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

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

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

CASE NO. 14348

TRANSCRIPT OF PROCEEDINGS
Hearing
July 23, 2009
9:47 a.m.
1220 South St. Francis Drive, Room 102
Santa Fe, New Mexico 87504

RECEIVED OCD
2009 AUG 14 P 2:21

BEFORE: TERRY G. WARNELL, HEARING EXAMINER
RICHARD EZEANYIM, TECHNICAL ADVISOR
BRYAN JAMES, LEGAL ADVISOR

REPORTED BY: CONNIE JURADO, RPR, NM CCR #254
Paul Baca Professional Court Reporters
500 Fourth Street NW, Suite 105
Albuquerque, New Mexico 87102

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A P P E A R A N C E S

For the Applicant:

JAMES G. BRUCE
Attorney at Law
Post Office Box 1056
Santa Fe, New Mexico 87504-1056

EXHIBITS

ADMITTED

- | | | |
|----|--------------------------------------|---|
| 1. | Verified Statement of Corey Mitchell | 5 |
| 2. | Affidavit of Notice | 5 |
| 3. | Affidavit of Publication | 5 |

1 MR. WARNELL: Are you ready to move on to
2 Case 14348, application of Mewbourne Oil Company for
3 compulsory pooling, Eddy County, New Mexico?

4 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa
5 Fe representing the applicant and again submitting it by
6 affidavit. And, again, Exhibit 1, Mr. Examiner, is the
7 affidavit of Corey Mitchell, the landman. Mewbourne, in
8 this same section, 15, is seeking to force pool the
9 Southeast quarter, Southwest quarter of Section 15, 20
10 South, 25 East from the surface to the base of the Yeso
11 formation for the Limousine "15" N Well Number 1.

12 APD is approved. The API number is 30-015-36942.
13 There are a number of people being pooled listed in the
14 affidavit. After some of them, I have written the word
15 "dismissed." There are five of them who have come to terms:
16 Georgia Needham; Harold Parrish; Jack Brock and wife, Bobbie
17 Brock; Margaret Sheldon; and J.C. Sims and wife, Phyllis
18 Sims. They have leased out their interests and are not
19 subject to pooling.

20 Again, set forth are the interest owners and their
21 interests. Most of these people or at least half of them
22 were locateable. And, again, for the unlocateable mineral
23 interest owners, they have searched the pertinent records as
24 the division has over time requested that they do. Overhead
25 rates are, again, 4,000 and 400 a month.

1 Exhibit A attached to this exhibit is a land plat.
2 This is, again, a fee tract, a single 40-acre fee tract with
3 undivided mineral interest ownership. Exhibit B is the
4 correspondence with the locateable interest owners. Exhibit
5 C is the AFE for the well. Again, the costs, completed well
6 costs are just under \$700,000. The depth of these wells are
7 a little over 3,200 feet.

8 Exhibit 2 is my affidavit of notice to the people
9 that we know have valid addresses. Every one on the list
10 received the notice except for Jack Brock and Bobbie Brock,
11 who never picked it up, but they have leased their
12 interests, and that's irrelevant at this point.

13 Exhibit 3 is, again, the notice that was published
14 in the Carlsbad Current-Argus. All of the unlocateable
15 people were listed in this notice, and again, it was -- they
16 were all published on the same date, which I believe was
17 July 11. And I will submit the affidavit of notice --
18 affidavit of publication as soon as I receive it from the
19 newspaper.

20 I would -- again, because of the unlocateable
21 people, there will have to be an escrow provision in the
22 order. And I would move the admissions of Exhibits 1
23 through 3 and ask that the matter be taken under advisement.

24 MR. WARNELL: Exhibits 1 through 3 are
25 admitted.

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(Exhibits 1 through 3 admitted.)

MR. WARNELL: Any questions?

MR. EZEANYIM: No.

MR. WARNELL: No questions. Case Number

14348 will be taken under advisement. Thank you, Mr. Bruce.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____

_____, Examiner
Oil Conservation Division

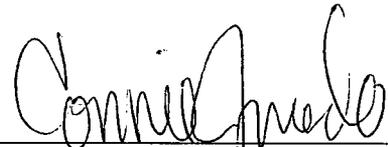
REPORTER'S CERTIFICATE

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I, CONNIE JURADO, do hereby certify that I reported the foregoing case in stenographic shorthand and transcribed, or had the same transcribed under my supervision and direction, the foregoing matter and that the same is a true and correct record of the proceedings had at the time and place.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case, and that I have no interest whatsoever in the final disposition of this case in any court.

WITNESS MY HAND this 23rd day of July, 2009.



Connie Jurado, CCR, RPR
New Mexico CCR No. 254
Expires: December 31, 2009