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**STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERAL AND NATURAL RESOURCES
OIL CONSERVATION DIVISION**

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

CASE NO. 15888

MOTION TO DISMISS

Marathon Oil Permian LLC ("Marathon"), through its undersigned counsel, moves that the Division enter its order dismissing Mewbourne Oil Company's Application in this matter.

Mewbourne has applied for an order (1) approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 W/2 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all un-joined interests in the Bone Spring formation, including those owned by Marathon.

Marathon opposes Mewbourne's Application. The proposed Ibex B3NC Fed. Com. Well No. 1H and its project area are in conflict with Marathon's Duke Federal 10 No. 10H Well and non-standard spacing unit previously proposed by Marathon's predecessor-in-interest, Black Mountain Operating, LLC. Marathon's proposed well is planned to be drilled to the Bone Spring formation in a 240-acre non-standard unit comprised of the E/2 SW/4 of Section 10 and the E/2 W/2 of Section 15 in Township 23 South, Range 34 East. The Duke Federal 10 No. 10H Well and lands are the subject of Case No. 15628 which remains pending before the Division.

The filing of Mewbourne's Application in Case No. 15888 was preceded by these events:

1. January 31, 2017: Black Mountain Operating LLC files its original Application for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling in Case No. 15628. *Application*, Exhibit 1.

2. February 23, 2017: Black Mountain files its Amended Application in Case No. 15628. *Amended Application*, Exhibit 2.

3. March 30, 2017: Case No. 15628 is called for a hearing on the merits and is consolidated with these cases: 15629, 15630, 15600, 15601 and 15602. *Docket (excerpt)*, Exhibit 3.

4. April 27, 2017: The consolidated cases are the subject of a supplemental hearing to allow for the introduction of two additional notification exhibits. On this date, all cases are taken under advisement. See, *Transcript of Proceedings*, Exhibit 4.

These cases remain pending before the Division and orders have yet to be issued. Until an order is issued in Case No. 15628 and becomes final in all respects, the Division is unable to grant Mewbourne's Application or otherwise act on it, save for dismissal. Dismissal also serves the interests of administrative efficiency and economy. No continuance is warranted.

WHEREFORE, Marathon requests that the Division enter its order dismissing Mewbourne Oil Company's Application in this matter and further providing that it may not be re-filed until an order in Case No. 15628 becomes final.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: T. J. Scott Hall
J. Scott Hall
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Attorneys for Marathon Oil Permian LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served on counsel of record by electronic mail on December 14, 2017:

James Bruce
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Santa Fe, NM 87504
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T. J. Scott Hall
J. Scott Hall

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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF BLACK MOUNTAIN OPERATING LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 15628

APPLICATION

Black Mountain Operating LLC applies for an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, and has the right to drill a well thereon.
2. Applicant proposes to drill its Duke Federal 10 #10H well to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the E/2W/2 of Section 15 and the E/2SW/4 of Section 10 to the well to form a non-standard 160-acre oil spacing and proration unit (project area) in the Bone Spring formation. The well is a 7500' horizontal well, with a surface location 2470 feet from the south line and 1906 feet from the west line of Section 10 and a bottom hole location 330 feet from the south line and 1546 feet from the west line of Section 15.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the E/2W/2 of Section 15 and the E/2SW/4 of Section 10 for the purposes set forth herein.
4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests.


Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation in the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, pursuant to NMSA 1978, §§ 70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the E/2W/2 of Section 15 and the E/2SW/4 of Section 10 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, following notice and hearing, the Division enter its order:

- A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 15 and the E/2SW/4 of Section 10;
- B. Pooling all mineral interests in the Bone Spring formation underlying E/2W/2 of Section 15 and the E/2SW/4 of Section 10;
- C. Designating Applicant as operator of the well;
- D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;
- E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and
- F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



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BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

**APPLICATION OF BLACK MOUNTAIN OPERATING LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 15628

AMENDED APPLICATION

Black Mountain Operating LLC applies for an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit, and in support thereof, states:

