.

16 HEARING EXAMINER: I would assume Nearburg is
17 probably the leaseholder. Okay. Do you have anything,
18 Mr. Jones?

19 MR. JONES: No.

20 HEARING EXAMINER: Very good. Case No. 14435
21 will be taken under advisement.

22 (Whereupon, the proceedings concluded.)

23

24

25

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14435,
heard by me on 3-4-2010.

David K. Burt

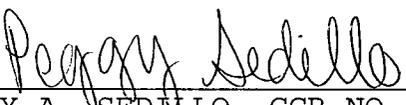
1 STATE OF NEW MEXICO)
) ss.
2 COUNTY OF BERNALILLO)

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REPORTER'S CERTIFICATE

I, PEGGY A. SEDILLO, Certified Court Reporter of the firm Paul Baca Professional Court Reporters do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this 9th day of March, 2010.



PEGGY A. SEDILLO, CCR NO. 88
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