

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. 13,424

APPLICATION OF POGO PRODUCING COMPANY )  
FOR COMPULSORY POOLING, LEA COUNTY, )  
NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 17th, 2005

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, February 17th, 2005, 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

February 17th, 2005  
Examiner Hearing  
CASE NO. 13,424

## PAGE

REPORTER'S CERTIFICATE

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## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	5
Exhibit 2	4	5

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## A P P E A R A N C E S

## FOR THE APPLICANT:

JAMES G. BRUCE  
Attorney at Law  
P.O. Box 1056  
Santa Fe, New Mexico 87504

\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 10:20 a.m.:

3 EXAMINER CATANACH: All right, at this time I'll  
4 call Case Number 13,424, the Application of Pogo Producing  
5 Company for compulsory pooling, Lea County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
8 representing the Applicant. I have no witnesses.

9 EXAMINER CATANACH: Any additional appearances?  
10 There being none, you may proceed, Mr. Bruce.

11 MR. BRUCE: Mr. Examiner, this case seeks to  
12 reinstate Pooling Order R-12,195-A. In this case Pogo  
13 seeks to force pool the east half of Section 30, Township  
14 23 South, Range 33 East, from the base of the Cherry Canyon  
15 formation to the base of the Morrow formation.

16 The order was entered, I believe, by you  
17 originally and then amended once, but the order expired at  
18 some point in mid-January, I forget exactly when. And as a  
19 result, without drilling the well -- Pogo was drilling a  
20 couple of offset wells and is now prepared to move on to  
21 this well. So we are merely seeking to reinstate the  
22 order.

23 The only interest owner involved is  
24 ConocoPhillips Company, who owns an approximate 50-percent  
25 working interest in the shallower formations and 43.75-

1 percent interest as to the deep gas rights.

2 Submitted as Exhibit 1 is a statement of Scott  
3 McDaniel, a landman for Pogo. There are no attachments to  
4 this. If you'd go back to the original case file you would  
5 find the correspondence and the various other matters, the  
6 AFEs involved with this well, and nothing much has changed  
7 since the first order was entered.

8 The parties have been negotiating now for, oh,  
9 months and months and months. They're still hopeful  
10 they'll come to terms, but ConocoPhillips has just never  
11 finalized a farmout. They've been discussing terms for  
12 months, and they still might come to terms. But at this  
13 point Pogo is in the middle of drilling its second well in  
14 this area and will probably be commencing this next well  
15 sometime in March and so would like to reinstate the order,  
16 just in case ConocoPhillips does not farm out its interest.

17 Submitted as Exhibit 2 is the affidavit of  
18 notice. This notice was sent out on January 27th. And in  
19 preparing for this hearing yesterday I could not find a  
20 green card. And I went to the post office, and they could  
21 not find a green card. So -- Well, actually it wasn't  
22 yesterday, it was last week, late last week. And so as a  
23 result, I have again notified ConocoPhillips of the  
24 hearing. I would request that it be continued to March 3rd  
25 for the simple purpose of submitting an actual green card

1 to the Division showing that ConocoPhillips has received  
2 notice of the Application.

3 But with that I would move the admission of  
4 Exhibits 1 and 2 and ask that after the March 3rd hearing  
5 the matter be taken under advisement.

6 EXAMINER CATANACH: Exhibits 1 and 2 will be  
7 admitted.

8 Mr. Bruce, was the A order in this case, was that  
9 a similar type of situation?

10 MR. BRUCE: No, it wasn't, Mr. Examiner. What  
11 happened was that the original well location was in the --  
12 I've got to get this correct -- was in the northeast  
13 quarter, southeast quarter, and that's what the original  
14 order was for, and then it was amended because they moved  
15 the location one quarter-quarter section to the north, into  
16 the southeast quarter, northeast quarter.

17 The interest ownership was not affected at all,  
18 just the well location was changed. A geologist decided to  
19 do something different.

20 EXAMINER CATANACH: Okay. The A order, then,  
21 expired because the Applicant didn't start drilling in a  
22 timely manner?

23 MR. BRUCE: That is correct, and forgot to  
24 contact me to seek an extension --

25 EXAMINER CATANACH: Okay.

1 MR. BRUCE: -- of the well-commencement deadline.

2 EXAMINER CATANACH: So we're just basically  
3 starting the clock over on the drilling deadline?

4 MR. BRUCE: That is correct.

5 EXAMINER CATANACH: Okay.

6 MR. BRUCE: And of course any notice that needs  
7 to be given to ConocoPhillips to join in the well.

8 EXAMINER CATANACH: Okay. Anything further?

9 MR. BRUCE: Nothing further.

10 EXAMINER CATANACH: There being nothing further,  
11 Case 13,424 will be taken under advisement -- I'm sorry, it  
12 will be continued to March 3rd.

13 (Thereupon, these proceedings were concluded at  
14 10:25 a.m.)

15 \* \* \*

16  
17 I do hereby certify that the foregoing is  
18 a complete record of the proceedings in  
19 the Examiner hearing of Case No. 13424,  
20 heard by me on February 17, 2005.  
21 David R. Catanach, 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 February 20th, 2005.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006