

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

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

CASE NO. 20809

Application of Mewbourne Oil
company for compulsory pooling,
Lea County, NM

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, OCTOBER 3, 2018

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetz,
Examiner, Dylan Rose-Coss, Examiner, and David Ames,
Legal Examiner, on Thursday, October 3, 2019, at the New
Mexico Energy, Minerals, and Natural Resources Department,
Wendell Chino Building, 1220 South St. Francis Drive,
Porter Hall, Room 102, Santa Fe, New Mexico

Reported by: Mary Therese Macfarlane
New Mexico CCR 122
PAUL BACA COURT REPORTERS
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 A P P E A R A N C E S .

2 FOR THE APPLICANT:

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I N D E X

7 CASE NUMBER 20809 CALLED

8 APPLICANT WITNESSES:

PAGE

9 MITCH ROTHMAN
(By affidavit)

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11 JORDAN CARROL
(By affidavit)

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12 TAKEN UNDER ADVISEMENT:

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E X H I B I T I N D E X

15 APPLICANT MEWBOURNE OIL COMPANY

CASE NO. 20809

16 EXHIBIT

ADMITTED

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1 (Time noted 3:42 p.m.).

2 EXAMINER GOETZ: Let's go through the list

3 Let's start off with 20809.

4 Okay. 20809, Application of Mewbourne Oil
5 Company for compulsory pooling in Lea County, New Mexico.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
7 representing the Applicant. I am submitting these cases
8 by affidavit.

9 The second thing I handed you is just a
10 larger copy of the cross section I am submitting.

11 Mr. Examiner, in this case -- this one does
12 have a little -- kind of a little glitch in it.

13 EXAMINER GOETZ: This is the one where you refer
14 back to another case; is this correct?

15 MR. BRUCE: Correct. In this case Mewbourne Oil
16 Company seeks to force pool the east half/east half of
17 Section 10 and the east half/east half of Section 15, 23
18 South, 34 East.

19 This case was originally heard as Case
20 20580. No Order has been issued, and the wells were from
21 the north to the south. They have filed the additional
22 application to not only cover those two wells but to cover
23 wells from the south to the north, because they had
24 some -- they commenced drilling their very first well out
25 there and they had some surface issues that precluded them

1 from getting more than a few hundred feet deep. Now they
2 want to include both, all four wells, the two 10/15 wells
3 and the two 15/10 wells, because they may still drill the
4 original two wells because they have APDs for those, wells
5 and these are federal wells. So they have filed for what
6 are called the 15/10 wells -- Mewbourne always puts the
7 surface location of the section first -- and it might take
8 some time to do that.

9 But, anyway, they just want all four wells
10 in the same application.

11 They are seeking to force pool a First Bone
12 Spring well and a Third Bone Spring well.

13 So that is the difference here.

14 And the exhibits are pretty much the same.
15 If you run through the land exhibits, they show who
16 they're force pulling. The AFEs for the wells -- actually
17 the south to north wells are cheaper than, slightly
18 cheaper than the original wells.

19 Notice has been given to all the pooled
20 parties. There is some unreturned green slips but an
21 Affidavit of Publication was set forth. And even though
22 geology was presented in the first case, besides the
23 Affidavit of Mitch Roth, the landman, I also have the
24 Affidavit of Jordan Carrol the geologist, who includes the
25 usual exhibits, cross section, isopach, structure map, and

1 the standard planning reports. And they would ask that an
2 Order be entered covering all four wells rather than just
3 the two originally pooled.

4 EXAMINER GOETZ: Discussion? As far as Notice
5 did we cover everything between the two cases?

6 MR. BRUCE: The geology is the same in both
7 cases, and that's of record, so I'm not submitting the old
8 geology affidavits. The the only thing is moving from
9 north/south to south/north.

10 And Notice was given to everybody the first
11 go-around. Actually, there are a few companies that
12 joined in the wells in the interim so that Mewbourne and
13 it's non-ops control 90.6 percent of the interest.

14 There are some record title owners being
15 force pooled just for purposes of communitization.

16 EXAMINER GOETZ: So we're giving Mewbourne the
17 option --

18 MR. BRUCE: To drill either.

19 EXAMINER GOETZ: And/or.

20 MR. BRUCE: Yeah.

21 EXAMINER GOETZ: And you have got AFEs for every
22 one of these?

23 MR. BRUCE: Yeah, the AFEs, the original AFEs
24 were included in 20580, and new AFEs are included in this.

25 EXAMINER GOETZ: And they are in the same

1 horizon, so...

2 MR. BRUCE: Exact same horizon. It's the exact
3 same.

4 EXAMINER GOETZ: So it's about surface casing
5 and placement of surface casing, not being able to
6 complete?

7 MR. BRUCE: Correct.

8 EXAMINER GOETZ: All right.

9 EXAMINER AMES: Mr. Bruce, would you like to
10 move admission?

11 MR. BRUCE: Oh, yes. Move for the admission of
12 Exhibits 1 through 4. Excuse me.

13 EXAMINER GOETZ: Exhibits 1 through 4 in case
14 20809 are so entered.

15 MR. BRUCE: And, by the way, that's the first
16 time I've ever asked for that type of Order in 37 years.

17 EXAMINER GOETZ: Well, you've always brought us
18 the best of everything, so we -- you have several firsts
19 we still refer to.

20 So you would like to take this one under
21 advisement?

22 MR. BRUCE: Please take it under advisement.

23 EXAMINER GOETZ: So Case 20809 is taken under
24 advisement.

25 (Time noted 3:50 P.M.)

1 STATE OF NEW MEXICO)
2) SS
3 COUNTY OF TAOS)
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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday, October
8 3, 2019, the proceedings in the above-captioned matter
9 were taken before me; that I did report in stenographic
10 shorthand the proceedings set forth herein, and the
11 foregoing pages are a true and correct transcription to
12 the best of my ability and control.

13 I FURTHER CERTIFY that I am neither employed by
14 nor related to nor contracted with (unless excepted by the
15 rules) any of the parties or attorneys in this case, and
16 that I have no interest whatsoever in the final
17 disposition of this case in any court.

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MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
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