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## 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:

CASE NOS: 20930

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

December 12, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, DEAN McCLURE, DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, December 12, 2019, at the New Mexico Energy, Minerals, and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

Reported by: Irene Delgado, NMCCR 253

PAUL BACA PROFESSIONAL COURT REPORTERS

500 Fourth Street, NW, Suite 105

Albuquerque, NM 87102

505-843-9241

Page 2 1 APPEARANCES 2 For the Applicant: 3 DANA HARDY HINKLE SHANOR LLP 4 P.O. Box 0268 Santa Fe, NM 87504 5 505-982-4554 For MRC Permian, MRC Permian LKE: 6 7 MICHAEL FELDEWERT HOLLAND & HART 8 110 North Guadalupe, Suite 1 Santa Fe, NM 87501 505-954-7286 9 10 For Cimarron Energy: 11 EARL DEBRINE MODRALL SPERLING ROEHL HARRIS & SISK PA 12 500 4th Street, NW, Suite 1000 Albuquerque, NM 87102 13 505-848-9710 14 15 INDEX 16 CASE NO. 20930 CALLED 17 SUMMARY OF CASE AND EXHIBITS 03 18 TAKEN UNDER ADVISEMENT 04 19 REPORTER CERTIFICATE 05 20 21 EXHIBIT INDEX 22 Admitted 23 1 and 2 (All attachments) 04 24 25

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1 HEARING EXAMINER COSS: Now call Case Number

- 2 20930, Mewbourne Energy for compulsory pooling. Are there
- 3 any entries of appearance?
- 4 MR. FELDEWERT: Michael Feldewert of the Santa Fe
- 5 office of Holland & Hart. As I said previously MRC Permian,
- 6 and MRC Permian LKE.
- 7 HEARING EXAMINER COSS: You may proceed.
- 8 MS. HARDY: Thank you. In Case 20930, Mewbourne
- 9 seeks to pool all uncommitted mineral interests in the
- 10 Wolfcamp formation in a 640 acre, more or less, standard
- 11 horizontal spacing unit, comprised of the E/2 of Section 28,
- 12 E/2 of Section 21, Township 23 South, Range 28 East in Eddy
- 13 County.
- 14 And the spacing unit will be dedicated to the
- 15 Starship 28-21 WOOB Fee 1H well and the Starship 28-21 WOOB
- 16 Fee 2H Well.
- 17 The packet I provided to you includes Exhibit 1,
- 18 which is the self-affirmed statement of landman Tyler Jolly,
- 19 and Exhibit 2, which is a self-affirmed statement of
- 20 geologist Tyler Hill.
- 21 Mewbourne has complied with the notice
- 22 requirements established by the provision, and that
- 23 information is provided in Exhibits D and E to Mr. Jolly's
- 24 affidavit, and those exhibits include the hearing notice
- 25 letter -- I'm sorry -- Exhibits E and F to Mr. Jolly's

Page 4 affidavit. 2 Exhibit E includes the notice letter and return receipt cards for mailing and Exhibit F includes the 3 affidavit of publication. So with that I would ask that Exhibits 1 and 2 be 5 admitted into the record, and that the case be taken under 6 advisement. 8 HEARING EXAMINER COSS: Any objection? 9 MR. FELDEWERT: No objection. HEARING EXAMINER COSS: Exhibits 1 and 2 will be 10 admitted into the record, and Case Number 20930 will be 11 taken under advisement. 12 13 (Exhibits 1 and 2 admitted.) 14 MS. HARDY: Thank you. 15 (Case 20930 taken under advisement. Adjourned.) 16 17 18 19 20 2.1 22 23 24 25

Page 5 STATE OF NEW MEXICO 2. COUNTY OF BERNALILLO 3 REPORTER'S CERTIFICATE 5 I, IRENE DELGADO, New Mexico Certified Court 6 7 Reporter, CCR 253, do hereby certify that I reported the 8 foregoing proceedings in stenographic shorthand and that the 9 foregoing pages are a true and correct transcript of those 10 proceedings that were reduced to printed form by me to the best of my ability. 11 12 I FURTHER CERTIFY that the Reporter's Record of 13 the proceedings truly and accurately reflects the exhibits, 14 if any, offered by the respective parties. 15 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties of attorneys in this case 16 and that I have no interest in the final disposition of this 17 18 case. Dated this 12th day of December 2019. 19 20 2.1 Irene Delgado, NMCCR 253 License Expires: 12-31-19 22 23 2.4 25