

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:

ORIGINAL

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

CASE NO. 14399

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

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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

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A P P E A R A N C E S

FOR THE APPLICANT:

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

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EXHIBITS 1 THROUGH 3 WERE ADMITTED

4

REPORTER'S CERTIFICATE

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1 MR. JONES: Let's call Case 14399,
2 application of Mewbourne Oil Company for compulsory
3 pooling, Eddy County, New Mexico. Call for appearances.

4 MR. BRUCE: Mr. Examiner, Jim Bruce of
5 Santa Fe representing the applicant. I'm submitting this
6 by affidavit.

7 Mr. Examiner, this case is in the same
8 township, 20/25. Submitted as Exhibit 1, is the verified
9 statement of Corey Mitchell, landman for Mewbourne. In
10 this case they're seeking to force pool the
11 Southwest/Southwest of Section 15/20/25, from the surface
12 to the base of the Yeso formation. The subject well is
13 the Limousine "15" M Well No. 1, and that does have an
14 API number. The last five digits are 37301.

15 In this case Mewbourne is seeking to force
16 pool eight interest owners, only totalling about 11 or 12
17 percent of the well unit. All but one of them are
18 unlocateable. Again, to locate the unlocateables, they
19 checked county records, the Internet searches, et cetera.
20 As you can see from past dockets, Mewbourne is drilling a
21 number of wells out here and has been examining title out
22 here for a couple of years. A lot of those old fee
23 tracts, they just can't locate people on.

24 They have attempted to lease -- these are
25 unleased mineral interest owners. They have attempted to

1 lease Mr. Walter Parker III, and he has not executed a
 2 lease. This Southwest/Southwest quarter is part of a
 3 common tract that also includes the north half Southwest
 4 quarter, and there's already been pooling on those. So
 5 they've been in touch with Mr. Parker for sometime
 6 regarding this acreage, and he has not responded. And
 7 Mr. Parker was given actual notice, as shown by Exhibit
 8 2.

9 And as to the unlocateable parties, notice was
 10 given by publication, and that is submitted. The
 11 affidavit of publication in the "Carlsbad Current-Argis,"
 12 is submitted as Exhibit 3.

13 The overhead rates are the same, 4,000 per
 14 month and 400 per month, and the AFE is submitted as
 15 Attachment C to the landman's exhibit. Again, these are
 16 about \$700,000 wells.

17 With that, I move the admissions of Exhibits 1
 18 through 3.

19 MR. JONES: Exhibits 1, 2 and 3 will be
 20 admitted. It's California. They probably starved out
 21 and moved to California and forgot all about this thing,
 22 made their fortunes.

23 We'll take Case 14399 under advisement.

24 (Exhibits 1 through 3 were admitted.)
 25 I am going to
 a complete record of the proceedings in
 the Examiner's hearing of Case No. _____
 heard by me on _____

Examiner

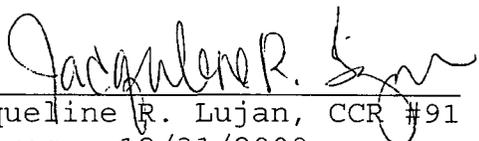
REPORTER'S CERTIFICATE

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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