

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

~~COPY~~  
*original*

CASE NO. 14397

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

CASE NO. 14398

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Presiding Examiner  
DAVID K. BROOKS, Legal Examiner

October 29, 2009

Santa Fe, New Mexico

This matter came on for hearing before the  
New Mexico Oil Conservation Division, WILLIAM V. JONES,  
Presiding Examiner, and DAVID K. BROOKS, Legal Examiner,  
on Thursday, October 29, 2009, at the New Mexico Energy,  
Minerals and Natural Resources Department, 1220 South St.  
Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91  
Paul Baca Professional Court Reporters  
500 Fourth Street, N.W., Suite 105  
Albuquerque, NM 87103 505-843-9241

*WVJ/JSW*

A P P E A R A N C E S

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FOR THE APPLICANT:

JAMES G. BRUCE, ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, New Mexico 87504-1056

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1 MR. JONES: Let's call Case 14397 and Case  
2 14398. Both are applications of Mewbourne Oil Company  
3 for compulsory pooling, Eddy County, New Mexico. Call  
4 for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce  
6 representing Mewbourne Oil Company in both cases.

7 Mr. Examiner, I've handed you Exhibits 1 and 2  
8 in both cases. I think if you just look at the first  
9 one, Case 14397, if you'll turn to the land plat, Exhibit  
10 A attached to the affidavit of Corey Mitchell, the  
11 landman, you'll see that they are seeking to force pool,  
12 in Case 14397, the Southeast/Northwest of Section 22, and  
13 in Case 14398, the Northeast/Northwest of Section 22.  
14 Although there is a line drawn between those two 80s, the  
15 east half of the Northwest Quarter of Section 22 is a  
16 single fee tract with common ownership.

17 In both cases the only party being -- they are  
18 seeking to force pool all mineral interests from the  
19 surface to the base of the Yeso formation. The only  
20 person being force pooled is E.J. Anderson, who owns a  
21 six-and-two-thirds percent unleased mineral interest in  
22 each tract. Mr. Anderson -- they have not been able to  
23 locate Mr. Anderson. Again, in both cases they seek a  
24 200 percent risk charge and the overhead rates are 4,000  
25 per month and 400 per month.

1           If you'll turn back -- in this case Mewbourne  
2 did check the records of Eddy County, telephone  
3 directories, the Internet, the usual searches. They also  
4 contacted MYCO Industries, which is one of the interest  
5 owners in these two wells, to see if they had any  
6 information. And consistent with Mewbourne's title  
7 information, the only instrument ever appearing of record  
8 was an assignment from 70 years ago, and he never shows  
9 up afterwards, so they have not been able to locate him.

10           As a result, notice was published against Mr.  
11 Anderson or his heirs or successors, in the Carlsbad  
12 newspaper. Exhibit 2 in each case an affidavit of notice  
13 as against Mr. Anderson. With respect to the -- in Case  
14 14397 the well is being permitted, but there is no API  
15 number in Case 14398. The permit was approved two or  
16 three days ago, and the API number is 30-015-37349.

17           MR. JONES: Which case was that?

18           MR. BRUCE: That was the second one,  
19 14398.

20           With that, I move the admissions of Exhibits 1  
21 and 2 in each of the cases, 14397 and 14398.

22           MR. JONES: Exhibits 1 and 2 will be  
23 admitted in both cases. So no API for the first one?

24           (Exhibits 1 and 2, Case 14397, were admitted.)

25           (Exhibits 1 and 2, Case 14398, were admitted.)

1 MR. BRUCE: Correct?

2 MR. JONES: Does this surround Brantley  
3 Dam or the cemetery? They had to move it.

4 MR. BRUCE: No. I think it's further west  
5 of there. Isn't 20/25 further -- I'm not sure. That's  
6 the old Dagger Draw area, which is playing out, but this  
7 is -- there's a bunch of Yeso wells being developed.

8 MR. JONES: But this particular one,  
9 they're not --

10 MR. BRUCE: This is not a cemetery tract.

11 MR. JONES: It's not a cemetery -- it's  
12 just a Seven Rivers.

13 Anything?

14 MR. BROOKS: Nothing. Thank you.

15 MR. JONES: If there's nothing further,  
16 we'll take Case 14397 and Case 14398 under advisement.

17 \* \* \*

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21 I do hereby certify that the foregoing is  
22 a correct and true record of the proceedings in  
the hearing of Case No. \_\_\_\_\_,  
heard by me on \_\_\_\_\_.

23 \_\_\_\_\_, Examiner  
24 Oil Conservation Division

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REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO  
HEREBY CERTIFY that on October 29, 2009, proceedings in  
the above captioned case were taken before me and that I  
did report in stenographic shorthand the proceedings set  
forth herein, and the foregoing pages are a true and  
correct transcription to the best of my ability.

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

WITNESS MY HAND this 10th day of November,  
2009.

  
\_\_\_\_\_  
Jacqueline R. Lujan, CCR #91  
Expires: 12/31/2009