

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

4 IN THE MATTER OF THE HEARING CALLED  
5 BY THE OIL CONSERVATION DIVISION FOR  
6 THE PURPOSE OF CONSIDERING:

7 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 16207  
8 FOR COMPULSORY POOLING, EDDY COUNTY,  
9 NEW MEXICO.

10 REPORTER'S TRANSCRIPT OF PROCEEDINGS

11 EXAMINER HEARING

12 April 4, 2019

13 Santa Fe, New Mexico

14

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16 BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
17 TERRY WARNELL, TECHNICAL EXAMINER  
18 WILLIAM V. JONES, TECHNICAL EXAMINER  
19 DAVID K. BROOKS, LEGAL EXAMINER

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22 This matter came on for hearing before the  
23 New Mexico Oil Conservation Division, Michael McMillan,  
24 Chief Examiner; Terry Warnell and William V. Jones,  
25 Technical Examiners; and David K. Brooks, Legal  
26 Examiner, on Thursday, April 4, 2019, at the New Mexico  
27 Energy, Minerals and Natural Resources Department,  
28 Wendell Chino Building, 1220 South St. Francis Drive,  
29 Porter Hall, Room 102, Santa Fe, New Mexico.

30

31 REPORTED BY: Mary C. Hankins, CCR, RPR  
32 New Mexico CCR #20  
33 Paul Baca Professional Court Reporters  
34 500 4th Street, Northwest, Suite 105  
35 Albuquerque, New Mexico 87102  
36 (505) 843-9241

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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

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FOR INTERESTED PARTIES EOG RESOURCES, INC., et al.:

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1 (10:35 a.m.)

2 EXAMINER McMILLAN: At this time I would  
3 like to call Case Number 16207, application of Mewbourne  
4 Oil Company for compulsory pooling, Eddy County, New  
5 Mexico.

6 Call for appearances.

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

10 EXAMINER McMILLAN: Any other appearances?

11 MR. FELDEWERT: Mr. Examiner, Michael  
12 Feldewert, with the Santa Fe office of Holland & Hart,  
13 appearing on behalf of EOG Resources, Inc. and the  
14 related entities who appeared initially in Case 16207.  
15 And we do not object to the presentation of this case by  
16 affidavit.

17 MR. BRUCE: Mr. Examiner, I've handed you  
18 several exhibits.

19 Exhibit 1 is the affidavit of the landman,  
20 Tyler Jolly. We're seeking to force pool one  
21 unlocatable interest owner, and that person is Donna  
22 Bliven, B-L-I-V-E-N. As Mr. Brooks said, this case was  
23 heard last year. An order was issued, and subsequently  
24 this interest was discovered. She is unlocatable.

25 Exhibit A is a land plat showing the well

1 unit -- I mean, Attachment A to Exhibit 1 is a plat  
2 showing the well unit. The well unit is the south  
3 half-northeast of 25-29 and the south half-north half of  
4 28 in 18-29, and for a Bone Spring well. There is a  
5 C-102 attached. It's in the Palmillo East; Bone Spring  
6 pool.

7                   And then Attachment C is the well-proposal  
8 letter that was sent out and a very brief summary of  
9 communications. They have not been able to locate her  
10 despite searching computer records, et cetera.

11                   Exhibit D is an AFE for the well. It's a  
12 \$7-1/2 million Bone Spring test. The well has been at  
13 least commenced. I don't know if it's been completed.  
14 I looked on the computer this morning, and there was not  
15 a completion report.

16                   EXAMINER McMILLAN: Spud but not completed?

17                   MR. BRUCE: I do not know, but there was no  
18 C-105 or 115.

19                   And the landman's affidavit contains the  
20 usual information on the AFE. They are requesting  
21 8,000, 800 a month for a drilling and producing well and  
22 the risk charge. And that's pretty much it.

23                   EOG was force pooled in the original  
24 application. I don't know what their status is right  
25 now, but -- yeah. Yeah. We're just seeking to bring in

1 this additional interest owner under the original  
2 pooling order, if it can just be affirmed.

3 EXAMINER BROOKS: Okay.

4 MR. FELDEWERT: That was Order R-14805.

5 MR. BRUCE: Attachment 2 is my Affidavit of  
6 Notice. There were originally a couple of additional  
7 parties, but the only one we are seeking to pool at this  
8 time is Donna Bliven. The other parties joined  
9 voluntarily in the well. And because she was  
10 unlocatable, an Affidavit of Publication -- we have  
11 submitted an Affidavit of Publication showing she  
12 received constructive notice.

13 With that, I'd move the admission of  
14 Exhibits 1 through 3.

15 MR. FELDEWERT: No objection.

16 EXAMINER McMILLAN: Okay. So are you going  
17 to keep essentially the same costs?

18 MR. BRUCE: Yes.

19 EXAMINER McMILLAN: So essentially all  
20 you're doing is bringing -- you're compulsory pooling  
21 the unlocatable, but you're keeping the existing costs  
22 from the order, right --

23 MR. BRUCE: Correct.

24 EXAMINER McMILLAN: -- for overhead rates  
25 and things of that nature?

1 MR. BRUCE: Yes. Yes.

2 EXAMINER McMILLAN: Okay.

3 EXAMINER BROOKS: Okay.

4 MR. BRUCE: And as I said, I'd move the  
5 admission of the exhibits and ask that the case be taken  
6 under advisement.

7 EXAMINER McMILLAN: Any objections?

8 MR. FELDEWERT: No.

9 EXAMINER McMILLAN: Exhibits 1 through 3  
10 may now be accepted as part of the record.

11 (Mewbourne Oil Company Exhibit Numbers 1  
12 through 3 are offered and admitted into  
13 evidence.)

14 EXAMINER McMILLAN: And I assume you want  
15 the case taken under advisement?

16 MR. FELDEWERT: He does.

17 EXAMINER BROOKS: He said that.

18 EXAMINER McMILLAN: Okay. Sorry about  
19 that.

20 (Case Number 16207 concludes, 10:43 a.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 24th day of April 2019.

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