

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. 16499  
FOR COMPULSORY POOLING, EDDY 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

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APPEARANCES

FOR APPLICANT MEWBOURNE OIL COMPANY:

JAMES G. BRUCE, ESQ.  
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1 (2:43 p.m.)

2 EXAMINER JONES: We have three more  
3 Mewbourne cases.

4 MR. BRUCE: Well, and then we've got to go  
5 to the top because there are more cases.

6 EXAMINER JONES: Which one do you want to  
7 do first?

8 MR. BRUCE: Let's do 16499, the next one on  
9 the last page.

10 EXAMINER JONES: Call Case 16499.

11 MR. BRUCE: Mr. Examiner, Jim Bruce of  
12 Santa Fe representing the Applicant. Again, I'm doing  
13 the case by affidavit.

14 In this case, Mr. Examiner, again there are  
15 a lot of pages of documents here. Exhibit 1 is the  
16 verified statement of Josh Anderson, the landman. It  
17 contains the usual data. This is a Bone Spring well  
18 unit, the south half-south half of Sections 35 and 34,  
19 NBT [sic] 29 for the Wishbone 35/34 B2PM #1H. It  
20 contains the usual data about obtaining voluntary  
21 joinder and overhead rates of 8,000, 800.

22 Attachment A is the land plat, together  
23 with the C-102 for the proposed well. Now, I didn't  
24 pull up the most recent one. This was a little over a  
25 year ago and the C-102s, so it has to be the old

1 setbacks and not the 100-foot ones.

2 Attachment B, you can see there is about 49  
3 percent of the well unit being force pooled.

4 Mewbourne is still negotiating with these  
5 people, but as you can see, they've been in touch with  
6 these people since December 2017. So there's been  
7 plenty of contact with all the people shown on  
8 Attachment C. AFE for the well is \$9.5 million.

9 Exhibit 2 is a notice letter. There were  
10 four returned letters, but Exhibit 3 is an Affidavit of  
11 Publication from the Carlsbad newspaper, so everyone  
12 received notice one way or the other.

13 Exhibit 4 is the affidavit of Charles  
14 Crosby, the geologist, and that contains the usual,  
15 structure map, gross isopach, cross section and data on  
16 Bone Spring wells in the area.

17 And it looks like there hasn't been a Bone  
18 Spring well drilled out here in the past few years.  
19 That's Attachment D. So I'm guessing they're going with  
20 new technology.

21 EXAMINER BROOKS: Probably.

22 All the people that are not marked with an  
23 asterisk on Attachment B are committed to the well?

24 MR. BRUCE: Are uncommitted.

25 EXAMINER BROOKS: No. The people with an

1 asterisk are uncommitted.

2 MR. BRUCE: With an asterisk are  
3 uncommitted.

4 EXAMINER BROOKS: Okay. Are committed.  
5 Without an asterisk are committed?

6 MR. BRUCE: Yeah.

7 EXAMINER BROOKS: Okay. It looks like this  
8 is at an unorthodox location, the way it's drawn. I  
9 don't know if that's really true or not, but it looks  
10 like --

11 MR. BRUCE: Well, I don't think so. I  
12 think the surface location is unorthodox, but the first  
13 and last take points are orthodox.

14 EXAMINER BROOKS: Yeah. It's drawn with a  
15 straight line to the surface location, and there is no  
16 showing of the first and last take points, so -- but  
17 when you file the C-102 that way, it'll make you get an  
18 NSL.

19 MR. BRUCE: So I'd ask that Exhibits 1  
20 through 4 be admitted and that the case be taken under  
21 advisement.

22 EXAMINER JONES: Exhibits 1 through 4 are  
23 admitted, and Case 16499 is taken under advisement.

24 (Mewbourne Oil Company Exhibit Numbers 1  
25 through 4 are offered and admitted into

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evidence.)

(Case Number 16499 concludes, 2:48 p.m.)

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  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters

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