

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 3rd, 2005

Santa Fe, New Mexico

2005 MAR 17 AM 8 45

These matters came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, March 3rd, 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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RE
3/17/05

I N D E X

March 3rd, 2005
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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1 WHEREUPON, the following proceedings were had at
2 8:22 a.m.:

3 EXAMINER EZEANYIM: Now if there are no
4 questions, then we can go on the record.

5 Today is March 3, 2005, approximately 8:20,
6 because of my announcements.

7 My name is Richard Ezeanyim.

8 We're in Porter Hall, Oil Conservation Hearing
9 Room, and today we're going to consider Docket Number
10 07-05.

11 Currently I don't have a lot of dismissals. I
12 have some continuances, and I'm going to first of all read
13 out the continuances.

14 Page 3, Case Number ~~13,433~~, this is the
15 Application of Myco Industries, Inc., for an exception to
16 Division Rule 104.C.(2).(c), Eddy County. Continued to
17 March 17.

18 Case Number 13,437, this is the Application of
19 Lance Oil and Gas Company, Inc., for compulsory pooling,
20 San Juan County, New Mexico. This is continued to the
21 April 7th docket.

22 Case Number 13,413. This case has already been
23 heard, and I think it's taken under advisement and the
24 order is being worked on that, so we leave that case for
25 the docket.

1 At this point does anybody have any continuances
2 or dismissals?

3 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe.
4 On page 1, the bottom case, 13,423, Application of
5 Mewbourne Oil Company, I'd request that that case be
6 dismissed.

7 On page 2, the middle case, 13,408, Application
8 of Latigo Petroleum, Inc., I ask that that case be
9 continued for -- is it four or five weeks? I'm not -- Is
10 it March 31 or April 7th, is the --

11 EXAMINER EZEANYIM: April 7th.

12 MR. BRUCE: April 7th, continue it to April 7th.

13 The bottom case, 13,389, Application of Nadel and
14 Gussman Permian, L.L.C., request that that case be
15 dismissed.

16 And then on page 3 at the top, 13,411, the
17 Application of Primero Operating, Inc., this advertisement
18 is incorrect, so it has been corrected. And we ask that it
19 be continued to March 17th. And I have spoken with Ms.
20 Davidson about correcting it, so...

21 EXAMINER EZEANYIM: Okay, before I make some
22 statements, let me read...

23 So Case Number 13,423 is dismissed.

24 Case Number 13,408 is continued to April 7th on
25 page 2.

1 On the same page 2, Case Number 13,389 is
2 dismissed.

3 Case Number 13,411 is continued to March 7th.

4 Any other dismissals or continuances?

5 And Mr. Bruce, I want to make a comment on that,
6 on this 13,411. You've done that, what you meant on them.
7 You want to continue those; is that what you said?

8 MR. BRUCE: Well, Mr. Examiner, this case was --
9 has already been heard by Examiner Jones --

10 EXAMINER EZEANYIM: Uh-huh.

11 MR. BRUCE: -- and at the hearing I noticed that
12 the ad was incorrect, and I e-mailed a correct ad to the
13 Division, but the Division lost it. So I e-mailed the ad
14 again, so -- which is why it had to be continued to the
15 17th.

16 EXAMINER EZEANYIM: Okay, that's good.

17 But what troubles me with some -- this case,
18 13,411 and -- let me see, one other in here -- and 13,408,
19 if you are correcting the mistakes there, you are going to
20 correct that thing, is to correct that you are asking for
21 exception to Division Rule 104.D.(3).

22 104.D.(3) is an exception to -- Are you asking
23 for an exception to an exception? Are you asking for an
24 exception to 104.C.(3)? I mean, D.(3) -- maybe 104.C.(3)
25 pursuant to 104.D.(3) --

1 MR. BRUCE: No, no, no, no, no, no. I mean, what
2 -- if you're talking about the Latigo Petroleum case --

3 EXAMINER EZEANYIM: Yeah.

4 MR. BRUCE: -- that's 104.D.(3), and the problem
5 there is, there are about 200 people to notify, and we've
6 gotten some additional names, so we had to renotify people
7 of the hearing date.