1. Applicant is an interest owner in the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, and has the right to drill a well thereon.
2. Applicant proposes to drill its Duke Federal 10 #10H well to a depth sufficient to test the Bone Spring formation. Applicant seeks to dedicate the E/2W/2 of Section 15 and the E/2SW/4 of Section 10 to the well to form a non-standard 240-acre¹ oil spacing and proration unit (project area) in the Bone Spring formation. The well is a 7500' horizontal well, with a surface location 2470 feet from the south line and 1906 feet from the west line of Section 10 and a bottom hole location 330 feet from the south line and 1546 feet from the west line of Section 15.
3. Applicant has in good faith sought to obtain the voluntary joinder of all other mineral interest owners in the Bone Spring formation in the E/2W/2 of Section 15 and the E/2SW/4 of Section 10 for the purposes set forth herein.

¹ Black Mountain's originally-filed application inadvertently identified a 160-acre project area. The correct project area is 240 acres. This is the only change to Black Mountain's originally-filed application.

4. Although Applicant attempted to obtain voluntary agreements from all mineral interest owners to participate in the drilling of the well or to otherwise commit their interests to the well, certain interest owners have failed or refused to join in dedicating their interests. Therefore, applicant seeks an order pooling all mineral interest owners in the Bone Spring formation in the E/2W/2 of Section 15 and the E/2SW/4 of Section 10, pursuant to NMSA 1978, §§ 70-2-17, 18.

5. Approval of the non-standard unit and the pooling of all mineral interests in the Bone Spring formation underlying the E/2W/2 of Section 15 and the E/2SW/4 of Section 10 will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

WHEREFORE, Applicant requests that, following notice and hearing, the Division enter its order:

A. Approving a non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2W/2 of Section 15 and the E/2SW/4 of Section 10;

B. Pooling all mineral interests in the Bone Spring formation underlying E/2W/2 of Section 15 and the E/2SW/4 of Section 10;

C. Designating Applicant as operator of the well;

D. Considering the cost of drilling and completing the well, and allocating the cost among the well's working interest owners;

E. Approving actual operating charges and costs charged for supervision, together with a provision adjusting the rates pursuant to the COPAS accounting procedure; and

F. Setting a 200% charge for the risk involved in drilling and completing the well in the event a working interest owner elects not to participate in the well.

Respectfully submitted,



J. Scott Hall

Seth C. McMillan

Post Office Box 2307

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(505) 982-3873

Attorneys for Black Mountain LLC

CERTIFICATE OF SERVICE

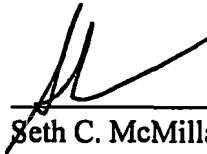
I hereby certify that a true and correct copy of the foregoing was served on the following counsel of record by electronic mail on February 23, 2017:

James Bruce

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Santa Fe, NM 87504

jamesbruc@aol.com



Seth C. McMillan

DOCKET: EXAMINER HEARING - THURSDAY - MARCH 30, 2017

8:15 a.m. - 1220 South St. Francis, Santa Fe, New Mexico 87505

Docket Nos. 14-17 and 15-17 are tentatively set for April 13, 2017 and April 27, 2017. Applications for hearing must be filed at least 30 days in advance of hearing date. OCD Rule Subsection B of 19.15.4.13 NMAC requires parties who intend to present evidence at an adjudicatory hearing to file a pre-hearing statement no later than the Thursday before the hearing, and serve a copy on opposing counsel of record. If the OCD does not receive a pre-hearing statement from the applicant by the close of business on the Thursday before the hearing, the hearing may be continued. A party who plans on using projection equipment at a hearing must contact Florene Davidson seven (7) business days prior to the hearing requesting the use of the projection equipment. Wireless internet is available; however, the party must provide its own laptop computer. The following cases will be heard by an Examiner.

