

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

6 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 14958  
7 FOR A NONSTANDARD OIL SPACING AND  
8 PRORATION UNIT AND COMPULSORY POOLING,  
9 EDDY COUNTY, NEW MEXICO.

ORIGINAL

10 REPORTER'S TRANSCRIPT OF PROCEEDINGS  
11 EXAMINER HEARING

12 BEFORE: RICHARD EZEANYIM, CHIEF EXAMINER  
13 DAVID K. BROOKS, LEGAL EXAMINER  
14 PHILLIP GOETZE, TECHNICAL EXAMINER

15 February 21, 2013

16 Santa Fe, New Mexico

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18 This matter came on for hearing before the  
19 New Mexico Oil Conservation Division, Richard Ezeanyim,  
20 Chief Examiner, and David K. Brooks, Legal Examiner, and  
21 Phillip Goetze, Technical Examiner, on Thursday,  
22 February 21, 2012, at the New Mexico Energy, Minerals  
23 and Natural Resources Department, 1220 South St. Francis  
24 Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

25 REPORTED BY: Mary C. Hankins, CCR, RPR  
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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

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INDEX

PAGE

Mewbourne Oil Company's Case-in-Chief:

Witnesses:

Corey Mitchell:

Direct Examination by Mr. Bruce 4  
Cross-Examination by Examiner Ezeanyim 11

Nate Cless:

Direct Examination by Mr. Bruce 14  
Cross-Examination by Examiner Ezeanyim 19  
Continued Direct Examination by Mr. Bruce 22

Proceedings Conclude 24

Certificate of Court Reporter 25

EXHIBITS OFFERED AND ADMITTED

Mewbourne Oil Company Exhibit Numbers 1 through 7 10

Mewbourne Oil Company Exhibit Numbers 8 through 12 23

1 (8:36 a.m.)

2 EXAMINER EZEANYIM: Now go to page 2.

3 I call Case Number 14958, application of  
4 Mewbourne Oil Company for a nonstandard oil spacing and  
5 proration unit and compulsory pooling, Eddy County, New  
6 Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of  
9 Santa Fe representing the Applicant.

10 I have two witnesses.

11 EXAMINER EZEANYIM: Okay. May the  
12 witnesses stand, state their name and be sworn in,  
13 please?

14 MR. BRUCE: State your names.

15 MR. CLESS: Nate Cless.

16 MR. MITCHELL: Corey Mitchell.

17 (Nate Cless and Corey Mitchel sworn.)

18 EXAMINER EZEANYIM: You may proceed,  
19 Mr. Bruce.

20 MR. BRUCE: Mr. Examiner, first I need to  
21 give our condolences to the new examiner as introduction  
22 to this.

23 EXAMINER GOETZE: Thank you. Thank you  
24 (laughter).

25

1 COREY MITCHELL,  
2 after having been previously sworn under oath,  
3 was questioned and testified as follows:

4 DIRECT EXAMINATION

5 BY MR. BRUCE:

6 Q. Would you please state your name and city of  
7 residence for the record?

8 A. Corey Mitchell. I reside in Midland, Texas.

9 Q. And who do you work for and in what capacity?

10 A. Mewbourne Oil Company as a landman.

11 Q. Have you previously testified before the  
12 Division as a landman?

13 A. Yes, sir.

14 Q. And were your credentials as a petroleum  
15 landman accepted as a matter of record?

16 A. Yes, sir.

17 Q. And are you familiar with the land matters  
18 involved in this case?

19 A. Yes, sir.

20 MR. BRUCE: Mr. Examiner, I tender  
21 Mr. Mitchell as an expert petroleum landman.

22 EXAMINER EZEANYIM: So qualified.

23 Q. (BY MR. BRUCE) Mr. Mitchell, will you please  
24 identify Exhibit 1 and discuss the well unit, and  
25 identify the well name and what zone you are seeking to

1 force pool?

