STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION RECEIVED

JUN 1 3 2003

Oil Conservation Division

CONTINUED AND DISMISSED CASES

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

MICHAEL E. STOGNER, Hearing Examiner BEFORE:

June 5th, 2003

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, June 5th, 2003, 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

INDEX

June 5th, 2003 Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

9

WHEREUPON, the following proceedings were had at 8:20 a.m.:

EXAMINER STOGNER: This hearing will come to order. I'm Michael Stogner, appointed Hearing Examiner for today's docket, which is 17-03. Please note today's date, June 5th, 2003.

I'll refer to an earlier memorandum and Internet message that I had sent to everybody. I thought we were going to be pre-empted today by the Commission docket, and what we -- we'll call this hearing today but recess until Tuesday, June the 10th, to hear any cases that are on the docket.

At this time I will go through the continuances and dismissals.

On page 2, Case Number 13,082, this is the Application of Concho Oil and Gas Corp. for compulsory pooling, Lea County, New Mexico. This case will be continued to July 10th.

Next case, 13,075, this is the Application of Ricks Exploration, Inc., for compulsory pooling, Lea County, New Mexico. This case will be dismissed.

Next case, 13,076, this is the Application of Ricks Exploration, Inc., for compulsory pooling, Lea County, New Mexico. This case will be continued to July the 10th.

1 MR. BRUCE: Mr. Examiner --2 EXAMINER STOGNER: Yes, Mr. Bruce? 3 MR. BRUCE: Oh, yeah, that is correct. I thought 4 I had flipped them around, but no --5 EXAMINER STOGNER: Oh, good. MR. BRUCE: -- the two Ricks cases. 6 7 EXAMINER STOGNER: I'm going to go now and call 8 Case Number 13,081. This is the Application of David H. Arrington Oil and Gas, Inc., for compulsory pooling. Any 9 appearances? This case has been called but will be called 10 again on Tuesday, June 10th. 11 12 13,047, this is Chesapeake Operating, Inc., for 1.3 compulsory pooling. Any appearances at this time? I'll 14 call this case again on Tuesday. 15 Case Number 12,815, this is a reopened case to 16 consider special pool rules in the North Osudo-Devonian 17 Pool in Lea County, New Mexico. Any appearances? 18 MR. BRUCE: Mr. Examiner, Jim Bruce on behalf of 19 Read and Stevens, Inc. My client does plan -- was the 20 original applicant in this case and does plan on making a presentation. I do not know, however, if that will be June 21 22 10th or July 10th. 23 EXAMINER STOGNER: Would you like me to call this 24 again on --25 Yes, sir. MR. BRUCE:

-- Tuesday? 1 EXAMINER STOGNER: 2 MR. BRUCE: Yes, sir. EXAMINER STOGNER: Okay. And who is your client 3 again, I'm sorry? 4 Read and Stevens, Inc. 5 MR. BRUCE: EXAMINER STOGNER: Read and Stevens. I'll call 6 7 this case again on Tuesday, and either at that time or before then you can let me know. Okay, skipping over to page 2, down at the bottom of the page, Case 13,083, this is the Application of Roca 10 Production, Inc., for compulsory pooling, Lea County, New 11 Mexico. Any appearances in this matter at this time? 12 MR. BRUCE: Mr. Examiner, Jim Bruce again, 13 representing the Applicant. We do -- Please call that 14 15 again on Tuesday, we do plan on proceeding with that. EXAMINER STOGNER: And again, I appreciate your 16 17 patience, and apologies that -- not getting it off sooner. 18 But under the circumstances, you understand. We didn't 19 know what the Commission -- if it was going to leak over 20 into today. 21 Okay, I'm going to call now Case Number 13,050. 22 This is the Application of Doyle Hartman, Oil Operator, for 23 simultaneous dedication and exception to Rule 3 (D) of the 24 special rules for the Eumont Gas Pool and for various other

exceptions in Lea County, New Mexico. At this time I'll

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call for appearances.

MR. CONDON: Mr. Stogner, I'm Michael Condon with the Gallegos law firm here in Santa Fe on behalf of the Applicant, Doyle Hartman, Oil Operator.

MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe on behalf of Kerr-McGee Oil and Gas Onshore, LLC, oil operator.

MR. CONDON: Is that it?

EXAMINER STOGNER: Okay.

MR. CONDON: Could I have that read back?

EXAMINER STOGNER: Okay, what's your pleasure,

Mr. Condon?

MR. CONDON: Mr. Stogner, as we've previously written to you in anticipation of the continuance to June 10th, we have requested that the matter be continued to the Examiner's docket for June 19th. We understand that that docket is relatively full and that it may go over to the July 10 docket, which we understand is the next available docket after June 10 -- or June 19, I'm sorry.

And as we discussed earlier this morning, I will contact Hartman representatives when I get back this morning and see what their preference is, whether we monitor the docket for June 19 or whether we simply ask for a continuance to the July 10 docket.

EXAMINER STOGNER: Anything, Mr. Bruce, to add?

MR. BRUCE: No, I don't.

EXAMINER STOGNER: Okay. With that, this case, 13,050, will be continued to the June 19th docket. And also I'll go on record as saying that Doyle Hartman and anybody else who wishes to appear in this matter is -- waive the Division's policy for three continuances under the circumstances around this case and around the hearing date. So don't sweat that.

MR. CONDON: Okay, thank you.

EXAMINER STOGNER: Okay, with that I'm going to call Case Number 12,919. This is the Application of the OCD for a public hearing pursuant to Rule 19.G.(3) to consider the adequacy of a revised Stage 2 abatement plan, Lea County, New Mexico. Call for appearances.

MR. BROOKS: Mr. Examiner, I'm David Brooks, assistant general counsel, Energy, Minerals and Natural Resources Department, appearing for the New Mexico Oil Conservation Division. Frankly, I'd forgotten this case was scheduled on this docket, and I haven't conferred with other counsel, so I'll request that you call this again on June the 10th.

EXAMINER STOGNER: This case will be called once again on June 10th.

MR. BROOKS: I suspect that other counsel may have forgotten it's on this docket also.

EXAMINER STOGNER: Is there anybody else in here that wishes to comment? (Off the record) EXAMINER STOGNER: With that, the docket for today will stand in recess, and we will reconvene at 8:15 on Tuesday, June the 10th. Thank you very much. (Thereupon, these proceedings were concluded at 8:29 a.m.) I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 13081. 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 June 5th, 2003

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006