Locator Key for Cases

***Case 15547 - No. 34
Case 15548 - No. 35
Case 15549 - No. 36
Case 15550 - No. 37
Case 15551 - No. 38
Case 15552 - No. 39
Case 15562 - No. 40
Case 15600 - No. 44
Case 15601 - No. 45
Case 15602 - No. 46
Case 15625 - No. 16
Case 15626 - No. 24
Case 15627 - No. 25
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Case 15630 - No. 43
Case 15634 - No. 31
Case 15635 - No. 32
Case 15636 - No. 33
Case 15637 - No. 17
Case 15638 - No. 18
Case 15643 - No. 21
Case 15646 - No. 1
Case 15647 - No. 2
Case 15648 - No. 3
Case 15649 - No. 4
Case 15650 - No. 5
Case 15651 - No. 6
Case 15652 - No. 7
Case 15653 - No. 8
Case 15654 - No. 9
Case 15655 - No. 10
Case 15656 - No. 11
Case 15657 - No. 12
Case 15658 - No. 13
Case 15659 - No. 14
Case 15660 - No. 15
Case 15661 - No. 19
Case 15662 - No. 20
Case 15663 - No. 22
Case 15664 - No. 23
Case 15665 - No. 26
Case 15666 - No. 27
Case 15667 - No. 28
Case 15668 - No. 29
Case 15669 - No. 30***

Examiner Hearing – March 30, 2017
Docket No. 12-17
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39. Case No. 15552: (Continued from the February 16, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 320-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 27 and the W/2 W/2 of Section 22, Township 26 South, Range 27 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit is to be dedicated to the **Owl Draw 27/22 B2MD Fed. Com. Well No. 1H**, a horizontal well with a surface location 170 feet from the south line and 330 feet from the west line of Section 27, and a terminus 330 feet from the north line and 330 feet from the west line of Section 22. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 14-1/2 miles south-southeast of Black River Village, New Mexico.

40. Case No. 15562: (Continued from the February 16, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard spacing and proration unit, compulsory pooling, and an unorthodox gas well location, Eddy County, New Mexico. Mewbourne Oil Company seeks an order approving a 640-acre non-standard spacing and proration unit in the Wolfcamp formation underlying the W/2 of Section 22 and the W/2 of Section 27, Township 26 South, Range 27 East, NMPM, pooling all mineral interests in the Wolfcamp formation underlying the non-standard spacing and proration unit, and approving an unorthodox gas well location. The unit is to be dedicated to the **Owl Draw 27/22 W2NC Fed. Com. Well No. 2H**, a horizontal well with a surface location 170 feet from the south line and 2230 feet from the west line of Section 27, and a terminus 330 feet from the north line and 2310 feet from the west line of Section 22. The beginning and end of the producing interval will be unorthodox. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 13-1/2 miles south-southeast of Black River Village, New Mexico.

41. Case No. 15628: (Continued from the March 2, 2017 Examiner Hearing.)

Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 W/2 of Section 15 and the E/2 SW/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Duke Federal 10 #10H** well to be drilled at a location approximately 2470 feet from the south line and 1906 feet from the west line (surface) of Section 10 to 330 feet from the south line and 1546 feet from the west line (terminus) of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20 miles northwest of Jal, New Mexico.

42. Case No. 15629: (Continued from the March 2, 2017 Examiner Hearing.)

Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the W/2 E/2 of Section 15 and the W/2 SE/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Duke Federal 10 #18H** well to be drilled at a location approximately 2470 feet from the south line and 1840 feet from the east line (surface) of Section 10 to 330 feet from the south line and 1792 feet from the east line (terminus) of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20 miles northwest of Jal, New Mexico.