2 A. Exhibit 1 is a Midland Map Company land plat of  
3 Township 18 South, Range 30 East. In Section 30, we  
4 have our proposed well unit highlighted. It is the  
5 Bradley 30 Fed Com #4H. We are seeking an order  
6 approving a nonstandard well unit comprised of the north  
7 half-north half of Section 30, as well as pooling from  
8 the surface to the base of the Bone Spring Formation.

9 Q. And what Bone Spring pool is this in?

10 A. This is the Santa Nino Bone Spring pool, and I  
11 believe it's Pool Code 54300.

12 EXAMINER EZEANYIM: Thank you very much. I  
13 got the pool name from the application.

14 THE WITNESS: Okay.

15 EXAMINER EZEANYIM: That was -- that was  
16 good. But the rest I didn't -- and then I searched for  
17 the pool code, which is correct. So that's good.

18 Q. (BY MR. BRUCE) And that pool does have special  
19 pool rules; does it not?

20 A. Yes, sir. It provides for 80-acre oil units.

21 Q. But insofar -- I believe the pool rules were  
22 amended not too long ago to provide for 330-foot  
23 setbacks; is that correct?

24 A. Correct. Correct.

25 Q. What is Exhibit 2?

1           A.    Exhibit 2 is our tract ownership. This well  
2    has quite a number of owners in it, over 50, so we have  
3    lumped those all into Chesapeake, et al. They have all  
4    participated under JOA. The parties we are seeking to  
5    pool are marked with an asterisk, and they total  
6    4.870983 percent.

7           Q.    Could you identify Exhibit 3, and discuss your  
8    attempts to either obtain the voluntary joinder of these  
9    parties in the well or to locate the interest owners?

10          A.    Exhibit 3 is a summary of our communications  
11    with the respective parties that we are seeking to pool.  
12    We've mailed well proposals, along with AFE, to all the  
13    parties and received verification that they received it  
14    except for two parties, which were returned unclaimed.  
15    We have pooled all these parties in our previous three  
16    wells drilled in this section. We have done county  
17    searches for these people, Internet searches. I've  
18    talked with the other owners in the section and have  
19    been unable to locate them.

20          Q.    And you've been looking at this section for --  
21    well, more than a couple of years overall, haven't you?

22          A.    Correct. Yes, sir.

23          Q.    So do you recall you have either made a  
24    good-faith effort to obtain the voluntary joinder of the  
25    interest owners in the well or have made a good-faith

1 effort to locate the interest owners?

2 A. Yes, sir.

3 Q. Would you identify Exhibit 4, and discuss the  
4 cost of the proposed well?

5 A. Exhibit 4 is our AFE, which sets out our  
6 estimated well costs for this well. We are looking at  
7 an estimated dry-hole cost of \$2,178,900 and completed  
8 well costs of \$4,621,200.

9 Q. And is this cost in line with the costs of  
10 other wells drilled to this depth in this area of Eddy  
11 County?

12 A. Yes, sir.

13 Q. And you said you already drilled three wells in  
14 this section, so I would guess that Mewbourne has a good  
15 handle on the cost for drilling?

16 A. Yes, sir.

17 Q. What overhead rates do you request?

18 A. We are requesting 7,500 for drilling and 750  
19 for producing.

20 Q. And are those rates in line with the rates  
21 charged by Mewbourne and other operators in this area  
22 for wells of this depth?

23 A. Yes, sir.

24 Q. Do you request the maximum cost, plus  
25 200-percent risk charge be assessed against these

1 nonconsenting interest owners?

2 A. Yes, sir.

3 Q. And was notice mailed to the locatable parties?

4 A. Yes, sir.

5 Q. And is that reflected in Exhibit 5A?

6 A. Yes, sir.

7 MR. BRUCE: Mr. Examiner, if you look at  
8 the back two pages of Exhibit 5A, you can see that there  
9 were two people, Charles Robinson, and then Ron and Amie  
10 Green, who we did not get green cards back.

