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. 13,731

APPLICATION OF MEWBOURNE OIL COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING BEFORE: RICHARD EZEANYIM, Hearing Examiner July 20th, 2006 Santa Fe, New Mexico 11 23

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, July 20th, 2006, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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July 20th, 2006 Examiner Hearing CASE NO. 13,731

PAGE

REPORTER'S CERTIFICATE

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EXHIBIT

Applicant's

Identified

Admitted

Exhibit A

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APPEARANCES

FOR THE DIVISION:

CHERYL O'CONNOR
Assistant Counsel, NMOCD
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE Attorney at Law P.O. Box 1056 Santa Fe, New Mexico 87504

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WHEREUPON, the following proceedings were had at 1 8:22 a.m.: 2 3 EXAMINER EZEANYIM: Okay, what I will do first is 4 to call some of the cases that were heard some time in the 5 past, and we need to collect some information and try to 6 collect that information before we continue with the normal 7 hearing today. 8 9 On page 3, Case Number 13,731, this case was heard on June 22nd, 2006. It was re-advertised and 10 continued to today, to collect certain information. 11 Call for appearances. 12 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe, 13 representing the Applicant. I just have a brief statement. 14 EXAMINER EZEANYIM: Are there any other 15 16 appearances? 17 MR. BRUCE: Mr. Examiner, this case was heard and there was a slight mistake in the Division's docket, due to 18 my mistake. And so it was continued, the docket was 19 20 corrected, and notice of the amended Application -- there 21 was a mistake only in the well name -- was sent to the 22 people being force pooled, and -- of the amendment. didn't change anything, other than the name of the well.

> STEVEN T. BRENNER, CCR (505) 989-9317

notice, showing that the three people who were being pooled

And submitted as Exhibit A is the affidavit of

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did receive notice of the amended Application. 1 And I'd move the admission of Exhibit A. 2 EXAMINER EZEANYIM: Exhibit A will be admitted 3 into evidence. 4 What was the original name of the well? What 5 mistake was made? 6 MR. BRUCE: The -- okay, originally it was --7 There were a couple of mistakes. For one thing, it's a fee 8 well, rather than -- It was originally advertised as a 9 federal well. 10 11 EXAMINER EZEANYIM: Okay. MR. BRUCE: There was -- The wrong well number 12 might have been put in there, Number 2, rather than Number 13 That was the only error in the Application and in the 14 advertisement, and they have both been corrected. 15 EXAMINER EZEANYIM: Is it reflected in this 16 submittal? 17 18 MR. BRUCE: It's reflected -- As you'll see if 19 you turn to the second page of the exhibit, these people 20 were provided with an amended application, and that amended application should have been filed with the Division. 21 they were provided with a copy of the amended application 22 23 showing the correct well name. 24 EXAMINER EZEANYIM: Okay. Anything further? 25 MR. BRUCE: Nothing further.

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EXAMINER EZEANYIM: At this point Case Number
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     13,731 will be taken under advisement.
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                  (Thereupon, these proceedings were concluded at
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 4
     8:25 a.m.)
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                             I do herapy certify that the foregoing to
                             a complete record of the proceedings in
14
                             the Examiner hearing of Cape No. 1373 (
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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 20th, 2006.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006