

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 CASE NO. 15767
FOR A NONSTANDARD GAS SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 17, 2017

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
 SCOTT DAWSON, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Scott Dawson, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, August 17, 2017, 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: Mary C. Hankins, CCR, RPR
 New Mexico CCR #20
 Paul Baca Professional Court Reporters
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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

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1 (8:34 a.m.)

2 EXAMINER McMILLAN: Okay. Now, are you
3 doing Rockcliff?

4 MR. BRUCE: First Mewbourne.

5 EXAMINER McMILLAN: Okay. What I would
6 like to do now is call Case Number 15767, application of
7 Mewbourne for a nonstandard gas spacing and proration
8 unit and compulsory pooling, Eddy County, New Mexico.
9 Call for appearances.

10 MR. BRUCE: Mr. Examiner, Jim Bruce of
11 Santa Fe representing the Applicant. I am just
12 submitting some affidavits.

13 EXAMINER McMILLAN: Are there any other
14 appearances?

15 Please proceed.

16 MR. BRUCE: Mr. Examiner, this case was
17 case heard four weeks ago and evidence was presented,
18 and it was continued for notice purposes. And marked as
19 Exhibit B is an Affidavit of Publication to J.M. Hubert
20 Corporation, ExxonMobil Corporation, and XTO, Inc., who
21 are -- it's a one-page exhibit --

22 EXAMINER McMILLAN: Okay.

23 MR. BRUCE: -- Exhibit B. They are offset
24 interest owners. I never got the green cards back from
25 them, so we published notice. That was the original

1 reason the case was continued.

2 But in the interim, the landman realized
3 that when we -- if you turn to what is marked Exhibit A
4 and turn three pages back, Mr. Examiner --

5 EXAMINER McMILLAN: Exhibit 2?

6 MR. BRUCE: 2, yeah.

7 -- to Attachment 1 of Exhibit A, it's a
8 listing of the interest owners.

9 EXAMINER McMILLAN: Okay.

10 MR. BRUCE: Mewbourne had pooled Black
11 Stone Minerals Company and its assignee, whose name
12 escapes me now, but it's F4 or 4F, something like that.
13 He had forgotten to mention that Magnum-Hunter
14 Production, Inc. and Texas and New Mexico Exploration,
15 LLC also needed to be pooled. They were notified of the
16 original hearing in this matter, and I believe it's
17 Exhibit 5. My Affidavit of Notice showed that those two
18 entities did receive actual notice of the pooling
19 application.

20 And Attachments 2 and 3 to Exhibit A are
21 simply the summary of meetings and contacts with
22 Magnum-Hunter and Texas and New Mexico Exploration.
23 Magnum-Hunter is part of Cimarex. And Texas and New
24 Mexico are part of Apache. And Exhibit A is Lee
25 Scarborough, the landman who testified originally about

1 the pooling of the 640-acre nonstandard unit. And the
2 plat and geology was presented at that time, but this is
3 just to show that efforts were made -- good-faith
4 efforts made to obtain the voluntary joinder of
5 Magnum-Hunter and Texas and New Mexico because
6 Mewbourne, at this point, does need them pooled into the
7 well unit.

8 EXAMINER McMILLAN: Do they have the return
9 receipts?

10 MR. BRUCE: Not in here, but in the
11 original file.

12 EXAMINER McMILLAN: Oh, okay.

13 MR. BRUCE: Yeah. They were notified of
14 the July 21 hearing.

15 EXAMINER McMILLAN: Okay.

16 MR. BRUCE: So I just move the admission of
17 Exhibits A and B and ask that the matter be taken under
18 advisement.

19 EXAMINER McMILLAN: Exhibits A and B may
20 now be accepted as part of the record.

21 (Mewbourne Oil Company Exhibit Letters A
22 and B are offered and admitted into
23 evidence.)

24 EXAMINER McMILLAN: Further, Case Number
25 15767 shall be taken under advisement.

(Case Number 15767 concludes, 8:38 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

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

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

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

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MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2017
Paul Baca Professional Court Reporters