

FILED
MAR 13 2012

**DECISION SHEET
OF THE OIL & GAS APPELLATE REFEREE**

COURT CLERK'S OFFICE - OKC
CORPORATION COMMISSION
OF OKLAHOMA

<u>APPLICANT:</u>	MEWBOURNE OIL COMPANY)	
)	
<u>RELIEF SOUGHT:</u>	DRILLING AND SPACING UNITS (HORIZONTAL UNIT))	CAUSE CD NO. 201200790
)	
<u>LAND COVERED:</u>	SECTION 28, TOWNSHIP 15 NORTH, RANGE 16 WEST, CUSTER COUNTY, OKLAHOMA)	
)	
<u>APPLICANT:</u>	MEWBOURNE OIL COMPANY)	
)	
<u>RELIEF SOUGHT:</u>	WELL LOCATION EXCEPTION (HORIZONTAL WELL))	CAUSE CD NO. 201200791
)	
<u>LAND COVERED:</u>	SECTION 28, TOWNSHIP 15 NORTH, RANGE 16 WEST, CUSTER COUNTY, OKLAHOMA)	
)	

**ORAL APPEAL OF THE ADMINISTRATIVE LAW JUDGE'S
RULING ON MOTIONS TO SET CAUSES ON PROTEST DOCKET**

Susan R. Osburn, Administrative Law Judge, for the Oklahoma Corporation Commission, pursuant to proper notice, heard on the 6th day of March, 2012 the MotionS to Set Causes on Protest Docket in the Commission's Courtroom, Jim Thorpe Building, Oklahoma City, Oklahoma.

APPEARANCES: **Richard A. Grimes**, attorney, appeared for applicant, Mewbourne Oil Company ("Mewbourne"); **Eric R. King**, attorney, appeared for Sanguine Gas Exploration, L.L.C. ("Sanguine"); and **Jim Hamilton**, Assistant General Counsel for the Conservation Division, filed notice of appearance, for the Oklahoma Corporation Commission.

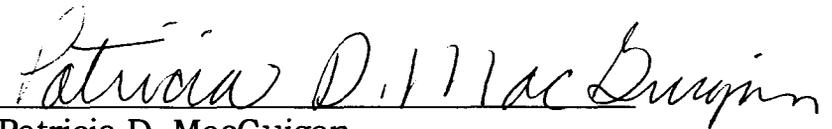
The Oral Arguments on the Oral Appeal were referred to Patricia D. MacGuigan, Oil and Gas Appellate Referee ("Referee"), on the 12th day of March, 2012. The Referee has considered the arguments of counsel and the record contained within this Cause.

ALJ Susan R. Osburn recommended granting Mewbourne's Motions to Set Causes on the Protest Docket by late April or the first week in May. Sanguine received the proposal from Mewbourne concerning the subject drilling and spacing unit and well location exception in early January, 2012. Mewbourne's applications concerning the drilling and spacing unit and well location were filed on February 7, 2012. Thus Sanguine had from late January to prepare for their proposed horizontal spacing application and should not have waited until March, i.e. the date before the hearing on this Motion to gain ownership information. The timeframe proposed by Mewbourne is the normal timeframe for proposal; filing of applications; and if protested, setting on the protest docket. By setting the protest for the last part of April or by the first week in May the protest will be heard in a reasonable period of time. Thus, the ALJ was not persuaded by Sanguine's position and recommended the protest be set for late April or the first week in May.

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The Referee finds the ALJ should be affirmed. Mewbourne's program for development is normal and in a more reasonable period of time than Sanguine's. Sanguine did not request any ownership information until a day or two before March 6th, the day the Motions to Set Causes on Protest Docket was heard. Sanguine knew about Mewbourne's proposed drilling and spacing unit and location exception in January of 2012. For the above stated reasons the ALJ's recommendation should be affirmed.

RESPECTFULLY SUBMITTED THIS 13th day of March, 2012.


 Patricia D. MacGuigan
 OIL & GAS APPELLATE REFEREE

PM:ac

xc: Commissioner Murphy
 Commissioner Anthony
 Commissioner Douglas
 Jim Hamilton
 Richard A. Grimes
 Eric R. King
 Michael L. Decker, OAP Director
 Office of General Counsel
 Oil-Law Records