11 Q. (BY MR. BRUCE) Insofar as Mr. Robinson,  
12 Mr. Mitchell, have you spoken with him about this well?

13 A. Yes, sir, I have. He called me and made me  
14 aware that he did receive all of our correspondence,  
15 even the correspondence from Mr. Jim Bruce, but he did  
16 not wish to do anything with his interest due to it  
17 being so small, and he being unfamiliar with the oil and  
18 gas industry.

19 Q. But he did acknowledge receipt of the notice  
20 letter?

21 A. Yes, sir. Yes, sir.

22 Q. And insofar as Mr. and Mrs. Green, are you  
23 confident that that is their accurate address?

24 A. Yes, sir.

25 Q. And you have had correspondence with them over

1 the years, correct?

2 A. Yes, sir.

3 MR. BRUCE: And I would point out,  
4 Mr. Examiner, that in the last hearing we did an offset  
5 well. Mr. Robinson and Mr. and Mrs. Green were sent  
6 notice in August of last year, Case 14899, and they --  
7 the exhibits submitted in that case showed they did  
8 receive actual notice at the same addresses?

9 EXAMINER EZEANYIM: Which order is that?  
10 Case number what?

11 MR. BRUCE: Case 14899, and that was the  
12 pooling of the well unit immediately to the south of  
13 this well unit, the south half-north half of Section 30.  
14 So they did receive actual notice.

15 Mr. Examiner, Exhibit 5B is a copy of the  
16 notice that was sent for publication in the Carlsbad  
17 newspaper. I have not yet received the Affidavit of  
18 Publication, but I will submit that when I receive it  
19 from the Carlsbad newspaper.

20 EXAMINER EZEANYIM: Okay.

21 Q. (BY MR. BRUCE) And, Mr. Mitchell, does Exhibit  
22 6 accurately identify the offset operators to the  
23 proposed well?

24 A. Yes, sir.

25 Q. And other than Mewbourne, the only one is EOG

1 Resources?

2 A. Yes, sir.

3 Q. And was EOG notified of this application?

4 A. Yes, sir.

5 MR. BRUCE: Mr. Examiner, that is reflected  
6 in my Affidavit of Notice, submitted as Exhibit 7.

7 Q. (BY MR. BRUCE) In your opinion, Mr. Mitchell,  
8 is the granting of this application in the interest of  
9 conservation and the prevention of waste?

10 A. Yes, sir.

11 Q. And were Exhibits 1 through 7 prepared by you  
12 or compiled from company business records?

13 A. Yes, sir.

14 MR. BRUCE: Mr. Examiner, I'd move the  
15 admission of Exhibits 1 through 7.

16 EXAMINER EZEANYIM: Exhibits 1 through 7  
17 will be admitted.

18 (Mewbourne Oil Company Exhibit Numbers 1  
19 through 7 were offered and admitted into  
20 evidence.)

21 MR. BRUCE: And I have no further questions  
22 of the witness.

23 EXAMINER EZEANYIM: Thank you.

24 Any questions?

25 EXAMINER BROOKS: No questions.

1 EXAMINER EZEANYIM: Any questions?

2 EXAMINER GOETZE: No questions.

3 CROSS-EXAMINATION

4 BY EXAMINER EZEANYIM:

5 Q. Let's talk a little bit about -- you see why  
6 it's important that I got the number of this pool? I  
7 saw that it has a special pool. It depends [sic] on  
8 that 40-acre, right, Santo Nino Bone Spring?

9 A. (Indicating.)

10 Q. Okay. Now, it is a pool for 80 acres, right?

11 A. (Indicating.)

12 Q. Now, do you want to also pool on the  
13 vertical -- vertical side of the well instead of the  
14 project area?

15 A. Yes, sir.

16 EXAMINER EZEANYIM: How is that going to  
17 work, Mr. Bruce? And this is on the fourth -- this well  
18 started on the 40. There are special pool rules, so we  
19 have to -- when you put it on the back of the well, you  
20 have to be on that 80 or on the 40?

