

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. 16002
TO RE-OPEN CASE NO. 16002 FOR A (Re-opened)
NONSTANDARD GAS SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 12, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
 LEONARD LOWE, TECHNICAL EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, July 12, 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

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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

JAMES G. BRUCE, ESQ.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

FOR INTERESTED PARTY EOG:

JORDAN L. KESSLER, ESQ.
HOLLAND & HART, LLP
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
jlkessler@hollandhart.com

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1 (8:41 a.m.)

2 EXAMINER McMILLAN: Okay. 16002,
3 re-opened, application of Mewbourne Oil Company to
4 re-open Case Number 16002 for a nonstandard gas spacing
5 and proration unit and compulsory pooling, Eddy County,
6 New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce for the
9 Applicant. I have no witnesses.

10 EXAMINER McMILLAN: Any other appearances?
11 Please proceed.

12 MR. BRUCE: Mr. Examiner, this case was
13 previously heard and evidence was presented after the
14 case was heard, but before an order was entered, the
15 matter was re-opened because Mewbourne found a lot of --
16 a working interest owner who owns about one-tenth of
17 1 percent of the interest, and we just want to make sure
18 that's pooled into the original order.

19 So submitted as Exhibit A is the affidavit
20 of Cole McCurdy, Mewbourne's landman who handled this
21 matter. And you're looking at the heirs or devisees of
22 R.C. Roberts, deceased. And the affidavit explains what
23 we did to locate these people and also contains the
24 proposal letter sent to them.

25 Exhibit B is my Affidavit of Notice to

1 these interest owners who are unlocatable.

2 Exhibit C is the Affidavit of Publication
3 in the Carlsbad newspaper showing that everybody
4 received either actual or constructive notice.

5 So I would ask at this time that Exhibits A
6 through C -- A through C be admitted into the record and
7 that this matter finally be taken under advisement.

8 MS. KESSLER: Mr. Examiner, Jordan
9 Kessler --

10 EXAMINER McMILLAN: Wait. I'm not that
11 far.

12 MR. KESSLER: Okay.

13 EXAMINER McMILLAN: And Exhibits 1 and 2
14 also?

15 MR. BRUCE: Exhibits A, B and C.

16 EXAMINER McMILLAN: I see Exhibits 1 and 2.

17 MR. BRUCE: They're attached to 1 and 2.

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

20 (Mewbourne Oil Company Exhibit Letters A, B
21 And C are offered and admitted into
22 evidence.)

23 EXAMINER McMILLAN: So, therefore, Case
24 Number 16002 shall be taken under advisement.

25 Thank you.

1 MR. KESSLER: Jordan Kessler from the
2 Santa Fe office of Holland & Hart.

3 We had previously entered an appearance on
4 behalf of EOG in this case and requested an agreed-to
5 sequential election language in the order. And we just
6 wanted to ensure that that sequential election language
7 does make it into the order.

8 EXAMINER McMILLAN: Is it part of the
9 record?

10 MR. KESSLER: It should be part of the
11 record from the initial case.

12 MR. BRUCE: Yeah. There wasn't a fight
13 over the --

14 EXAMINER McMILLAN: Is this the one where
15 basically you're drilling the wells back-to-back?

16 MR. BRUCE: Yeah.

17 EXAMINER McMILLAN: You wanted to drill the
18 well, and you wanted an option for the second one; is
19 that right? Is that crudely right? Kind of right?

20 MR. BRUCE: Kind of right, yeah.

21 MR. KESSLER: That's exactly right.

22 Would you like a copy of that language,
23 Mr. Examiner?

24 EXAMINER McMILLAN: Yeah. I mean, it's not
25 going to hurt anything.

1 Thank you.

2 Case Number 16002 shall be taken under
3 advisement.

4 (Case Number 16002 concludes, 8:44 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.

20 DATED THIS 11th day of July 2018.
21

22
23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters