

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

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 14989

APPLICATION OF APACHE CORPORATION
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

DOCKET NO. 18-13

BEFORE: PHILLIP GOETZE, Hearing Officer
DAVID K. BROOKS, Legal Examiner.....

MAY 30, 2013

8:30 AM

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, PHILLIP
GOETZE, Hearing Examiner, and DAVID K. BROOKS, Legal
Examiner, on THURSDAY, MAY 30, 2013, at the
New Mexico Energy, Minerals and Natural Resources
Department, 1220 South Street Francis Drive,
Room 102, Santa Fe, New Mexico.

REPORTED BY: PAUL BACA PROFESSIONAL COURT
REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

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A P P E A R A N C E S

For Apache Corporation:

JAMES GARRETT BRUCE, ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, NM 87504-1056
(505) 982-2043

I N D E X

PAGE

CERTIFICATE OF COMPLETION OF HEARING

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EXHIBITS

MARKED/IDENTIFIED

1. Verified Statement of Michelle Hanson

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2. Affidavit of Notice

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3. Affidavit of Publication

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1 MR. EXAMINER: The next case is case 14989,
2 application of Apache Corporation for compulsory
3 pooling, Lea County, New Mexico. Call for
4 appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of
6 Santa Fe representing the applicant. I am
7 submitting this case by affidavit.

8 MR. EXAMINER: And I don't see anybody
9 else, so --

10 MR. BRUCE: Mr. Examiner, this application
11 and the next two cases involve vertical wells. And
12 so under the Division's rules, since there is no
13 opposition, I am submitting the cases by affidavit.

14 Exhibit 1 is the verified statement of
15 Michelle Hanson, who is a landman for Apache
16 Corporation. In this case if you turn back a couple
17 of pages to the land plat Apache seeks to pool
18 mineral interests from the surface to the basis of
19 the Drinkard formation underlying the southwest
20 quarter, northwest quarter of section 2 in
21 township 20 south, range 38 east. The wells or
22 the -- yeah, the wells in this area are in the House
23 field, so it's the House-Blinebry pool, House Tubb
24 pool, and House Drinkard pool.

25 The parties being pooled, this is fee land,

1 as often happens in this area, ownership is pretty
2 cut up. You'll see that there are well over 20
3 interest owners, two dozen interest owners. All of
4 them are unleased mineral owners. The ones who are
5 unlocateable are shaded and we have an affidavit of
6 notice as to those parties.

7 Exhibit C to the affidavit is the proposal
8 letter. And exhibit D to the affidavit is the AFE.
9 It has a total well cost of about \$1.7 million.
10 Applicant does request a cost plus 200 percent risk
11 charge be assessed against the non-consenting
12 owners. And the overhead charges that it requests
13 are 7500 a month for a drilling well and 750 a month
14 for a producing well.

15 The well name is the Pino Well Number 2,
16 and it has an API number 3002541082. This affidavit
17 also discusses the efforts taken to locate all of
18 the mineral owners. Apache operates a number of
19 wells out here in which these mineral owners are in
20 and has spent years trying to locate all of the
21 people. But as often happens in fee land and Lea
22 County, it's kind of a problem locating them all.

23 The second exhibit is my affidavit of
24 notice to all of the locateable people. Green cards
25 were returned except as to Burlington Resources and

1 William J. Meier. However, those parties are also
2 in the next two cases and they have received notice
3 in those cases. So they did receive actual notice
4 of the ongoing proceedings. I do have the postal
5 service sheets showing the status as being delivered
6 for those parties although I haven't gotten the
7 green cards back.

8 And finally Exhibit 3 is the affidavit of
9 notice as to the unlocateable parties giving them
10 notice of the hearing. And I would move the
11 admission of Exhibits 1, 2, and 3.

12 MR. EXAMINER: Exhibits 1, 2, and 3 are
13 admitted and accepted.

14 [Exhibits 1, 2, and 3 admitted into evidence.]

15 MR. BRUCE: And I have nothing further in
16 this case.

17 MR. EXAMINER: Any questions for Mr. Bruce?

18 EXAMINER BROOKS: No questions for
19 Mr. Bruce.

20 MR. BRUCE: And one thing, Mr. Examiner, I
21 forgot for these and the other two cases, Exhibit B
22 to the landman's affidavit lists -- I got to get the
23 right name of this company.

24 MR. EXAMINER: This is the Seven Ways?

25 MR. BRUCE: Seven Ways Minerals Limited.

1 And they should be dismissed from the pooling
2 application. They have agreed to lease their
3 interests.

4 MR. EXAMINER: So you have resolved your
5 differences with them?

6 MR. BRUCE: Yes.

7 MR. EXAMINER: Okay. Very good. No
8 questions. We'll go ahead and take this case under
9 advisement.

10 [Case 14989 taken under advisement.]

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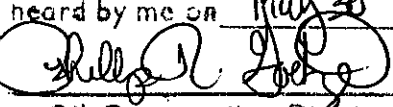
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14989
heard by me on May 30 2013.
, Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

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2
3 Working under the direction and direct
4 supervision of Paul Baca, New Mexico CCR License
5 #112, Official Court Reporter for the US District
6 Court, District of New Mexico, I do hereby certify
7 that I reported the foregoing proceedings in
8 stenographic shorthand and that the foregoing pages
9 are a true and correct transcript of those
10 proceedings and was reduced to printed form under my
11 direct supervision.

12 I FURTHER CERTIFY that I am neither
13 employed by nor related to any of the parties or
14 attorneys in this case and that I have no interest
15 whatsoever in the final disposition of this case in
16 any court.

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21 PAUL BACA PROFESSIONAL COURT
22 REPORTERS
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