21 EXAMINER BROOKS: Are you requesting a  
22 40-acre unit for portions to the wellbore within the  
23 40-acre space?

24 MR. BRUCE: The application does not  
25 include 40 acres.

1 EXAMINER EZEANYIM: You said 40 or 80?

2 MR. BRUCE: Did not -- well, what I'm  
3 saying -- I think there are two things, Mr. Examiner,  
4 Mr. Brooks. The application did not request the pooling  
5 of the shallower zones and the vertical --

6 EXAMINER BROOKS: Okay. I understood the  
7 witness to say otherwise. I hadn't looked at the  
8 application.

9 MR. BRUCE: I think what we're asking for  
10 here, Mr. Ezeanyim, is, in essence, pooling  
11 two lay-down 80s.

12 EXAMINER EZEANYIM: Okay. On the vertical  
13 part, because you are going to pool the --

14 MR. BRUCE: Oh, yeah, yeah. That's right.

15 EXAMINER EZEANYIM: -- on the vertical --

16 MR. BRUCE: On the vertical part, yeah.

17 EXAMINER EZEANYIM: -- on the 80.

18 MR. BRUCE: If there is something there.

19 MR. EZEANYIM: Oh, yeah. But it has to be  
20 on the 80, not on the 40 --

21 MR. BRUCE: That's right.

22 EXAMINER EZEANYIM: -- because of the  
23 special pooling rule. You see why it's important what I  
24 said now about giving me this pool so that I know which  
25 pool, to understand what you are asking for. Okay. So

1 instead of the vertical being on the 40, it's going to  
2 be on 80, because of the special pool rule, right? Is  
3 that what you're saying?

4 MR. BRUCE: Correct.

5 EXAMINER EZEANYIM: And then also on the  
6 project area? You are pooling the project area, too?

7 MR. BRUCE: Yes.

8 EXAMINER EZEANYIM: The 160.

9 THE WITNESS: Yes, sir.

10 EXAMINER EZEANYIM: Okay. Is it all going  
11 to be from the southwest or vertical --

12 MR. BRUCE: It is the Bone Spring  
13 Formation.

14 EXAMINER EZEANYIM: Just the Bone Spring?

15 MR. BRUCE: Yes, sir.

16 EXAMINER EZEANYIM: You are not interested  
17 in going uphole?

18 MR. BRUCE: Nothing uphole.

19 EXAMINER EZEANYIM: So the Bone Spring --  
20 both on the vertical, and the -- okay. It's important  
21 to understand what you guys need.

22 Q. (BY EXAMINER EZEANYIM) So there are some  
23 interests in another well. That's why we had that  
24 publication, right?

25 A. (Indicating.)

1 Q. Is that correct?

2 A. Yes, sir.

3 Q. And any API number for this?

4 A. The API number is 3001540934.

5 Q. 540934.

6 A. 934, yes, sir.

7 Q. Give it to me again.

8 A. 3001540934.

9 Q. Okay. Nothing further.

10 EXAMINER EZEANYIM: Call your next witness.

11 NATE CLESS,

12 after having been previously sworn under oath, was  
13 questioned and testified as follows:

14 DIRECT EXAMINATION

15 BY MR. BRUCE:

16 Q. Would you please state your name and city of  
17 residence for the record?

18 A. Nate Cless, Midland, Texas.

19 Q. Who do you work for and in what capacity?

20 A. I work for Mewbourne Oil Company as a  
21 geologist.

22 Q. Have you previously testified before the  
23 Division?

24 A. Yes, I have.

25 Q. And have your credentials as a petroleum

1 geologist been accepted as a matter of record?

