

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: 16081, (Re-Open)

Application of Mewbourne Oil Company
for Compulsory Pooling, Eddy County,
New Mexico.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, MARCH 7, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, Examiners Leonard Lowe and William Jones, and Legal Examiner David Brooks, on Thursday, March 7, 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: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
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505-843-9241

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A P P E A R A N C E S

For the Applicant: JAMES BRUCE
Attorney at Law
P.O. Box 1056
Santa Fe, NM 87504

For DOGY, DOGA, DOGM: JULIA BROGGI
Holland & Hart
110 N Guadalupe Street, Suite 1
Santa Fe, NM 87501

I N D E X

CASE NO. 16081 (Re-Opened) CALLED

JOSHUA ANDERSON (By Affidavit) 03

TAKEN UNDER ADVISEMENT: 05

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

Admitted

Exhibit 1, Attachments A-D 05

Exhibit 2, Attachment A 05

Exhibit 3 05

1 HEARING EXAMINER: Now we will continue on to
2 Case Number 16081. Mewbourne Oil Company to re-open Case
3 16081 for compulsory pooling, Eddy County.

4 MR. BRUCE: Jim Bruce of Santa Fe representing
5 the applicant, again, and I'm submitting this case by
6 affidavit.

7 MS. BROGGI: Julia Broggi with Holland & Hart on
8 behalf of DOGY, DOGA and DOGM, and we do not object.

9 MR. BRUCE: Mr. Examiner, this case, 16081, is
10 again a re-opened case. It was previously pooled, and after
11 the last hearing it was determined there were some
12 additional interest owners who needed to be pooled, so we
13 are here today seeking to pool additional interest owners
14 into the Rustler Breaks 26/23 1H Well and 2H Well.

15 They are horizontal wells in the Purple Sage
16 Wolfcamp Gas Pool, with the W/2 of 26 and SW/4 of 23, 24
17 South, 28 East dedicated to the well.

18 The affidavit contains the usual information.
19 There is no depth severance in the Wolfcamp Formation. They
20 have made a good-faith effort to locate these people and
21 negotiate, and they are requesting 8000 a month for a
22 drilling well and 800 a month for a producing well.

23 Attached to Exhibit 1 is an affidavit of Josh
24 Anderson, landman, C-102s. And if you go to Attachment B,
25 as in boy, you will see a list of interest owners, and you

1 will see that the four people are being -- the ones with
2 asterisks by their names, are being pooled, a total of about
3 5.5 percent.

4 These people -- well, they're seeking heirs or
5 devisees of two decedents, and Ruth Roberts, and Maddox
6 Energy. Maddox Energy is unlocatable. The decedents are
7 unreachable, but they have been negotiating with their
8 heirs. And the affidavit contains the proposal letters and
9 summary of contacts, along with the AFEs for the wells, and
10 they're both just under about \$9.5 million wells.

11 Exhibit 2 is my affidavit of notice. The only
12 green card we got back was from Ruth Roberts, and I never
13 got the other letters back, even though, if you look at the
14 summary of contacts, Mewbourne has been in touch with the
15 heirs of the decedents. And, as a result, we published
16 noticed as against all of the parties being pooled so
17 everybody received either actual or constructive notice.

18 And with that, I -- and we are not submitting a
19 geologic affidavit because that was previously submitted.
20 Geology was discussed in the original hearing, and that
21 hasn't changed, so if we can just incorporate that geologic
22 testimony in the record.

23 And I ask that Exhibits 1 through 3 be admitted
24 to the record and the case be taken under advisement.

25 HEARING EXAMINER: Exhibits 1 through 3 will be

1 admitted for this case, and it will be taken under
2 advisement.

3 MS. BROGGI: No objection.

4 HEARING EXAMINER: No objection. Okay.

5 (Adjourned.)

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STATE OF NEW MEXICO)
15)SS
COUNTY OF SANTA FE)

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17 I, IRENE DELGADO, certify that I reported the
18 proceedings in the above-transcribed pages, that pages
19 numbered 1 through 32 are a true and correct transcript of
20 my stenographic notes and were reduced to typewritten
21 transcript through Computer-Aided Transcription, and that on
22 the date I reported these proceedings I was a New Mexico
23 Certified Court Reporter.

24 Dated at Santa Fe, New Mexico, this 7th day of
25 March 2019.

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Irene Delgado, NMCCR 253
Expires: 12-31-19