

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 )  
FOR COMPULSORY POOLING, EDDY COUNTY, )  
NEW MEXICO )

CASE NO. 13,937

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Jr., Hearing Examiner

July 26th, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, Jr., Hearing Examiner, on Thursday, July 26th, 2007, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

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## I N D E X

July 26th, 2007  
 Examiner Hearing  
 CASE NO. 13,937

PAGE

REPORTER'S CERTIFICATE

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\* \* \*

## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	-
Exhibit A	3	-
Exhibit B	4	-
Exhibit C	4	-
Exhibit 2	4	-
Exhibit A	-	-

\* \* \*

## A P P E A R A N C E S

FOR THE DIVISION:

MICHAEL THOMAS  
 Assistant General Counsel  
 Energy, Minerals and Natural Resources Department  
 1220 South St. Francis Drive  
 Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE  
 Attorney at Law  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 10:53 a.m.:

3           EXAMINER JONES: Okay, let's call Case 13,937,  
4 continued from July 12th, Application of Mewbourne Oil  
5 Company for compulsory pooling, Eddy County, New Mexico.  
6           Call for appearances.

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

10          EXAMINER JONES: Okay.

11          MR. BRUCE: Mr. Examiner, in this case Mewbourne  
12 Oil Company seeks to pool the south half of Section 3, 20  
13 South, 29 East, solely for 320-acre units. Submitted is  
14 the verified statement of Larry Cunningham who's a landman  
15 at Mewbourne Oil Company.

16           The proposed location of the well is in the  
17 northwest quarter southwest quarter of Section 3, and it  
18 will test the Morrow formation.

19           Again, some fairly small interests are involved.  
20 These people have all been contacted but have never  
21 voluntarily joined in the well. There's about maybe .35  
22 percent not tied up in the well. Mewbourne asks a 200-  
23 percent risk charge against these people and overhead rates  
24 of \$6500 and \$650 per month.

25           Exhibit A attached to Exhibit 1 is just simply a

1 land plat outlining the well unit.

2 Exhibit B are copies of the correspondence to  
3 these parties, and -- with well proposals.

4 And Exhibit C is a copy of the AFE for the well.

5 Submitted as Exhibit 2 is my affidavit of notice.

6 You'll see on the notice, notice was also sent to Cimarex  
7 Energy Company, but they have come to terms with Mewbourne  
8 Oil Company and are not being pooled in this Application.  
9 Notice was received by everyone.

10 We also had several different addresses for Mill  
11 Neck Associates, but at least two of the three notices  
12 we've sent to Mill Neck Associates were received, so there  
13 is no affidavit of publication.

14 And we'd ask that this matter be taken under  
15 advisement.

16 EXAMINER JONES: Thank you. With that, we'll  
17 take Case Number 13,937 under advisement.

18 (Off the record)

19 EXAMINER JONES: Let's do a 15-minute break,  
20 then. Let's come back at 11:15.

21 (Thereupon, these proceedings were concluded at  
22 11:00 a.m.)

23 \* \* \*  
24 I do hereby certify that the foregoing is  
25 a complete record of the proceedings in  
the Examiner hearing of Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_

STEVEN T. O'BRENNER, <sup>Examiner</sup> ~~CCR~~ Division  
(505) 989-9317

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) SS.  
COUNTY OF SANTA FE )

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 29th, 2007.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010