

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:

**COPY**

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR A NONSTANDARD  
SPACING AND PRORATION UNIT,  
COMPULSORY POOLING, AND AN  
UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 15510

APPLICATION OF MEWBOURNE OIL  
COMPANY FOR A NONSTANDARD  
SPACING AND PRORATION UNIT,  
COMPULSORY POOLING, AND AN  
UNORTHODOX GAS WELL LOCATION,  
EDDY COUNTY, NEW MEXICO.

CASE NO. 15511

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 17, 2016

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Michael McMillan,  
Chief Examiner, and Gabriel Wade, Legal Examiner, on  
Thursday, November 17, 2016, 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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Santa Fe, New Mexico 87504  
(505) 982-2043  
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# EXHIBITS OFFERED AND ADMITTED

(No exhibits)

1 (9:56 a.m.)

2 EXAMINER McMILLAN: Just to be clear, Cases  
3 510 and 511 are consolidated?

4 MR. BRUCE: Yes.

5 EXAMINER McMILLAN: Okay. At this time I'd  
6 like to call Case 15510, application of Mewbourne Oil  
7 Company for a nonstandard spacing and proration unit,  
8 compulsory pooling and an unorthodox gas well location,  
9 Eddy County, New Mexico.

10 At the same time, I would like to call Case  
11 Number 15511, application of Mewbourne Oil Company for a  
12 nonstandard spacing and proration unit, compulsory  
13 pooling and an unorthodox gas well location, Eddy  
14 County, New Mexico.

15 Call for appearances.

16 MR. BRUCE: Mr. Examiner, Jim Bruce of  
17 Santa Fe representing the Applicant.

18 EXAMINER McMILLAN: Are there any other  
19 appearances?

20 MR. BRUCE: Mr. Examiner, in both of these  
21 cases, the case -- the cases have been fully presented.  
22 They were continued twice at the request of a third  
23 party, who isn't here today, and I'm simply here to ask  
24 that the cases be taken under advisement.

25 EXAMINER WADE: Did you hear from the third

1 party?

2 MR. BRUCE: Yeah. It was Joel Carson from  
3 Roswell and Ernie Padilla, and their clients and mine  
4 are trying to work a deal. But I told them I was going  
5 to ask that the cases be taken under advisement.

6 EXAMINER WADE: I'm just curious if we've  
7 got anything in our file, if we've heard anything from  
8 Mr. Padilla.

9 MR. BRUCE: I can tell you what I will --  
10 well, fact of the matter is they've requested three  
11 continuances and so have I, so the cases have to be  
12 taken under advisement. I'm not going to dismiss them.  
13 These cases were too much of a mess in the first place.  
14 They did not file a pre-hearing statement. They filed a  
15 notice of appearance only.

16 EXAMINER WADE: Just one more question for  
17 you. I mean, when they -- did they just -- did they  
18 tell you they weren't showing up, they weren't going to  
19 make --

20 MR. BRUCE: I talked to Joel Carson  
21 yesterday, and I told him I was going to just ask that  
22 the cases be taken under advisement.

23 EXAMINER WADE: What you just asked.

24 MR. BRUCE: And he said, I understand.

25 EXAMINER WADE: Is it Joel Carson, or is it

1 Ernie Padilla, or are they working together?

2 MR. BRUCE: Both. They're both.

3 EXAMINER McMILLAN: Okay. We're taking a  
4 five-minute break.

5 EXAMINER WADE: What we're going to do is  
6 just make sure we didn't receive some kind of email or a  
7 fax.

8 MR. BRUCE: Okay. Sure.

9 EXAMINER WADE: That's it.

10 EXAMINER McMILLAN: Okay.

11 (Recess 9:59 a.m. to 10:06 a.m.)

12 EXAMINER McMILLAN: Okay. We are now back  
13 on the record.

14 The OCD has not received an email or a fax  
15 from either attorney for the affected parties.  
16 Therefore, Case Number 15510 shall be taken under  
17 advisement. Likewise, Case Number 15511 shall be taken  
18 under advisement. And the emails and the faxes relate  
19 to both cases. Thank you.

20 (Case Numbers 15510 and 15511 conclude,  
21 10:06 a.m.)

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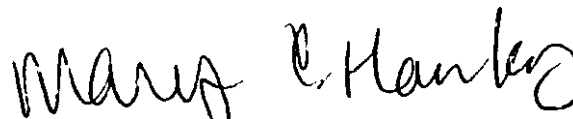
1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
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4 CERTIFICATE OF COURT REPORTER

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  
21 

22 MARY C. HANKINS, CCR, RPR  
23 Certified Court Reporter  
24 New Mexico CCR No. 20  
25 Date of CCR Expiration: 12/31/2016  
Paul Baca Professional Court Reporters