

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:

ORIGINAL

CASE 15340

APPLICATION OF MEWBOURNE OIL COMPANY  
FOR A NON-STANDARD OIL SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

July 23, 2015

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Phillip Goetze,  
Chief Examiner, and Gabriel Wade, Legal Examiner, on May  
28, 2015, 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: ELLEN H. ALLANIC  
NEW MEXICO CCR 100  
CALIFORNIA CSR 8670  
PAUL BACA COURT REPORTERS  
500 Fourth Street, NW  
Suite 105  
Albuquerque, New Mexico 87102

1 A P P E A R A N C E S

2 FOR APPLICANT MEWBOURNE OIL COMPANY

3 JAMES G. BRUCE, ESQ.  
 4 P.O. Box 1056  
 5 Santa Fe, New Mexico 87504  
 (505)982-2043  
 jamesbruc@aol.com

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9 I N D E X

10 CASE NUMBER 15340 CALLED

11 MEWBOURNE OIL COMPANY

CASE-IN-CHIEF

12 (No witnesses; Case  
 Submitted through Affidavit)

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15 Reporter's Certificate

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

18 Mewbourne Oil Company Exhibits Offered for Admission

	PAGE
Mewbourne Oil Company Exhibit 1	4
Mewbourne Oil Company Exhibit 2	4
Mewbourne Oil Company Exhibit 3	4

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1 (Time noted 8:32 a.m.)

2 EXAMINER GOETZE: Next in docket is case  
3 15340, Application of Mewbourne Oil Company for a  
4 non-standard oil spacing and proration unit and  
5 compulsory pooling, Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa  
8 Fe representing the applicant. I have no witnesses. I  
9 am presenting the case by affidavit.

10 EXAMINER GOETZE: No witnesses. Very good.  
11 Thank you.

12 MR. BRUCE: In this case, Mewbourne seeks to  
13 force pool two -- actually at this point one record  
14 title owner for the purpose of obtaining approval of a  
15 communitization agreement from the BLM.

16 The well involved is the Querecho 28 OB Fed  
17 Com Well No. 1H located in the west half, east half of  
18 section 28, 18 south, 32 east.

19 Submitted with Exhibit 1 is the affidavit of  
20 the landman that two parties were originally pooled with  
21 Chevron U.S.A., Inc., and Chesapeake Exploration, LLC.  
22 Chevron just recently signed the Com agreement so they  
23 can be dismissed from the case. The only matter being  
24 pooled is Chesapeake.

25 The landman's affidavit contains a land

1 plat, the letters requesting signatures to the Com  
2 agreement. And attachment C is the identification of  
3 the offset operators. The only offsets are Mewbourne  
4 and Chevron.

5 I'm not seeking any penalty on production or  
6 overhead rates, because Chesapeake merely owns record  
7 title with the working interest.

8 Exhibit 2 is the affidavit of the geologist,  
9 Nathan Cless, containing the typical exhibits and a  
10 structure map cross section, isopach. And containing  
11 information on other wells in this area showing that  
12 stand-up wells in this area are good producers and so a  
13 stand up north, south west unit is proper, and that  
14 there are no impediments to the drilling of this well.  
15 And, finally, it contains the directional drilling  
16 program.

17 And Exhibit 3 is my affidavit of notice.  
18 And both Chesapeake and Chevron did receive actual  
19 notice of this case. So I would move the admission of  
20 Exhibits 1 through 3 and ask that the case be taken  
21 under advisement.

22 EXAMINER GOETZE: Exhibits 1 through 3 are  
23 so entered. And you provided these exhibits prior to  
24 hearing?

25 (Mewbourne Oil Company Exhibits 1 through 3.

1 were offered and admitted.)

2 MR. BRUCE: Yes, I did.

3 EXAMINER GOETZE: And we have had no  
4 changes --

5 MR. BRUCE: The only change is that the  
6 notice affidavit, I didn't have the green cards at that  
7 time.

8 EXAMINER GOETZE: Ahh, the green cards  
9 again.

10 MR. BRUCE: But they are here.

11 EXAMINER GOETZE: Yes, they are and they are  
12 the right dates. So based on the information provided  
13 in the package, the affidavits and exhibits, do you have  
14 any questions for this.

15 EXAMINER WADE: I do not.

16 EXAMINER GOETZE: We will go ahead and  
17 proceed with case No. 15340, and the case will be taken  
18 under advisement.

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21 (Time noted 8:36 a.m.)

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 15340  
heard by me on July 23 2015.  
*[Signature]*  
Oil Conservation Division, Examiner

1 STATE OF NEW MEXICO )  
2 ) ss.  
3 COUNTY OF BERNALILLO )  
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7 REPORTER'S CERTIFICATE

8  
9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR  
10 No. 100, DO HEREBY CERTIFY that on Thursday, July 23,  
11 2015, the proceedings in the above-captioned matter were  
12 taken before me, that I did report in stenographic  
13 shorthand the proceedings set forth herein, and the  
14 foregoing pages are a true and correct transcription to  
15 the best of my ability and control.

16  
17 I FURTHER CERTIFY that I am neither employed by  
18 nor related to nor contracted with (unless excepted by  
19 the rules) any of the parties or attorneys in this case,  
20 and that I have no interest whatsoever in the final  
21 disposition of this case in any court.

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ELLEN H. ALLANIC, CSR  
NM Certified Court Reporter No. 100  
License Expires: 12/31/15