2 A. Yes, they were.

3 Q. And are you familiar with the geology involved  
4 in this case?

5 A. Yes, sir, I am.

6 Q. And were you also the geologist for the other  
7 wells drilled in this section?

8 A. Yes, I was.

9 MR. BRUCE: Mr. Examiner, I tender  
10 Mr. Cless has an expert petroleum geologist.

11 EXAMINER EZEANYIM: He is so qualified.

12 Q. (BY MR. BRUCE) Mr. Cless, would you identify  
13 Exhibit 8 for the Examiner?

14 A. Exhibit 8 is a structure map, and it's of the  
15 nine-section area surrounding Section 30 of 18 South, 30  
16 East. The structure is on the base of the 2nd Bone  
17 Spring Sand Formation. I've highlighted all the Bone  
18 Spring producers in this area.

19 Basically, the Bone Spring producers  
20 consist of just the 1st sand and the 2nd sand. And the  
21 2nd sand producers have the yellow circle on each  
22 wellbore, and then the 1st sand producers have the  
23 orange circle on each of the wellbores. We're going for  
24 the target interval here at the 2nd Bone Spring Sand.

25 You can see all of the other horizontals

1 drilled in this area, in Section 20. In Section 20, 29  
2 and 30, as well as 19, those are all 2nd Bone Spring  
3 Sand horizontals that Mewbourne has drilled. We've  
4 drilled them all east to west. And you can see I've  
5 marked with a red arrow on the north half-north half of  
6 Section 30 the location along the proposed well.

7 Q. Go on to Exhibit 9.

8 A. Exhibit 9 is a gross ISOPACH map of the lower  
9 2nd Bone Spring Sand Formation. Below each vertical  
10 wellbore, there is a number, and that number represents  
11 the gross beat in each particular wellbore of the lower  
12 2nd Bone Spring Sand. So you can see in the  
13 north half-north half of Section 30 we're going by three  
14 different vertical wells, and you can see the average  
15 thickness through that interval is about 110 feet thick  
16 in the gross interval. So we anticipate that this  
17 interval will be consistently thick across that north  
18 half-north half section -- of Section 30.

19 Q. And you would anticipate that each  
20 quarter-quarter section could be more or less included  
21 in production?

22 A. Yes, sir.

23 Q. Let's move on to your cross section and discuss  
24 a little bit more of the horizontal target.

25 A. So this next exhibit is a three-well cross

1 section containing the three wells in the north  
2 half-north half of Section 30, starting with the well in  
3 30 -- 30D, which is the well that we'll be landing by,  
4 and going to the well in 30C, as well as the well in  
5 30B. And you can see, on the right-hand side, I've  
6 labeled where the top of the lower 2nd Bone Spring  
7 Sand intervals are.

8 EXAMINER EZEANYIM: Mr. Cless, could you  
9 repeat what you said about B, C and D? What are those?

10 THE WITNESS: Those are just the wells that  
11 we're going by, that we'll be going by.

12 EXAMINER EZEANYIM: Oh, okay. Those are  
13 vertical wells. Okay.

14 THE WITNESS: Yeah.

15 A. As you can see in each of those wells, the  
16 interval of the lower 2nd Bone Spring Sand is consistent  
17 across that entire interval.

18 You can also see, on the right-hand side,  
19 I've listed where our horizontal target will be. So  
20 we'll be targeting that lower part of the 2nd Bone  
21 Spring Sand.

22 Q. (BY MR. BRUCE) Is the 3rd Bone Spring  
23 productive in this area?

24 A. The 3rd Bone Spring Sand is present in this  
25 area. There is no real vertical testing in the 3rd Bone

1 Spring Sand. At some point in time, we might come back  
2 to it.

3 Q. In your opinion, will your proposed well  
4 efficiently and economically drain this particular  
5 portion of the Bone Spring reservoir?

