

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. 16312

Application of Mewbourne Oil for  
a non-standard oil spacing and  
proration unit and compulsory pooling,  
Eddy County, New Mexico.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, JULY 26, 2018

SANTA FE, NEW MEXICO

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William B. Jones,  
Examiner, and David Brooks, Legal Examiner, on Thursday,  
July 26, 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 Therese Macfarlane  
New Mexico CCR 122  
PAUL BACA COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

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I N D E X

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E X H I B I T I N D E X

MEWBOURNE OIL, LLC, EXHIBITS:	ADMITTED
MEWBOURNE OIL, LLC, EXHIBIT 1	5
MEWBOURNE OIL, LLC, EXHIBIT 2	5
MEWBOURNE OIL, LLC, EXHIBIT 3	5

1 (Time noted: 8:36 a.m.)

2 MR. JONES. Okay. We will begin on the top of  
3 the remaining docket. On page 3 we have Case No. 7, which  
4 is Case No. 16312, Application of Mewbourne Oil Company  
5 for a nonstandard spacing and proration unit and  
6 compulsory pooling, Eddy County, New Mexico

7 Appearances?

8 MR. BRUCE: Jim Bruce of Santa Fe representing  
9 the Applicant. I'm submitting this case by affidavit.

10 MR. JONES: Any other appearances?

11 MS. MUNDS-DRY: Ocean Munds-Dry with COG  
12 Operating, LLC. I have no witnesses. Thank you.

13 MR. BROOKS: And even though he's not answering  
14 in this case, we should recognize Mr. Bill Carr (phonetic)  
15 as being here present. That's because of his long history  
16 of being here present.

17 MR. BRUCE: He's been present here a lot of  
18 time.

19 MR. CARR: I'D like to say it's nice to be here,  
20 but...

21 MR. JONES: Okay. Go ahead whenever you're  
22 ready.

23 MR. BRUCE: Mr. Examiner, in this case Mewbourne  
24 Oil Company seeks the pooling of a 480-acre horizontal  
25 spacing unit in the Wolfcamp formation and proration unit,

1 comprised of the southwest quarter of Section 21 and the  
2 the west half of Section 28, Township 24 South, Range 28  
3 East for two wells.

4 Submitted to you as Exhibit 1 is the Affidavit  
5 of the landman Josh Anderson from Mewbourne, and the usual  
6 attachments. If you look there is a land plat attachment  
7 together with the C-102s for the two wells that are to be  
8 pooled. They are Upper and Lower Wolfcamp wells.

9 Attachment B, which is a few pages in,  
10 shows the parties in the well and those being pooled. One  
11 change is that there's a company T.I.G. properties, LP.  
12 They have signed up, so they are not being pooled.

13 And then of course all the correspondence  
14 attached, together with a summary of the contacts of the  
15 parties over the last several months.

16 Attachment D, the final attachment, is the  
17 AFEs for the wells, and the rest of the affidavit contains  
18 the usual information, that the AFEs are reasonable, they  
19 are asking 8,800 bucks a month for overhead rates.

20 And all the interest owners were locatable  
21 in this matter and they all received notice and this is  
22 shown on the Affidavit of Notice Exhibit 3 -- 2.

23 Then Exhibit 3 is the affidavit of Charlie  
24 Crosby, the geologist, and has the usual attachments: A  
25 cross section, structure maps, information from nearby

1     Wolfcamp wells from the various Wolfcamp zones in this  
2     area showing that there's no preferred orientation of the  
3     wells in the Wolfcamp in this area.

4                     And then Exhibit -- Attachment D is simply  
5     the directional drilling plans for the wells.

6                     I think all the information is contained in  
7     the Affidavit, so I won't go into it any further. I would  
8     move the admission of Exhibits 1, 2 and 3 and request the  
9     matter be taken under advisement.

10                    MR. JONES: Exhibits 1, 2 and 3 are admitted.

11                    I assume that if there's any nonstandard  
12     Locations that Applicant will be reapplying through the  
13     district offices.

14                    MR. BRUCE: I don't know of any unorthodox  
15     locations at this point.

16                    MR. JONES: That's okay.

17                    MR. BROOKS: Okay.

18                    MR. JONES: Thank you very much. Case 16312 is  
19     taken under advisement.

20                    (Time noted: 8:43 a.m.)

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1     STATE OF NEW MEXICO             )  
2   ) SS  
3     COUNTY OF TAOS                 )  
4

5                             REPORTER'S CERTIFICATE

6                     I, MARY THERESE MACFARLANE, New Mexico Reporter  
7     CCR No. 122, DO HEREBY CERTIFY that on Thursday, July 26,  
8     2018, the proceedings in the above-captioned matter were  
9     taken before me; that I did report in stenographic  
10    shorthand the proceedings set forth herein, and the  
11    foregoing pages are a true and correct transcription to  
12    the best of my ability and control.

13                    I FURTHER CERTIFY that I am neither employed by  
14    nor related to nor contracted with (unless excepted by the  
15    rules) any of the parties or attorneys in this case, and  
16    that I have no interest whatsoever in the final  
17    disposition of this cas in any court.

18

19

20                                     \_\_\_\_\_  
21                             MARY THERESE MACFARLANE, CCR  
22                             NM Certified Court Reporter No. 122  
23                             License Expires: 12/31/2018  
24  
25