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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 NO. 15886

APPLICATION OF MEWBOURNE OIL C COMPANY FOR A NONSTANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 11, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER WILLIAM V. JONES, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, William V. Jones, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, January 11, 2018, 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 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR APPLICANT OF MEWBOURNE OIL COMPANY: 3 JAMES G. BRUCE, ESQ. Post Office Box 1056 4 Santa Fe, New Mexico 87504 (505) 982-2043 5 jamesbruc@aol.com 6 7 8 INDEX 9 PAGE 10 Case Number 15886 Called 3 11 Exhibit Presented ~ Proceedings Conclude ~ 12 ~ 13 Certificate of Court Reporter 14 15 EXHIBITS OFFERED AND ADMITTED 16 Mewbourne Oil Company Exhibit Number 8A 3 17 18 19 20 21 22 23 24 25

Page 3 (8:30 a.m.) 1 2 EXAMINER McMILLAN: So the next case I would like to hear is Case Number 15886, application of 3 Mewbourne Oil Company for a nonstandard oil spacing and 4 5 proration unit and compulsory pooling, Eddy County, New б Mexico. 7 Call for appearances. 8 MR. BRUCE: Mr. Examiner, Jim Bruce of 9 Santa Fe representing the Applicant. 10 EXAMINER McMILLAN: Any other appearances? 11 Please proceed. 12 MR. BRUCE: Mr. Examiner, this case was heard in December. It was continued for notice 13 purposes. There was one offset, OXY USA, Inc., which 14 had not returned a green card, and that was reflected in 15 16 original Exhibit 8. And I'm just submitting Exhibit 8A, which is the green card for OXY, and I'd ask the 17 admission of Exhibit 8A and that the case be taken under 18 19 advisement. 20 EXAMINER McMILLAN: Exhibit 8A may now be 21 accepted as part of the record. And Case Number 15886 shall be taken under advisement. 22 23 Thank you. 24 (Mewbourne Exhibit Number 8A is offered and 25 admitted into evidence.)

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1	(Case	Number	15886	concludes,	8:31	a.m.)
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Page 5 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 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 a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED on ^ DATE, 2018. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2018 24 Paul Baca Professional Court Reporters 25