6 A. Yes, we believe it will.

7 Q. Let's move on to Exhibit 11 and maybe discuss a  
8 little of the production in this area.

9 A. So Exhibit 11 is just a production table of all  
10 the Bone Spring wells in this nonsection area. You can  
11 see there is a lot of -- there is quite a bit of Bone  
12 Spring production, and I've broken out each well by its  
13 name, operator. I've listed the API number; the  
14 location of all these wells, whether it's vertical or  
15 horizontal; when it was completed in the Bone Spring  
16 interval; what part of the Bone Spring it was completed  
17 in; whether it was the 1st Sand or the 2nd Sand; and  
18 then also the CUM oil, CUM gas and CUM water of each  
19 particular well.

20 I've highlighted a couple of wells. The  
21 first well is highlighted in yellow; the Elliott Federal  
22 #3 is a vertical well that was drilled in this area. It  
23 tested both the 1st and 2nd Bone Spring Sand. It was  
24 drilled in 1988, and in that time, it made just over  
25 30,000 barrels of oil.

1                   And then the next -- the next well that's  
2 highlighted in yellow, the Bradley 30 Fed Com #1H, is a  
3 well that we drilled in this section, a horizontal well,  
4 that was completed just over a year ago, in 2011. And  
5 in that time, it's made over 42,000 barrels of oil. So  
6 that shows that the -- that the drilling of these  
7 horizontal wells is more efficiently draining this  
8 interval as opposed to drilling the vertical wells.

9           Q.    And then it appears that the production from  
10 the Elliott Federal #3 hasn't adversely affected  
11 production of the Bradley 30 #1.

12           A.    No. We don't believe that it has.

13                                   CROSS-EXAMINATION

14           BY EXAMINER EZEANYIM:

15           Q.    Yeah. While we are on that subject, go to the  
16 middle, the Phoenix 21 Federal. What's going on with  
17 that well?

18           A.    That well is just off this map. It's in  
19 Section 21, and it's a north-south well. It's a  
20 north-south horizontal well that we've drilled, and it's  
21 the only north-south horizontal well that we've drilled.  
22 And I put that on here to show that that well was  
23 completed just about the same time as the Bradley 30  
24 #1H, and it made 21,000 barrels of oil in just about the  
25 same amount of time that the Bradley 30 #1H made 42,000

1 barrels of oil. So we believe that that shows that  
2 we've got to drill east-west in this area as opposed to  
3 north-south.

4 Q. That's why I ask that question, and that's one  
5 of the statements that I ask why you want to do this.  
6 And I think it shows clearly.

7 What are those wells you are drilling at  
8 this time, 11 to -- they are close to the same time.  
9 The middle area made less oil than the one that was  
10 drilled --

11 A. Yes.

12 Q. You see, this is very important in deciding  
13 whether to go east to west or something like that.  
14 Imagine if you are coming in here and saying you want to  
15 go north-south? With this information, do you think we  
16 are going to prevent wells? No. So this is really what  
17 I like to see when we want to do these east-west,  
18 north-south --

19 A. Yes.

20 Q. -- to be convinced they're all the same --

21 And then when we are talking about the  
22 wellbore [sic] here, I wonder who is -- who is drilling  
23 those two wells on station 32?

24 A. Those wells were drilled --

25 Q. Is it Mewbourne?

1           A.    Those wells -- the 1st Sand horizontals, they  
2    were -- it's not Mewbourne.  It was drilled by Marbob,  
3    which is now operated by Concho, and those were drilled  
4    in the 1st Sand.  And they're -- they're not -- they're  
5    not that great of wells.  We do still believe that the  
6    1st Sand has potential up in this area.  So that'll be  
7    something that I'm sure we'll test later on down the  
8    road.

9           Q.    And do you know the type of -- what they are  
10   producing?

11          A.    The last three wells on this --

12          Q.    I'm back to Section 30.  Do you know what those  
13   two wells are doing?

14          A.    The last -- the last three wells on the  
15   production table are those three wells, and those wells  
16   were drilled in 2007 and 2008.  And they have -- on  
17   average, they've made about 25,000 barrels in that -- in  
18   that time frame.

