

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:

APPLICATION OF LEGACY RESERVES  
OPERATING, L.P. TO INSTITUTE A  
TERTIARY RECOVERY PROJECT FOR  
THE DRICKEY QUEEN SAND UNIT AND  
TO QUALIFY THE PROJECT FOR THE  
RECOVERED OIL TAX RATE, CHAVES  
COUNTY, NEW MEXICO.

CASE NO. 15255

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

March 19, 2015

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER  
GABRIEL WADE, LEGAL EXAMINER

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This matter came on for hearing before the  
New Mexico Oil Conservation Division, Phillip Goetze,  
Chief Examiner, and Gabriel Wade, Legal Examiner, on  
Thursday, March 19, 2015, at the New Mexico Energy,  
Minerals and Natural Resources Department, Wendell Chino  
Building, 1220 South St. Francis Drive, Porter Hall,  
Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR  
New Mexico CCR #20  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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APPEARANCES

FOR APPLICANT LEGACY RESERVES OPERATING, L.P.:

JAMES G. BRUCE, ESQ.  
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EXHIBITS OFFERED AND ADMITTED

Legacy Reserves Operating, L.P. Exhibit Numbers 17 through 20	4
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1 (9:41 a.m.)

2 EXAMINER GOETZE: We'll proceed, and we're  
3 back on the record.

4 We will hear Case 15255, application of  
5 Legacy Reserves Operating, L.P. to institute a tertiary  
6 recovery project for the Drickey Queen Sand Unit and  
7 qualify the project for the recovered oil tax rate,  
8 Chaves County, New Mexico.

9 Call for appearances.

10 MR. BRUCE: Mr. Examiner, Jim Bruce of  
11 Santa Fe representing the Applicant. I just have some  
12 notice exhibits to submit.

13 Mr. Examiner, this case was heard. I think  
14 Mr. Jones and maybe Mr. McMillan were the hearing  
15 examiners. I submitted the notice letter, which is  
16 marked Exhibit 17, but not all the green cards had been  
17 back. Now Exhibit 17 is submitted with all the returns  
18 they got back. There are a few unlocatable people. The  
19 only green card that Legacy did not get back from a  
20 known party was Chevron U.S.A., Inc., who is locatable,  
21 obviously. So I re-sent notice to Chevron. And I also  
22 did not get a green card back, but attached as Exhibit  
23 18 is a printout from the postal service showing that  
24 Chevron did receive notice about a month ago.

25 And then as to the unlocatable parties,

1 Exhibits 19, 20 are Affidavits of Publication from the  
2 Roswell and Hobbs paper. Although the property is in  
3 Chaves County, it abuts Lea County, so I gave notice  
4 there, too.

5 So I would simply move the admission of  
6 Exhibits 17, 18, 19 and 20 and ask that this matter be  
7 taken under advisement.

8 EXAMINER GOETZE: Exhibits 17, 18, 19 and  
9 20 are so admitted.

10 (Legacy Reserves Operating, L.P. Exhibit  
11 Numbers 17, 18, 19 and 20 were offered and  
12 admitted into evidence.)

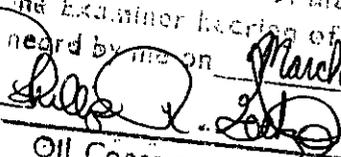
13 EXAMINER GOETZE: Any questions, Counsel?

14 EXAMINER WADE: No.

15 EXAMINER GOETZE: At this point I have no  
16 questions.

17 And Case 15255 is taken under advisement.

18 (Case Number 15255 concludes, 9:43 a.m.)  
19  
20

21 I do hereby certify that the foregoing is  
22 a complete record of the proceedings in  
23 the Examiner location of Case No. 15255,  
24 heard by me on March 19, 2015.  
25  Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

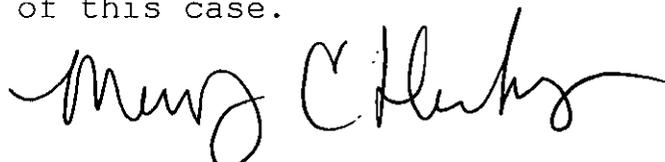
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CERTIFICATE OF COURT REPORTER

I, MARY C. HANKINS, New Mexico Certified Court Reporter No. 20, and Registered Professional Reporter, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that were reduced to printed form by me to the best of my ability.

I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects the exhibits, if any, offered by the respective parties.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this case.



MARY C. HANKINS, CCR, RPR  
Paul Baca Court Reporters, Inc.  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2015