

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. 13,806

APPLICATION OF MEWBOURNE OIL COMPANY)
FOR APPROVAL OF A UNIT AGREEMENT, EDDY)
COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

November 9th, 2006

Santa Fe, New Mexico

2006 NOV 20 PM 12 52

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, November 9th, 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.

* * *

I N D E X

November 9th, 2006
Examiner Hearing
CASE NO. 13,806

PAGE

REPORTER'S CERTIFICATE

5

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	-
Attachment 1	-	-
Attachment 2	3	-
Attachment 3	4	-
Attachment 4	4	-

* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant General Counsel
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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:40 a.m.:

3 EXAMINER CATANACH: Okay, at this time we'll call
4 Case 13,806, the Application of Mewbourne Oil Company for
5 approval of a unit agreement, Eddy County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
8 representing the Applicant. I'm submitting this matter by
9 affidavit.

10 EXAMINER CATANACH: Are there any additional
11 appearances in this case? There being no additional
12 appearances, Mr. Bruce, you may proceed.

13 MR. BRUCE: Mr. Examiner, I've submitted to you
14 as Exhibit 1 an affidavit of the geologist for Mewbourne
15 Oil Company discussing the unit agreement. Attached to the
16 affidavit are the -- is an executed copy of the unit
17 agreement for the Horseshoe State Exploratory Unit area.
18 The unit covers the proposed unit, covers the south half of
19 28 and the west half of 33 in 33 South, 25 East. It is all
20 state land. The operator and only working interest owner
21 is Mewbourne Oil Company.

22 Mewbourne has signed the unit agreement, and the
23 State of New Mexico Commissioner of Public Lands has
24 preliminarily approved the unit agreement, and that is
25 Attachment 2 to the affidavit.

1 Attachment 3 is a geologic write-up with a number
2 of maps which I'll let you go through at your leisure, but
3 the unit is based on the Strawn and Atoka geology in the
4 area.

5 And then attached to the affidavit as Attachment
6 4 is an AFE for the initial unit well, and the well is an
7 11,500-foot test, with a completed well cost of
8 approximately \$2.2 million.

9 We would simply ask that the Division issue its
10 order approving the unit so that final approval for the
11 unit can be obtained from the Commissioner of Public Lands.

12 And since there are no interest owners, no one
13 was notified in this matter. And besides, it's a voluntary
14 unit.

15 EXAMINER CATANACH: Okay, anything further?

16 MR. BRUCE: No, sir.

17 EXAMINER CATANACH: There being nothing further,
18 Case 13,806 will be taken under advisement.

19 (Thereupon, these proceedings were concluded at
20 8:43 a.m.)

21 * * *

22 I hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 13806,
25 heard by me on November 9, 2006.

David R. Catnach, Examiner
Oil Conservation Division

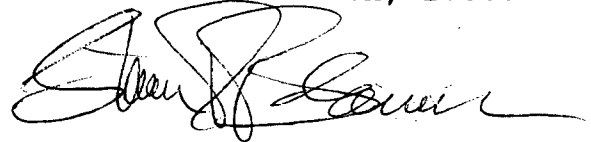
CERTIFICATE OF REPORTER

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 November 10th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010