

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:

APPLICATION OF MEWBOURNE COMPANY TO
ABOLISH THE SEVEN RIVERS-YESO POOL AND
THE CEMETERY-YESO POOL AND EXPAND THE
NORTH SEVEN RIVERS GLORIETA-YESO POOL,
AND TO ESTABLISH SPECIAL RULES AND
REGULATIONS FOR THE NORTH SEVEN RIVERS
GLORIETA-YESO POOL, EDDY COUNTY, NEW MEXICO

Case No. 14554

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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

December 2, 2010

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, WILLIAM V. JONES,
Technical Examiner, and DAVID K. BROOKS, Legal Examiner,
on Thursday, December 2, 2010, 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

A P P E A R A N C E S

FOR THE APPLICANT:

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(505) 982-2043

FOR NEARBURG PRODUCING COMPANY:

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(505) 982-3873

FOR FASKEN OIL AND RANCH:

HOLLAND & HART, LLP
OCEAN MUNDS-DRY, ESQ.
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EXHIBITS A AND B WERE ADMITTED

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REPORTER'S CERTIFICATE

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1 EXAMINER JONES: At this time let's call
2 Case 14554, application of Mewbourne Company to abolish
3 the Seven Rivers-Yeso Pool and the Cemetery-Yeso Pool and
4 expand the North Seven Rivers Glorieta-Yeso Pool, and to
5 establish special rules and regulations for the North
6 Seven Rivers Glorieta-Yeso Pool, Eddy County, New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of
9 Santa Fe, representing the applicant.

10 EXAMINER JONES: Any other appearances?

11 MR. HALL: Mr. Examiner, Scott Hall,
12 Montgomery & Andrews, appearing on behalf of Nearburg
13 Producing Company.

14 EXAMINER JONES: Any other appearances?

15 MS. MUNDS-DRY: Ocean Munds-Dry, with
16 Holland & Hart, representing Fasken Oil and Ranch.

17 EXAMINER JONES: Other appearances?

18 MR. BRUCE: Mr. Examiner, this case was
19 heard four weeks ago, I think, and it was -- evidence was
20 presented and the case was continued because a couple of
21 operators ask that they be expanded from what Mewbourne
22 had originally requested. So the application was amended
23 and the advertisement was amended, and that's all that
24 has happened.

25 I'll hand you Exhibit A, which is my notice

1 affidavit. Due to the amended application, I re-notified
2 all of the operators in the pool.

3 The only other thing I have, subject to
4 objection by Counsel, is I just wanted to inform the
5 Division that Mewbourne -- that there is one newly
6 completed well in the pool, a well in Section 9 within
7 the pool. And Exhibit B is simply the data showing the
8 production results from the well.

9 The well -- they are still recovering fracture
10 treatment water from the well, at which time it will be
11 reduced in production to below the allowable, which for
12 this well, would be 160 barrels per day.

13 With that, I move the admission of Exhibits A
14 and B.

15 MR. HALL: No objection.

16 MS. MUNDS-DRY: No objection.

17 EXAMINER JONES: Exhibits A and B will be
18 admitted.

19 (Exhibits A and B were admitted.)

20 MR. BRUCE: That's it.

21 EXAMINER JONES: We'll take this case
22 under advisement?

23 EXAMINER BROOKS: Yes. Since I was the
24 Examiner, and you want me to say it, I can do so. Case
25 Number 14554 is taken under advisement.

1 Jim, you didn't happen to bring the
2 application I asked you for?

3 MR. BRUCE: I will get that to you today.

4 EXAMINER BROOKS: Mr. Catanach is very
5 much in a hurry.

6 MR. BRUCE: Will do.

7 EXAMINER BROOKS: In the event, for any
8 reason, I don't get that attended to, I would recommend
9 that within 30 days -- I would recommend that you file a
10 motion to re-open, rather than de novo it. But I'll try
11 to get it attended to.

12 MR. BRUCE: Okay. Thank you.

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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 _____.

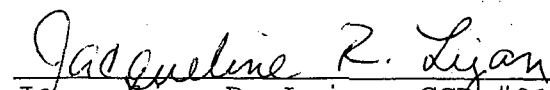
_____, Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on December 2, 2010, 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 14th day of December,
2010.


Jacqueline R. Lujan, CCR #91
Expires: 12/31/2010