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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:

APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 16392 FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 11, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER TERRY WARNELL, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Terry Warnell, Technical Examiner, and David K. Brooks, Legal Examiner, on Friday, January 11, 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: 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 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 INDEX PAGE Case Number 16392 Called Case Presented by Affidavit Proceedings Conclude Certificate of Court Reporter EXHIBITS OFFERED AND ADMITTED Mewbourne Oil Company Exhibit Letters A and B

Page 3 (3:04 p.m.) 1 2 EXAMINER JONES: Okay. Ready for Case 3 16392? MR. BRUCE: Yeah, if I can only find what I 4 5 should have put in here. б Okay. Thank goodness. 7 Mr. Examiner, in this case -- this case was 8 actually presented in September, and it was presented by affidavit. And notice -- there was an issue in this 9 10 case. Devon Energy -- somewhere along the intersection of approximately the time the application was filed, 11 12 Devon Energy assigned its interest to Caza Petroleum, and the Division -- Caza and Devon spent some time 13 negotiating, but the Division asked that we give 14 additional notice. So that's number one. 15 16 And then Mr. McMillan requested a C-102. And notice was previously presented, but there was no 17 notice to Caza Petroleum. 18 19 So Exhibit A is the Affidavit of Notice to 20 Caza, which received actual notice, and then Exhibit B is simply the C-102 for the well with the pool name and 21 22 pool code, which Mr. McMillan had requested. EXAMINER JONES: Okay. So this is Mike's 23 24 case? 25 MR. BRUCE: Right.

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1	So I'd move the admission of Exhibits A and
2	B and ask that the case be taken under advisement.
3	EXAMINER JONES: Exhibits A and B are
4	admitted, and Case 16392 is taken under advisement.
5	(Mewbourne Oil Company Exhibit Letters A
6	and B are offered and admitted into
7	evidence.)
8	(Case Number 16392 concludes, 3:05 p.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 THIS 29th day of January 2019. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2019 24 Paul Baca Professional Court Reporters 25