

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:

ORIGINAL

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

CASE NO. 14397

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

CASE NO. 14398

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Presiding Examiner
DAVID K. BROOKS, Legal Examiner

October 29, 2009

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, WILLIAM V. JONES,
Presiding Examiner, and DAVID K. BROOKS, Legal Examiner,
on Thursday, October 29, 2009, at the New Mexico Energy,
Minerals and Natural Resources Department, 1220 South St.
Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105
Albuquerque, NM 87103 505-843-9241

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A P P E A R A N C E S

FOR THE APPLICANT:

JAMES G. BRUCE, ATTORNEY AT LAW
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Santa Fe, New Mexico 87504-1056

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1 MR. JONES: Let's call Case 14397 and Case
2 14398. Both are applications of Mewbourne Oil Company
3 for compulsory pooling, Eddy County, New Mexico. Call
4 for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce
6 representing Mewbourne Oil Company in both cases.

7 Mr. Examiner, I've handed you Exhibits 1 and 2
8 in both cases. I think if you just look at the first
9 one, Case 14397, if you'll turn to the land plat, Exhibit
10 A attached to the affidavit of Corey Mitchell, the
11 landman, you'll see that they are seeking to force pool,
12 in Case 14397, the Southeast/Northwest of Section 22, and
13 in Case 14398, the Northeast/Northwest of Section 22.
14 Although there is a line drawn between those two 80s, the
15 east half of the Northwest Quarter of Section 22 is a
16 single fee tract with common ownership.

17 In both cases the only party being -- they are
18 seeking to force pool all mineral interests from the
19 surface to the base of the Yeso formation. The only
20 person being force pooled is E.J. Anderson, who owns a
21 six-and-two-thirds percent unleased mineral interest in
22 each tract. Mr. Anderson -- they have not been able to
23 locate Mr. Anderson. Again, in both cases they seek a
24 200 percent risk charge and the overhead rates are 4,000
25 per month and 400 per month.

1 If you'll turn back -- in this case Mewbourne
2 did check the records of Eddy County, telephone
3 directories, the Internet, the usual searches. They also
4 contacted MYCO Industries, which is one of the interest
5 owners in these two wells, to see if they had any
6 information. And consistent with Mewbourne's title
7 information, the only instrument ever appearing of record
8 was an assignment from 70 years ago, and he never shows
9 up afterwards, so they have not been able to locate him.

10 As a result, notice was published against Mr.
11 Anderson or his heirs or successors, in the Carlsbad
12 newspaper. Exhibit 2 in each case an affidavit of notice
13 as against Mr. Anderson. With respect to the -- in Case
14 14397 the well is being permitted, but there is no API
15 number in Case 14398. The permit was approved two or
16 three days ago, and the API number is 30-015-37349.

17 MR. JONES: Which case was that?

18 MR. BRUCE: That was the second one,
19 14398.

20 With that, I move the admissions of Exhibits 1
21 and 2 in each of the cases, 14397 and 14398.

22 MR. JONES: Exhibits 1 and 2 will be
23 admitted in both cases. So no API for the first one?

24 (Exhibits 1 and 2, Case 14397, were admitted.)

25 (Exhibits 1 and 2, Case 14398, were admitted.)

1 MR. BRUCE: Correct?

2 MR. JONES: Does this surround Brantley
3 Dam or the cemetery? They had to move it.

4 MR. BRUCE: No. I think it's further west
5 of there. Isn't 20/25 further -- I'm not sure. That's
6 the old Dagger Draw area, which is playing out, but this
7 is -- there's a bunch of Yeso wells being developed.

8 MR. JONES: But this particular one,
9 they're not --

10 MR. BRUCE: This is not a cemetery tract.

11 MR. JONES: It's not a cemetery -- it's
12 just a Seven Rivers.

13 Anything?

14 MR. BROOKS: Nothing. Thank you.

15 MR. JONES: If there's nothing further,
16 we'll take Case 14397 and Case 14398 under advisement.

17 * * *

18
19 I do hereby certify that the foregoing is
20 a complete record of the proceedings in
21 the Examiner hearing of Case No. _____
22 _____

23 Oil Conservation Division, Examiner
24
25

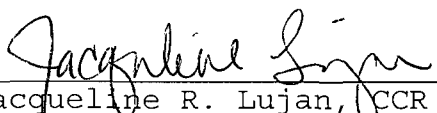
REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on October 29, 2009, proceedings in
the above captioned case were taken before me and that I
did report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with 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 10th day of November,
2009.


Jacqueline R. Lujan, CCR #91
Expires: 12/31/2009