

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

5 APPLICATION OF MEWBOURNE OIL
6 COMPANY FOR A NONSTANDARD OIL
7 SPACING AND PRORATION UNIT AND
8 COMPULSORY POOLING, LEA COUNTY,
9 NEW MEXICO.

CASE NO. 15065

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

December 19, 2013

Santa Fe, New Mexico

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14 BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
15 MICHAEL McMILLAN, TECHNICAL EXAMINER
16 GABRIEL WADE, LEGAL EXAMINER

18 This matter came on for hearing before the
19 New Mexico Oil Conservation Division, Phillip Goetze,
20 Chief Examiner, Michael McMillan, Technical Examiner,
21 and Gabriel Wade, Legal Examiner, on Thursday, December
22 19, 2013, at the New Mexico Energy, Minerals and Natural
23 Resources Department, 1220 South St. Francis Drive,
24 Porter Hall, Room 102, Santa Fe, New Mexico.

23 REPORTED BY: Mary C. Hankins, CCR, RPR
24 New Mexico CCR #20
25 Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102

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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

JAMES G. BRUCE, ESQ.
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EXHIBITS OFFERED AND ADMITTED

Mewbourne Oil Company Exhibit Numbers 1 through 4	5
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1 (8:23 a.m.)

2 EXAMINER GOETZE: The next case, Case
3 15065, application of Mewbourne Oil Company for a
4 nonstandard oil spacing and proration unit and
5 compulsory pooling, Lea County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of
8 Santa Fe representing the Applicant. I am submitting
9 this case by affidavit because the only party being
10 pooled is simply a bear record title owner. It's a
11 federal lease. There is no cost-bearing. There is no
12 opposition, and there is no cost-bearing interest
13 affected.

14 EXAMINER GOETZE: Okay. Proceed.

15 MR. BRUCE: Mr. Examiner, in this case,
16 Mewbourne Oil Company seeks to force pool the Bone
17 Spring Formation in the south half-south half of Section
18 17, 19 South, 33 East in Lea County. The well is the
19 Excalibur 17 MP Fed Com Number 1 well. The well's
20 producing interval will be standard. The only party to
21 be pooled is a record title owner in Federal Lease
22 NM 077004, which covers the south half of southeast of
23 Section 17. And the party being pooled is the Edward R.
24 Hudson Trust Number 4, which is controlled by the Ard
25 family, who simply never responds to anything, not even

1 a request to sign a communitization agreement. They own
2 a one-eighth record title interest in the lease but no
3 cost-bearing interest.

4 Attachment A to Exhibit 1, the affidavit of
5 the landman, is simply a Midland Map Company plat
6 showing the well unit. Attachment B is the letter
7 requesting the signature on the communitization
8 agreement, and Attachment C is simply a listing of
9 offset interest owners for the nonstandard well unit as
10 stated in the landman's affidavit.

11 Mewbourne has contacted the Ards who
12 control the trust number for a number of times over the
13 last several years, and they simply refuse to respond at
14 all. So the forced pooling is necessary so that the
15 Bureau of Land Management can approve the
16 communitization agreement for this tract.

17 Exhibit 2 is simply a brief affidavit of
18 David Rawlins, the geologist for Mewbourne, attaching an
19 isopach and a cross section and the directional well
20 plan. The Bone Spring is continuous across the well
21 unit. And, again, I don't know if this is strictly
22 necessary to have the geologist testify because all of
23 the cost-bearing interest owners of the well unit have
24 already approved the Bone Spring nonstandard well unit,
25 but, nonetheless, information is attached for you to

1 review.

2 And Exhibits 3 and 4 are simply -- Exhibit
3 3 is the letter to the Hudson Trust Number 4. They
4 received actual notice. They never responded. And
5 Exhibit 4 is the notice -- the Affidavit of Notice to
6 the offset operators to the well unit. They actually
7 received actual notice, and nobody has objected to the
8 well unit.

9 With that, I'd move the admission of
10 Exhibits 1 through 4 and request that this matter be
11 taken under advisement.

12 EXAMINER GOETZE: Exhibits 1 through 4 are
13 entered into record.

14 (Mewbourne Oil Company Exhibit Numbers 1
15 through 4 were offered and admitted into
16 evidence.)

17 EXAMINER GOETZE: Any questions from
18 Mr. Wade?

19 EXAMINER WADE: No.

20 EXAMINER GOETZE: Any from Mr. McMillan?

21 EXAMINER McMILLAN: No.

22 EXAMINER GOETZE: I have no questions.

23 And we will take Case 15065 under
24 advisement.

25 I do hereby certify that the foregoing is
(Case Number 15065) concludes of the proceedings in
the Examiner hearing of Case No. 15065
heard by me on Dec 19, 2013

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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CERTIFICATE OF COURT REPORTER

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

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

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



MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters, Inc.
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2014