

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. 16491
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
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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

JAMES G. BRUCE, ESQ.
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EXHIBITS OFFERED AND ADMITTED

Mewbourne Oil Company Exhibit Numbers 1 through 3	4
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1 (2:53 p.m.)

2 EXAMINER JONES: Call Case 16491,
3 application of Mewbourne Oil Company.

4 MR. BRUCE: Mr. Examiner, Jim Bruce of
5 Santa Fe representing the Applicant. Again, I am
6 submitting this case by affidavit.

7 And in this case, Mewbourne seeks to force
8 pool the east half-west half of oversized Section 6,
9 21-35. It's a roughly -- the exact acreage is 237.53
10 acres.

11 The affidavit of the landman, Exhibit 1,
12 contains the usual data. Again, it has the overhead
13 rates. This is all state land. And there is a land
14 plat and the C-102 for the well showing the location of
15 the well.

16 Attachment B shows the interest owners and
17 their percentage interest. The only interest -- pool is
18 one-tenth of 1 percent from an estate. Contains the
19 proposal letter and everything else. It's about a
20 \$9 million well.

21 Exhibit 2 is the Affidavit of Notice.
22 Actual notice was given to the sole party being pooled.

23 Exhibit 3 is the affidavit of Jordan
24 Carrell, the geologist. It contains the usual,
25 structure map, gross isopach, cross section.

1 And if you look at Attachment D, there is
2 very little well data. There is some. There are a
3 couple of producing wells, but this is still a pretty
4 new area, but, obviously, they think it's worth going
5 over. And they believe each quarter-quarter section
6 will contribute more or less equally to production.

7 EXAMINER JONES: B1CV means 1st Bone Spring
8 Sand, I guess, for the well name, the B1?

9 MR. BRUCE: B1 means 1st Bone Spring. C is
10 the --

11 EXAMINER JONES: Surface location?

12 MR. BRUCE: -- surface location -- or
13 really the landing point, so the northeast-northwest.

14 EXAMINER JONES: Oh, okay.

15 MR. BRUCE: And then V -- this is a long
16 section, so it's Unit V.

17 EXAMINER JONES: Okay. It's an irregular
18 section, oversized section.

19 MR. BRUCE: And I'd ask that the three
20 exhibits be admitted and the case be taken under
21 advisement.

22 EXAMINER JONES: In Case 16491, all
23 exhibits are admitted, and it's taken under advisement.

24 (Mewbourne Oil Company Exhibit Numbers 1
25 through 3 are offered and admitted into

1 evidence.)
2 (Case Number 16491 concludes, 2:56 p.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 29th day of January 2019.
21

22
23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters