### 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:

CASE NO. 12,306

APPLICATION OF MEWBOURNE OIL COMPANY )
TO ABOLISH THE SPECIAL RULES AND )
REGULATIONS FOR THE SOUTH CARLSBAD- )
MORROW GAS POOL, EDDY COUNTY, NEW MEXICO )

ORIGINAL

### REPORTER'S TRANSCRIPT OF PROCEEDINGS

## EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

M-6 PH 9

December 16th, 1999

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH,
Hearing Examiner, on Thursday, December 16th, 1999, at the New Mexico Energy, Minerals and Natural Resources

Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7

for the State of New Mexico.

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REPORTER'S CERTIFICATE

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## EXHIBITS

Applicant's	Identified	Admitted
Exhibit Exhibit		4 4

\* \* \*

## APPEARANCES

#### FOR THE DIVISION:

RAND L. CARROLL Attorney at Law Legal Counsel to the Division 2040 South Pacheco Santa Fe, New Mexico 87505

FOR THE APPLICANT and SANTA FE SNYDER CORPORATION:

JAMES G. BRUCE, Attorney at Law 3304 Camino Lisa Santa Fe, New Mexico 87501 P.O. Box 1056 Santa Fe, New Mexico 87504

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WHEREUPON, the following proceedings were had at 1 2 8:57 a.m.: EXAMINER CATANACH: And at this time we'll call 3 Case 12,306. 4 5 MR. CARROLL: Application of Mewbourne Oil 6 Company to abolish the special rules and regulations for the South Carlsbad-Morrow Gas Pool, Eddy County, New 7 8 Mexico. 9 EXAMINER CATANACH: Call for appearances in this 10 case. 11 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe, 12 representing the Applicant. I have no witnesses, and I would also like to 13 14 enter an appearance on behalf of Santa Fe Snyder Corporation in this matter. 15 Mr. Examiner, this Application is to abolish the 16 17 special rules for the South Carlsbad-Morrow Gas Pool. Exhibit 1 is a map of the current boundaries of that pool, 18 showing the operators. That pool was created some time 19 ago, and it currently contains -- or it currently has rules 20 providing for 320-acre spacing with wells to be 1980 feet 21 from the end line and 660 feet from the side line. 22 In addition, the special pool rules do not 23 provide for any infill drilling as does the current 24 statewide Rule 104. 25

In this case, Mewbourne seeks to abolish the 1 special rules and have the rules for the South Carlsbad-2 Morrow Pool conform to current statewide Rule 104, with the 3 660-by-660 well-location requirements, and I forget the 4 5 exact sub-rule but the rule allowing for infill drilling. 6 As you can see, due to the number of wells that 7 have already been drilled in this pool, any future activity 8 probably does involve infill drilling, and hence the reason 9 for this Application. 10 Exhibit 2 is my affidavit of notice, containing the notice letters sent to all operators in the pool and 11 within one mile of the pool. 12 And I would ask -- This case was advertised such 13 14 that in the absence of objection it would be taken under I would move the admission of Exhibits 1 and 2 15 advisement. and ask that this matter be taken under advisement. 16 17 EXAMINER CATANACH: Exhibits 1 and 2 will be admitted as evidence in this case. 18 Is there anything further, Mr. Bruce? 19 MR. BRUCE: No, sir. 20 EXAMINER CATANACH: There being nothing further, 21 Case 12,306 will be taken under advisement. 22 23 (Thereupon, these proceedings were concluded at TO THE THE BUSINESS OF & cam the record of the proceedings 24 9:00 a.m.) The Transfer hearing of Cuse in 10306 \* \* Was say me on I down to 25

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### CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )
) ss.
COUNTY OF SANTA FE )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL December 19th, 1999.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 2002