43. Case No. 15630: (Continued from the March 2, 2017 Examiner Hearing.)

Application of Black Mountain Operating LLC for a Non-Standard Oil Spacing and Proration Unit and Compulsory Pooling, Lea County, New Mexico. Applicant seeks an order approving a non-standard oil spacing and proration unit in the Bone Spring formation comprised of the E/2 E/2 of Section 15 and the E/2 SE/4 of Section 10, Township 23 South, Range 34 East, NMPM, Lea County, New Mexico, and pooling all mineral interests in the Bone Spring formation underlying the non-standard unit. The unit will be dedicated to Applicant's proposed **Duke Federal 10 #26H** well to be drilled at a location approximately 2442 feet from the south line and 461 feet from the east line (surface) of Section 10 to 330 feet from the south line and 461 feet from the east line (terminus) of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost, the designation of Applicant as Operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The well and lands are located approximately 20 miles northwest of Jal, New Mexico.

44. Case No. 15600: (Continued from the March 2, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit

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(project area) in the Bone Spring formation comprised of the E/2 E/2 of Section 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 E/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3AP Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NE/4, and a terminus in the SE/4 SE/4, of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 17-1/2 miles southwest of Oil Center, New Mexico.

45. Case No. 15601; (Continued from the March 2, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 E/2 of Section 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 E/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3BO Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NW/4 NE/4, and a terminus in the SW/4 SE/4, of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 17-1/2 miles southwest of Oil Center, New Mexico.

46. Case No. 15602; (Continued from the March 2, 2017 Examiner Hearing.)

Application of Mewbourne Oil Company for a non-standard oil spacing and proration unit and compulsory pooling, Lea County, New Mexico. Mewbourne Oil Company seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the E/2 W/2 of Section 15, Township 23 South, Range 34 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the E/2 W/2 of Section 15. The unit will be dedicated to the **Pronghorn 15 B3CN Fed. Com. Well No. 1H**, a horizontal well with a surface location in the NE/4 NW/4, and a terminus in the SE/4 SW/4, of Section 15. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 18 miles southwest of Oil Center, New Mexico.

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4 IN THE MATTER OF THE HEARING CALLED
5 BY THE OIL CONSERVATION DIVISION FOR
6 THE PURPOSE OF CONSIDERING:
7 APPLICATION OF BLACK MOUNTAIN OPERATING, CASE NO. 15628
8 LLC FOR A NONSTANDARD OIL SPACING AND
9 PRORATION UNIT AND COMPULSORY POOLING,
10 LEA COUNTY, NEW MEXICO.
11 Consolidated with
12 APPLICATION OF BLACK MOUNTAIN OPERATING, CASE NO. 15629
13 LLC FOR A NONSTANDARD OIL SPACING AND
14 PRORATION UNIT AND COMPULSORY POOLING,
15 LEA COUNTY, NEW MEXICO.
16 Consolidated with
17 APPLICATION OF BLACK MOUNTAIN OPERATING, CASE NO. 15630
18 LLC FOR A NONSTANDARD OIL SPACING AND
19 PRORATION UNIT AND COMPULSORY POOLING,
20 LEA COUNTY, NEW MEXICO.
21 Consolidated with
22 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15600
23 FOR A NONSTANDARD OIL SPACING AND
24 PRORATION UNIT AND COMPULSORY POOLING,
25 LEA COUNTY, NEW MEXICO.
26 Consolidated with
27 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15601
28 FOR A NONSTANDARD OIL SPACING AND
29 PRORATION UNIT AND COMPULSORY POOLING,
30 LEA COUNTY, NEW MEXICO.
31 Consolidated with
32 APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15602
33 FOR A NONSTANDARD OIL SPACING AND
34 PRORATION UNIT AND COMPULSORY POOLING,
35 LEA COUNTY, NEW MEXICO.

23 REPORTER'S TRANSCRIPT OF PROCEEDINGS
24 EXAMINER HEARING
25 April 27, 2017
Santa Fe, New Mexico

1 BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
2 DAVID K. BROOKS, LEGAL EXAMINER

3 These matters came on for hearing before
4 the New Mexico Oil Conservation Division, Phillip
5 Goetze, Chief Examiner, William V. Jones, Technical
6 Examiner, and Gabriel Wade, Legal Examiner, on Thursday,
7 March 30, 2017, at the New Mexico Energy, Minerals and
8 Natural Resources Department, Wendell Chino Building,
9 1220 South St. Francis Drive, Porter Hall, Room 102,
10 Santa Fe, New Mexico.