19          Q.    Okay.  I think I may have -- and I bet you that  
20   came from the same pool, you know --

21          A.    Yeah.

22          Q.    -- maybe -- maybe at the same time.

23          A.    It's the 1st Bone Spring Sand.  I believe it's  
24   the same pool.

25                   MR. BRUCE:  Yeah.  There isn't a division.

1 There isn't a vertical division in this pool.

2 EXAMINER EZEANYIM: Okay. That is very  
3 interesting. Keep it to this to show me why you want  
4 the orientation you want to do. That was very good.

5 CONTINUED DIRECT EXAMINATION

6 BY MR. BRUCE:

7 Q. Finally, Mr. Cless, could you identify Exhibit  
8 12 and briefly discuss how Mewbourne completes these  
9 wells?

10 A. Yeah. Exhibit 12 is a horizontal drilling plan  
11 that we've been given by Directional Drilling Company.  
12 On the front page, it has our service location, 330 from  
13 north, 110 from west. Our landing point is 335 from  
14 north, 580 from west, so it's a legal location. And  
15 then our bottom-hole location, 400 from north, 330 from  
16 east, which is also a legal location.

17 And then if you just flip through there, it  
18 just has our proposed -- proposed outline of our  
19 horizontal well. And then if you flip to the last two  
20 pages -- or, the very last page is the wellbore diagram  
21 of the horizontal well showing where we're going to  
22 kick-off at, and then where our estimated landing point  
23 is and our bottom-hole location.

24 Q. In your opinion, is the granting of this  
25 application in the interest of conservation and the

1 prevention of waste?

2 A. Yes, it is.

3 Q. And were Exhibits 8 through 12 either prepared  
4 by you or compiled from company business records?

5 A. Yes, they were.

6 MR. BRUCE: Mr. Examiner, I'd move the  
7 admission of Exhibits 8 through 12.

8 EXAMINER EZEANYIM: Exhibits 8 through 12  
9 will be admitted.

10 (Mewbourne Oil Company Exhibit Numbers 8  
11 through 12 were offered and admitted into  
12 evidence.)

13 MR. BRUCE: I have no further questions for  
14 this witness.

15 EXAMINER EZEANYIM: Do you have any  
16 questions?

17 EXAMINER BROOKS: No questions.

18 EXAMINER EZEANYIM: Do you have any  
19 questions?

20 EXAMINER GOETZE: No questions at this  
21 time.

22 EXAMINER EZEANYIM: I think all my  
23 questions have been answered. Thank you.

24 Anything further?

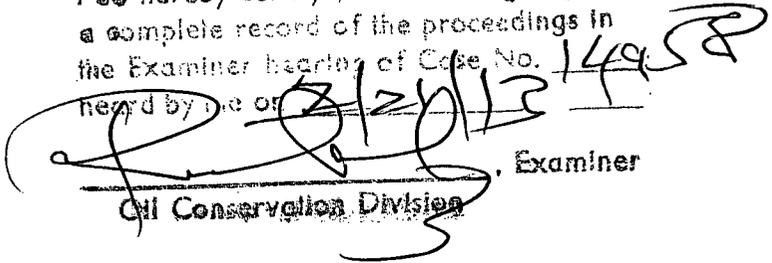
25 MR. BRUCE: Nothing further in this matter,

1 Mr. Examiner.

2 EXAMINER EZEANYIM: At this point, Case  
3 Number 14958 will be taken under advisement.

4 (Case Number 14958 concludes, 9:00 a.m.)  
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13 I do hereby certify that the foregoing is  
14 a complete record of the proceedings in  
15 the Examiner hearing of Case No. 14958  
16 heard by me on 8/20/13

A large, stylized handwritten signature in black ink is written over the printed text. To the right of the signature, the date "8/20/13" is handwritten in black ink. The signature appears to be "EZEANYIM" with a flourish at the end.

17 Examiner

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

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

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

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MARY C. HANKINS, CCR, RPR  
Paul Baca Court Reporters  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2013

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