

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:

APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 16490
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 11, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
 TERRY WARNELL, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Terry Warnell, Technical Examiner, and David K. Brooks, Legal Examiner, on Friday, January 11, 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 C. Hankins, CCR, RPR
 New Mexico CCR #20
 Paul Baca Professional Court Reporters
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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

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1 (2:48 p.m.)

2 EXAMINER JONES: 16490?

3 MR. BRUCE: Yes.

4 Mr. Examiner, Jim Bruce of Santa Fe
5 representing the Applicant. Again, I'm submitting this
6 case by affidavit.

7 Okay. In this case Mewbourne is seeking a
8 240-acre horizontal unit in the Bone Spring comprised of
9 the south half-southeast of Section 35 and the south
10 half-south half of Section 36 for its Gemini B2PO 1H
11 well. The affidavit contains the usual information on
12 efforts to obtain voluntary joinder. The overhead
13 rates, again, are 8,000 and 800.

14 Attachment A is a land plat, plus the C-102
15 for the well.

16 If you go to Attachment B, as in boy, to
17 the landman, the only party being pooled is EOG
18 Resources. I crossed out Canterra. Canterra Resources
19 has joined in the well and is not being pooled.

20 EXAMINER BROOKS: What about Keenan Trust?
21 They've joined?

22 MR. BRUCE: What's that now?

23 EXAMINER BROOKS: Judith Keenan Trust, they
24 committed?

25 MR. BRUCE: They committed. Yes.

1 So the total interest being pooled is about
2 37 percent. And I know they're working with EOG, and
3 there's quite a bit of correspondence.

4 Oh, they're also seeking to force pool the
5 Brigham Trust -- I'm sorry -- which is 1/8 of 1
6 percent -- 1/8 of 1 percent interest, so that's kind of
7 small.

8 But the affidavit contains all the usual
9 information, and the AFE is about 8 million --
10 \$8.2 million for the well.

11 The Affidavit of Notice, both EOG and the
12 Brigham Trust received actual notice. Again, notice was
13 received by Canterra, but they have joined in the well.
14 So everyone received actual notice, everyone who is
15 being pooled.

16 And then the landman -- excuse me -- the
17 geologist, again an affidavit with the structure map,
18 gross isopach, cross section showing the target. I
19 believe this is an Upper -- yeah, Upper 2nd Bone Spring.
20 It contains the usual data, that each quarter-quarter
21 section will contribute more or less equally to
22 production, and there is no impediment to drilling this
23 well.

24 EXAMINER BROOKS: Any overrides?

25 MR. BRUCE: None who need to be pooled.

1 EXAMINER BROOKS: Okay.

2 MR. BRUCE: With that, I'd move the
3 admission of Exhibits 1 through 3 and ask that the case
4 be taken under advisement.

5 EXAMINER JONES: Exhibits 1, 2, 3 are
6 admitted, and Case 16490 is taken under advisement.

7 (Mewbourne Oil Company Exhibit Numbers 1
8 through 3 are offered and admitted into
9 evidence.)

10 (Case Number 16490 concludes, 2:52 p.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

13 I FURTHER CERTIFY that the Reporter's
14 Record of the proceedings truly and accurately reflects
15 the exhibits, if any, offered by the respective parties.

16 I FURTHER CERTIFY that I am neither
17 employed by nor related to any of the parties or
18 attorneys in this case and that I have no interest in
19 the final disposition of this case.

20 DATED THIS 29th day of January 2019.

21

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23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

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