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REPORTED BY: Mary C. Hankins, CCR, RPR
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APPEARANCES

FOR APPLICANT BLACK MOUNTAIN OPERATING, LLC:

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EXHIBITS OFFERED AND ADMITTED

| | |
|---|---|
| Black Mountain Operating, LLC Exhibit Numbers 9 and 10 | 6 |
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1 (8:24 a.m.)

2 EXAMINER JONES: Okay. We had three at the
3 end of the docket, Black Mountain versus Mewbourne.
4 Let's call all of those cases. Starting on page 4,
5 we're going to call Case Number 15628, application of
6 Black Mountain Operating, LLC for a nonstandard oil
7 spacing and proration unit and compulsory pooling, Lea
8 County, New Mexico. Let me call all the cases. Also
9 Case Number 15629, with the exact same wording, and Case
10 Number 15630.

11 Call for appearances. In those three
12 cases, call for appearances.

13 MR. McMILLAN: Mr. Examiner, Seth McMillan
14 on behalf of Black Mountain.

15 MR. BRUCE: And Jim Bruce representing
16 Mewbourne Operating Company.

17 EXAMINER JONES: Okay. Let's also call
18 Cases 15600 and 15601 and 15602, which are all the
19 application of Mewbourne Oil Company for a nonstandard
20 oil spacing and proration unit and compulsory pooling,
21 Lea County, New Mexico.

22 In those three cases, call for appearances.

23 MR. BRUCE: Mr. Examiner, Jim Bruce of
24 Santa Fe representing the Applicant.

25 MR. McMILLAN: And Seth McMillan

1 representing Black Mountain Operating.

2 Mr. Examiner, these cases were continued
3 from the March 30th hearing where we took testimony, and
4 we continued simply for notice purposes. I have with me
5 today an affidavit -- my Notice of Affidavit. We have
6 either received a green card or published timely to all
7 the remaining working interest owners and offset
8 operators in Section 10 of the subject acreage, and I
9 just wanted to move the admission of Exhibit 9 --
10 Exhibit 9, which is my affidavit, and Exhibit 10, which
11 is Affidavit of Publication.

12 EXAMINER JONES: Any objection?

13 MR. BRUCE: No. I have no objection.

14 I have a comment. One of the offsets of
15 Section 10 notified by Black Mountain is CML Exploration
16 who entered an appearance four weeks ago. And they are
17 an interest owner in Section 10, and they objected to
18 Black Mountain's applications.

19 EXAMINER JONES: Okay. And you're
20 representing CML?

21 MR. BRUCE: No, no. I did not represent
22 CML. Mark Adams appeared for them.

23 MR. McMILLAN: Yeah. Mark Adams appeared
24 and made a comment at the end of our hearing on the
25 30th.

1 EXAMINER JONES: Okay. We'll take Exhibit
2 Number -- we'll admit Exhibit Numbers 9 and 10 in cases
3 15628, 15629 and 15630.

4 MR. McMILLAN: That's everything from me,
5 Mr. Examiner.

6 (Black Mountain Operating, LLC Exhibit
7 Numbers 9 and 10 are offered and admitted
8 into evidence.)

9 MR. McMILLAN: We'd ask that the Division
10 take the matters under advisement.

11 EXAMINER JONES: Okay. Cases Number 15628,
12 15629, 15630, 15600, 15601 and 15602 are taken under
13 advisement.

14 MR. McMILLAN: Thank you very much.
15 (Case Numbers 15628, 15629, 15630, 15600,
16 15601 and 15602 conclude, 8:28 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
3

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 MARY C. HANKINS, CCR, RPR
22 Certified Court Reporter
23 New Mexico CCR No. 20
24 Date of CCR Expiration: 12/31/2017
25 Paul Baca Professional Court Reporters