

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

IN THE MATTER OF THE HEARING CALLED BY)
 THE OIL CONSERVATION COMMISSION FOR THE)
 PURPOSE OF CONSIDERING:)
)
 APPLICATION OF MEWBOURNE OIL COMPANY)
 FOR COMPULSORY POOLING, EDDY COUNTY,)
 NEW MEXICO)
 _____)

CASE NO. 12,698

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: LORI WROTENBERY, CHAIRMAN
 JAMI BAILEY, COMMISSIONER
 ROBERT LEE, COMMISSIONER

December 5th, 2001

Santa Fe, New Mexico

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This matter came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Wednesday, December 5th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

STEVEN T. BRENNER, CCR
 (505) 989-9317

I N D E X

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 Commission Hearing
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A P P E A R A N C E S

FOR THE COMMISSION:

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FOR THE APPLICANT:

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* * *

1 WHEREUPON, the following proceedings were had at
2 9:00 a.m.:

3 CHAIRMAN WROTENBERY: I think we can go back on
4 the record here. It's Wednesday morning, December 5th. It
5 took me a minute to remember exactly what the date was.
6 It's nine o'clock, and we're getting started again. It's a
7 continuation of the hearing that we held yesterday. We had
8 a few more items on our agenda to take care of.

9 And one of those, I know, is the minutes of the
10 last meeting. I'd like to go back and pick those up if we
11 could and get that out of the way.

12 We have a draft of the minutes of the hearing of
13 the Oil Conservation Commission held on November 6th, 2001.
14 Commissioners, I believe you've had a chance to review
15 those?

16 COMMISSIONER BAILEY: Yes, I have, and I move
17 that we adopt them.

18 COMMISSIONER LEE: Second.

19 CHAIRMAN WROTENBERY: All in favor say aye.

20 COMMISSIONER BAILEY: Aye.

21 COMMISSIONER LEE: Aye.

22 CHAIRMAN WROTENBERY: Aye. And I'll sign those
23 on behalf of the Commission.

24 Thank you, Florene.

25 * * *

1 CHAIRMAN WROTENBERY: And then we also had Case
2 12,698. This is the Application of Mewbourne Oil Company
3 for compulsory pooling in Eddy County, New Mexico.

4 The Commission issued an order in that case at
5 the meeting on November 6th, 2001, and since then we've had
6 a request from the Applicant Mewbourne to re-open the case
7 so we can consider amending one part of the order.

8 And I note we have here today Mr. Bruce
9 representing Mewbourne.

10 I don't see Mr. Feldewert. Steve, do you know
11 anything about his plans?

12 MR. ROSS: I had a conversation with Mr.
13 Feldewert on Monday, reminding him that this matter was set
14 during these hearings. And he said he was not going to
15 appear, that his clients had no interest in participating
16 in the well and he wasn't going to take a position for or
17 against the proposal here today. And I presume that's why
18 he's not here this morning.

19 CHAIRMAN WROTENBERY: Okay, thank you.

20 Mr. Bruce, would you like to explain to us what
21 it is you're seeking here today?

22 MR. BRUCE: Yes, Madame Chair. The Division
23 entered a pooling order in this case in August, and
24 Mewbourne Oil Company sent out the election letter as
25 required by the pooling order.

1 During that 30-day election period, none of the
2 pooled parties, which I would refer to as Heyco, et al.,
3 elected to join in the well, nor did they file any request
4 with the Division or the Commission to stay the effect of
5 the Division's order. If you'll recall, their primary
6 issue at hearing was pooling limited zones. Because there
7 was no response, all parties were deemed nonconsent as of
8 the date of the Commission hearing.

9 At the Commission hearing, Mewbourne requested
10 that the order provide for no additional election period,
11 and Heyco, et al., did not object to that request, if I
12 recall correctly. I believe just through simple oversight
13 that provision was not in the order, so I sent a letter
14 requesting on Mewbourne's behalf that the order be amended
15 to provide for no additional election period.

16 Normally I wouldn't have done this, but due to
17 rig scheduling the well was commenced. And Mr. Feldewert's
18 letter to the Commission was kind of ambiguous. It said,
19 We don't plan on participating, rather than a flat
20 statement that they would not participate.

21 And because the well is drilling and the chance
22 that information could escape about the condition of the
23 well, we believe that it would be proper to amend the order
24 to provide for no additional election period, since they
25 did not elect during the original election period and no

1 stay was ever requested.

2 CHAIRMAN WROTENBERY: Thank you, Mr. Bruce.

3 Any questions from the Commission?

4 COMMISSIONER BAILEY: No.

5 COMMISSIONER LEE: (Shakes head)

6 CHAIRMAN WROTENBERY: Steve, anything?

7 MR. ROSS: (Shakes head)

8 CHAIRMAN WROTENBERY: Okay, thank you very much.

9 Then we'll take your request under advisement.

10 MR. BRUCE: Thank you.

11 (Thereupon, these proceedings were concluded at

12 9:05 a.m.)

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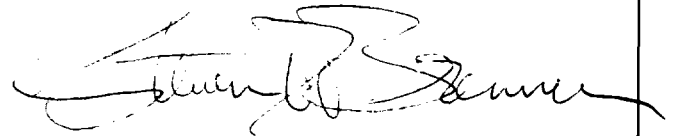
CERTIFICATE OF REPORTER

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 Commission 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 17th, 2001.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002