Case No. 13230

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

RECEIVED

CONTINUED AND DISMISSED CASES

MAR 18 2004

Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, NM 87505

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

March 4th, 2004

ORIGINAL

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER,
Hearing Examiner, on Thursday, March 4th, 2004, 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.

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I N D E X

March 4th, 2004 Continued and Dismissed Cases

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REPORTER'S CERTIFICATE

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WHEREUPON, the following proceedings were had at 8:18 a.m.:

EXAMINER STOGNER: This hearing will come to order. Please note today's date, Thursday, March 4th, 2004. We're here to consider Docket Number 7-04. I'm Michael Stogner, appointed Hearing Officer for today's cases.

I'll go over the dismissals and continuances, and then I'll make a short announcement about the schedule for today, and then we'll proceed.

Okay, the first case to be dismissed is Case 13,225. This is the Application of Chi Energy, Inc., for compulsory pooling and a nonstandard gas spacing and proration unit, Eddy County, New Mexico. This case is dismissed.

Page 2, down at the bottom, Case 13,229, this is the Application of Yates Petroleum Corporation for an unorthodox location and exception to Division Rule 104.C.(2).(b) and a retroactive approval date for any order issued in this case, Chaves County, New Mexico. This case will be continued to April 1st.

On page 3, the first one, Case 13,230, this is the Application of Yates Petroleum Corporation for approval of a unit agreement in Chaves County, New Mexico. This case will be continued and readvertised to the March 18th.

hearing.

The last two cases, 13,211 and 13,212, both of these Applications are for compulsory pooling, Eddy County, New Mexico. The Applicant in both cases is Nadel and Gussman Permian, L.L.C. Both of these cases will be dismissed.

Are there any other continuances or dismissals?

MR. CARR: May please the Examiner, on the first page of the docket --

EXAMINER STOGNER: Yes, sir.

MR. CARR: -- is the Application of Concho Resources.

EXAMINER STOGNER: Yes, that's 13,217. I understand that case was heard by Mr. Catanach on February 19th; is that correct?

MR. CARR: That is correct, and it was continued because Concho and some other parties in the subject acreage were working on an agreement. They have continued to work. They have a document now that I believe is being reviewed by Concho, but it has not yet been executed, and on behalf of Derrel Melton, who I represent, we're requesting that the case be continued for two additional weeks, and I believe that Concho does not oppose that.

MR. BRUCE: Yes, Mr. Examiner, I represent the Applicant, and we would ask that it be continued for two

weeks to allow the parties to complete their negotiations. EXAMINER STOGNER: Case 13,217 will be continued to the March 18th hearing. Any other continuances or dismissals at this time. We have one contested case that I know of on the docket today, and that is 13,226. That's the Application of OXY for rescission of an APD and compulsory pooling. This case will be put on the docket last, so we can get the uncontested cases out first. (Thereupon, these proceedings were concluded at 8:20 a.m.) I do haraby exertify that the firms

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 March 5th, 2004.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006