

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. 13,940

APPLICATION OF YATES PETROLEUM )  
CORPORATION, YATES DRILLING COMPANY, )  
ABO PETROLEUM CORPORATION AND MYCO )  
INDUSTRIES, INC., FOR AN ORDER )  
DIRECTING PRIDE ENERGY COMPANY TO PLUG )  
AND ABANDON THE STATE X WELL NUMBER 1, )  
LEA COUNTY, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Hearing Examiner

October 3rd, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Hearing Examiner, on Thursday, October 3rd, 2007, 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.

\* \* \*

STEVEN T. BRENNER, CCR  
(505) 989-9317

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## I N D E X

October 3rd, 2007  
Examiner Hearing  
CASE NO. 13,940

PAGE

REPORTER'S CERTIFICATE

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## E X H I B I T

Applicant's	Identified	Admitted
Exhibit 1	4	5

\* \* \*

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

## 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

## FOR PRIDE ENERGY COMPANY:

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

\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 8:19 a.m.:

3 EXAMINER BROOKS: Okay, at this time we'll call  
4 Case Number 13,940, the Application of Yates Petroleum  
5 Corporation, Yates Drilling Company, Abo Petroleum  
6 Corporation and MYCO Industries, Inc., for an order  
7 directing Pride Energy Company to plug and abandon the  
8 State X Well Number 1, Lea County, New Mexico.

9 Call for appearances.

10 MR. CARR: May it please the Examiner, my name is  
11 William F. Carr with the Santa Fe office of Holland and  
12 Hart, L.L.P. We represent Yates in this matter, and I have  
13 a statement.

14 EXAMINER BROOKS: You may proceed.

15 MR. CARR: Mr. Examiner, Mr. Bruce is also here  
16 representing Pride.

17 MR. BRUCE: Yeah, Mr. Examiner, I am here  
18 representing Pride Energy Company, and I just have a short  
19 statement also.

20 EXAMINER BROOKS: Okay.

21 MR. CARR: As I suspect, you're somewhat familiar  
22 with the Yates-Pride dispute.

23 EXAMINER BROOKS: I have some recollection of it.

24 MR. CARR: This has been going before the  
25 Division since October of 2003. I can report to you that

1 all that's left to be done is the plugging of the State X  
2 Well Number 1 and the cleaning up of the well site.

3 We filed the Application, and since that time  
4 Pride, on the 17th of September, filed a sundry notice with  
5 the Hobbs office seeking authorization to plug and abandon  
6 the well, which has been approved by that office.

7 We're anxious to get this thing over, and because  
8 a plugging notice doesn't mean it's going to be done, we  
9 have asked Pride to advise us when the plugging operations  
10 will actually take place. And I understand Mr. Bruce has  
11 contacted Pride, but they have not yet responded.

12 And so for that reason we would like to request a  
13 two-week continuance of the case and request that at that  
14 point in time we be advised when the well will be plugged  
15 so we can get back on our own lease.

16 EXAMINER BROOKS: Mr. Bruce?

17 MR. BRUCE: Mr. Examiner, I'm submitting to you  
18 as Pride Exhibit 1 a copy of the plugging procedure  
19 submitted to and approved by the Hobbs District Office.

20 And yesterday in speaking with Mr. Carr, I think  
21 late in the morning or early in the afternoon, I did e-mail  
22 my client and ask them what the time frame was in plugging  
23 the well, and I will ask them again. And I consent to the  
24 continuance, and Pride has previously informed me they do  
25 intend to plug and abandon the well in conformance with

1 Division procedures, and I will endeavor to obtain a time  
2 frame for that plugging and abandonment.

3 EXAMINER BROOKS: Okay, well -- Okay, Exhibit  
4 Number 1 is admitted. And if their plugging contractors  
5 are like ours, they probably don't know when they're going  
6 to get it plugged, but...

7 MR. BRUCE: I would like to get an outside time  
8 limit from them, and maybe that would work best, rather  
9 than giving a --

10 EXAMINER BROOKS: And you said two weeks --

11 MR. CARR: Yes, sir.

12 EXAMINER BROOKS: -- on the continuance?

13 Okay, Exhibit Number 1 is admitted, and Case  
14 Number 13,940 will be continued to October 18th.

15 (Thereupon, these proceedings were concluded at  
16 8:22 a.m.)

17 \* \* \*

18  
19  
20 I do hereby certify that the foregoing is  
21 a complete record of the proceedings in  
22 the Examiner hearing of Case No. 13940  
23 heard by me on Oct 3 2007.

24 David K. Brooks, Examiner  
25 Oil Conservation Division


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 October 3rd, 2007.




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STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 16th, 2010