

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. 16499
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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INDEX

PAGE

Case Number 16499 Called	3
Case Presented by Affidavit	3
Proceedings Conclude	6
Certificate of Court Reporter	7

EXHIBITS OFFERED AND ADMITTED

Mewbourne Oil Company Exhibit Numbers 1 through 4	5
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1 (2:43 p.m.)

2 EXAMINER JONES: We have three more
3 Mewbourne cases.

4 MR. BRUCE: Well, and then we've got to go
5 to the top because there are more cases.

6 EXAMINER JONES: Which one do you want to
7 do first?

8 MR. BRUCE: Let's do 16499, the next one on
9 the last page.

10 EXAMINER JONES: Call Case 16499.

11 MR. BRUCE: Mr. Examiner, Jim Bruce of
12 Santa Fe representing the Applicant. Again, I'm doing
13 the case by affidavit.

14 In this case, Mr. Examiner, again there are
15 a lot of pages of documents here. Exhibit 1 is the
16 verified statement of Josh Anderson, the landman. It
17 contains the usual data. This is a Bone Spring well
18 unit, the south half-south half of Sections 35 and 34,
19 NBT [sic] 29 for the Wishbone 35/34 B2PM #1H. It
20 contains the usual data about obtaining voluntary
21 joinder and overhead rates of 8,000, 800.

22 Attachment A is the land plat, together
23 with the C-102 for the proposed well. Now, I didn't
24 pull up the most recent one. This was a little over a
25 year ago and the C-102s, so it has to be the old

1 setbacks and not the 100-foot ones.

2 Attachment B, you can see there is about 49
3 percent of the well unit being force pooled.

4 Mewbourne is still negotiating with these
5 people, but as you can see, they've been in touch with
6 these people since December 2017. So there's been
7 plenty of contact with all the people shown on
8 Attachment C. AFE for the well is \$9.5 million.

9 Exhibit 2 is a notice letter. There were
10 four returned letters, but Exhibit 3 is an Affidavit of
11 Publication from the Carlsbad newspaper, so everyone
12 received notice one way or the other.

13 Exhibit 4 is the affidavit of Charles
14 Crosby, the geologist, and that contains the usual,
15 structure map, gross isopach, cross section and data on
16 Bone Spring wells in the area.

17 And it looks like there hasn't been a Bone
18 Spring well drilled out here in the past few years.
19 That's Attachment D. So I'm guessing they're going with
20 new technology.

21 EXAMINER BROOKS: Probably.

22 All the people that are not marked with an
23 asterisk on Attachment B are committed to the well?

24 MR. BRUCE: Are uncommitted.

25 EXAMINER BROOKS: No. The people with an

1 asterisk are uncommitted.

2 MR. BRUCE: With an asterisk are
3 uncommitted.

4 EXAMINER BROOKS: Okay. Are committed.
5 Without an asterisk are committed?

6 MR. BRUCE: Yeah.

7 EXAMINER BROOKS: Okay. It looks like this
8 is at an unorthodox location, the way it's drawn. I
9 don't know if that's really true or not, but it looks
10 like --

11 MR. BRUCE: Well, I don't think so. I
12 think the surface location is unorthodox, but the first
13 and last take points are orthodox.

14 EXAMINER BROOKS: Yeah. It's drawn with a
15 straight line to the surface location, and there is no
16 showing of the first and last take points, so -- but
17 when you file the C-102 that way, it'll make you get an
18 NSL.

19 MR. BRUCE: So I'd ask that Exhibits 1
20 through 4 be admitted and that the case be taken under
21 advisement.

22 EXAMINER JONES: Exhibits 1 through 4 are
23 admitted, and Case 16499 is taken under advisement.

24 (Mewbourne Oil Company Exhibit Numbers 1
25 through 4 are offered and admitted into

1 evidence.)
2 (Case Number 16499 concludes, 2:48 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

22

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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