8 EXAMINER EZEANYIM: I understand, Mr. Bruce.
9 What I'm saying is that -- What are we asking for, what are
10 we saying 104.D.(3)?

11 MR. BRUCE: Two wells -- two gas wells on 160 gas
12 -- an exception -- 104.D.(3) requires only -- or allows
13 only one well on a 160-acre gas-well unit, and we're asking
14 for two wells on a 160-acre gas-well unit.

15 EXAMINER EZEANYIM: Is it not 104.C.(3)?
16 104.D.(3) -- You ask an exception for 104.C.(3) pursuant to
17 104.D.(3). 104.D.(3) is an exception --

18 MR. BRUCE: Well, I --

19 EXAMINER EZEANYIM: -- to those rules.

20 MR. BRUCE: -- I -- if there's a -- if there's a
21 typo in there, there's a typo in there.

22 EXAMINER EZEANYIM: There's a typo in there, and
23 I want it corrected because we're not asking for an
24 exception to 104.D.(3). 104.D.(3) is an exception to
25 either 104.C.(1), 104.C.(2) --

1 MR. BRUCE: No, no --

2 EXAMINER EZEANYIM: -- 104.C.(3) --

3 MR. BRUCE: Well, 104- -- I believe 104.C, which
4 is, if you'd go down to the Myco case, 104.C.(2), and for
5 that matter, one of the Pecos Production cases today are
6 allowing two gas wells on the same quarter section within a
7 160-acre -- within a 320-acre gas-well unit, and I believe
8 104.D.(3) is proper, because you're asking for simultaneous
9 dedication.

10 I will double-check that, but I believe that
11 104.D.(3) is correct.

12 EXAMINER EZEANYIM: Yeah, please do that. And in
13 one of your statements you've corrected it, some of them
14 might say 104.C.(3). Which is the correct statement?
15 Because you are asking an exception to 104.C.(3), pursuant
16 to 104.D.(3).

17 104.D.(3) --

18 MR. BRUCE: Well --

19 EXAMINER EZEANYIM: -- 104.C.(1), 104.C.(2),
20 104.C.(3).

21 MR. BRUCE: Well, that's fine, and if I have to
22 correct it, that's fine.

23 I'm just using past Division advertisements,
24 promulgated by the Division itself with respect to the
25 relief sought herein, so --

1 EXAMINER EZEANYIM: Yeah, and you have been
2 advised in 1999, and then we have to -- like some of the
3 Rules -- some of the cases say 104.C.(2), which I
4 understand, but not 104.D.(3).

5 MR. BRUCE: Well --

6 EXAMINER EZEANYIM: So why I mention this is that
7 when you correct the advertisement --

8 MR. BRUCE: Well --

9 EXAMINER EZEANYIM: -- I want you to look at it
10 and correct those two --

11 MR. BRUCE: Well, that's fine, Mr. Examiner, but
12 what I'm telling you is, I'm using the -- Primero Operating
13 was actually a case set by the Division, and so I'm just
14 simply using their terminology.

15 EXAMINER EZEANYIM: Okay, that's fine.

16 Well, at this point there are other cases, I
17 don't know -- yeah, I think some of them have been
18 dismissed or continued -- there are other cases that have
19 been heard and we are not taking under advisement.

20 If there is no objection, I would like to collect
21 information on those. I think those cases -- ask me to
22 take just a moment so we can proceed with the rest of the
23 cases.

24 If you don't have any objection, I can call those
25 cases and get the information, and then we'll take them

1 into advisement before we go ahead with our business today.

2 Any objection to me doing that?

3 (Thereupon, these proceedings were concluded at
4 8:25 a.m.)

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11 I do hereby certify that the foregoing is
12 a complete record of the proceedings in
13 the Examiner hearing of Case No. _____
14 heard by me on 3/3/85

15  , Examiner
16 Oil Conservation Division
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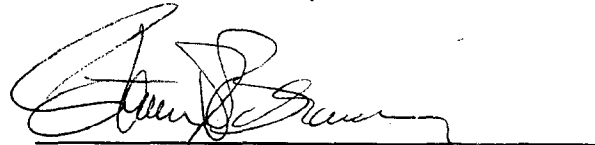
CERTIFICATE OF REPORTER

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 3rd, 2005.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006