

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:)

CASE NO. 13,259

APPLICATION OF YATES PETROLEUM)
CORPORATION FOR A NONSTANDARD GAS)
SPACING UNIT, LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

RECEIVED

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

MAY 13 2004

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

April 29th, 2004

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, April 29th, 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

April 29th, 2004
Examiner Hearing
CASE NO. 13,259

PAGE

REPORTER'S CERTIFICATE

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 8:17 a.m.:

3 EXAMINER JONES: Okay, the first case let's call
4 this morning is Case 13,259, Application of Yates Petroleum
5 Corporation for a nonstandard gas spacing unit, Lea County,
6 New Mexico.

7 Call for appearances.

8 MR. CARR: May it please the Examiner, my name is
9 William F. Carr with the Santa Fe office of Holland and
10 Hart, L.L.P. We represent Yates Petroleum Corporation in
11 this matter.

12 Mr. Examiner, Yates filed an administrative
13 application seeking the creation of a 389.4-acre
14 nonstandard spacing and proration unit in the Mississippian
15 formation, comprised of all of irregular Section 2,
16 Township 11 South, Range 34 East. The nonstandard unit
17 consists of four lots and four 40-acre quarter sections.

18 The application was reviewed by the Division, and
19 it was set for hearing. The reason stated was that a
20 nonstandard unit of this nature cannot be processed
21 administratively because it is inconsistent with Division
22 Rule 104.D.(2).(b).(ii), and that provides that dedicated
23 to a well shall be a standard-size spacing unit for 320-
24 acre-developed pools, comprised of a half quarter section
25 or a -- and the Division determined that, in fact, this

1 application, because it was no 320-acre unit, because of
2 the irregular nature of it, couldn't be approved
3 administratively.

4 The letter from the Division further provided
5 that the case would be docketed and provided in the absence
6 of objection the application would be taken under
7 advisement, and also advised Yates that no further direct
8 involvement by Yates would be required.

9 So the case has been now docketed, and we would
10 request that based on the administrative application filed
11 March the 10th, it be taken under advisement.

12 EXAMINER JONES: Okay, thank you, Mr. Carr. I
13 have everything I need for this case. So let's take Case
14 13,259 under advisement.

15 (Thereupon, these proceedings were concluded at
16 8:19 a.m.)

17 * * *

18
19 I do hereby certify that the foregoing is
20 a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____

21 _____, Examiner
22 Oil Conservation Division
23
24
25

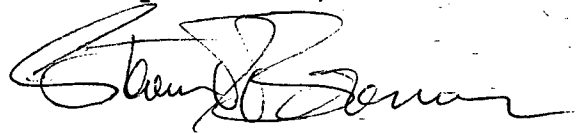
CERTIFICATE OF REPORTER

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 April 29th, 2004.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006