

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. 16312

Application of Mewbourne Oil for
a non-standard oil spacing and
proration unit and compursory pooling,
Eddy County, New Mexico.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JULY 26, 2018

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, William B. Jones,
Examiner, and David Brooks, Legal Examiner, on Thursday,
July 26, 2018, 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

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A P P E A R A N C E S

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I N D E X

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

MEWBOURNE OIL, LLC, EXHIBITS:	ADMITTED
MEWBOURNE OIL, LLC, EXHIBIT 1	5
MEWBOURNE OIL, LLC, EXHIBIT 2	5
MEWBOURNE OIL, LLC, EXHIBIT 3	5

1 (Time noted: 8:36 a.m.)

2 MR. JONES. Okay. We will begin on the top of
3 the remaining docket. On page 3 we have Case No. 7, which
4 is Case No. 16312, Application of Mewbourne Oil Company
5 for a nonstandard spacing and proration unit and
6 compulsory pooling, Eddy County, New Mexico

7 Appearances?

8 MR. BRUCE: Jim Bruce of Santa Fe representing
9 the Applicant. I'm submitting this case by affidavit.

10 MR. JONES: Any other appearances?

11 MS. MUNDS-DRY: Ocean Munds-Dry with COG
12 Operating, LLC. I have no witnesses. Thank you.

13 MR. BROOKS: And even though he's not answering
14 in this case, we should recognize Mr. Bill Carr (phonetic)
15 as being here present. That's because of his long history
16 of being here present.

17 MR. BRUCE: He's been present here a lot of
18 time.

19 MR. CARR: I'D like to say it's nice to be here,
20 but...

21 MR. JONES: Okay. Go ahead whenever you're
22 ready.

23 MR. BRUCE: Mr. Examiner, in this case Mewbourne
24 Oil Company seeks the pooling of a 480-acre horizontal
25 spacing unit in the Wolfcamp formation and proration unit,

1 comprised of the southwest quarter of Section 21 and the
2 the west half of Section 28, Township 24 South, Range 28
3 East for two wells.

4 Submitted to you as Exhibit 1 is the Affidavit
5 of the landman Josh Anderson from Mewbourne, and the usual
6 attachments. If you look there is a land plat attachment
7 together with the C-102s for the two wells that are to be
8 pooled. They are Upper and Lower Wolfcamp wells.

9 Attachment B, which is a few pages in,
10 shows the parties in the well and those being pooled. One
11 change is that there's a company T.I.G. properties, LP.
12 They have signed up, so they are not being pooled.

13 And then of course all the correspondence
14 attached, together with a summary of the contacts of the
15 parties over the last several months.

16 Attachment D, the final attachment, is the
17 AFEs for the wells, and the rest of the affidavit contains
18 the usual information, that the AFEs are reasonable, they
19 are asking 8,800 bucks a month for overhead rates.

20 And all the interest owners were locatable
21 in this matter and they all received notice and this is
22 shown on the Affidavit of Notice Exhibit 3 -- 2.

23 Then Exhibit 3 is the affidavit of Charlie
24 Crosby, the geologist, and has the usual attachments: A
25 cross section, structure maps, information from nearby

1 Wolfcamp wells from the various Wolfcamp zones in this
2 area showing that there's no preferred orientation of the
3 wells in the Wolfcamp in this area.

4 And then Exhibit -- Attachment D is simply
5 the directional drilling plans for the wells.

6 I think all the information is contained in
7 the Affidavit, so I won't go into it any further. I would
8 move the admission of Exhibits 1, 2 and 3 and request the
9 matter be taken under advisement.

10 MR. JONES: Exhibits 1, 2 and 3 are admitted.

11 I assume that if there's any nonstandard
12 Locations that Applicant will be reapplying through the
13 district offices.

14 MR. BRUCE: I don't know of any unorthodox
15 locations at this point.

16 MR. JONES: That's okay.

17 MR. BROOKS: Okay.

18 MR. JONES: Thank you very much. Case 16312 is
19 taken under advisement.

20 (Time noted: 8:43 a.m.)

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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, July 26,
8 2018, the proceedings in the above-captioned matter were
9 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 cas in any court.

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MARY THERESE MACFARLANE, CCR
NM Certified Court Reporter No. 122
License Expires: 12/31/2018