

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

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

CASE NO. 13,532

APPLICATION OF J.W. NEAL, PATRICIA NEAL )  
AND THE CLAUDIA YOUNG TRUST TO RESCIND )  
DIVISION ORDER NO. SWD-984, LEA COUNTY, )  
NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: MARK E. FESMIRE, CHAIRMAN  
JAMI BAILEY, COMMISSIONER  
WILLIAM C. OLSON, COMMISSIONER

February 9th, 2006

Santa Fe, New Mexico

2006 FEB 23 PM 2 42

This matter came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, February 9th, 2006, 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

## I N D E X

February 9th, 2006  
Commission Hearing  
CASE NO. 13,532

## PAGE

REPORTER'S CERTIFICATE

8

\* \* \*

## E X H I B I T

Commission

Identified

Admitted

Exhibit 1

5

-

\* \* \*

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

## FOR THE COMMISSION:

DAVID K. BROOKS, JR.  
Assistant General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

## FOR PLATINUM EXPLORATION, INC.:

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

\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 9:36 a.m.:

3 CHAIRMAN FESMIRE: The next cause before the  
4 Commission is Case Number 13,532. It's the *de novo* hearing  
5 continued from the January 12th Commission meeting. It's  
6 the Application of J.W. Neal, Patricia Neal and the Claudia  
7 Young Trust to rescind Division Order Number SWD-984 in  
8 Lubbock [*sic*] County, New Mexico.

9 Counsel Brooks, could you bring us up to speed in  
10 this case?

11 MR. BROOKS: I think we should first call for  
12 appearances, and then I will give you a report.

13 CHAIRMAN FESMIRE: Okay. The appearances in this  
14 case are -- ?

15 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
16 representing Platinum Exploration, Inc. I'll have a short  
17 statement that maybe I can make in front of Mr. Brooks  
18 statement, that will explain this.

19 CHAIRMAN FESMIRE: Okay.

20 MR. BROOKS: That might be helpful.

21 CHAIRMAN FESMIRE: Okay. Mr. Bruce, go ahead.

22 MR. BRUCE: Mr. Chairman, this involves a  
23 saltwater disposal well. Platinum Exploration, Inc.,  
24 applied for and received an administrative order approving  
25 a saltwater disposal well in Section 18 of 17 South, 39

1 East. Subsequently Mr. Neal, et al., applied -- without  
2 going into it, they were -- into detail, the order was  
3 granted, and then a month or so after the administrative  
4 order was granted Mr. Neal, et al., applied to the Division  
5 to rescind the Division administrative order.

6 A hearing was held and the Hearing Examiner  
7 refused to rescind the Order, and Mr. Neal, et al., applied  
8 for a hearing *de novo*. The case was continued a couple of  
9 times.

10 Since the hearing, my client, Platinum  
11 Exploration, Inc., has apparently conveyed these interests  
12 to another outfit out of Midland. I believe it's Saber  
13 Operating, LLC. I have notified my client that they should  
14 tell Saber, who is not my client, that they have this  
15 upcoming hearing, and I have never been in contact with  
16 Saber, and obviously they're not here today.

17 Last Friday or Monday, Mr. Brooks e-mailed  
18 Michael Comeau, who represented Mr. Neal, et al., and me,  
19 and said no prehearing statements were filed, and said that  
20 either the case would be continued or dismissed by the  
21 Commission if the matter -- if appropriate pleadings  
22 weren't filed with the Commission.

23 Again, my client no longer has an interest in it,  
24 and neither do I, and Mr. Comeau is not here. I have not  
25 spoken with him. But I just wanted to let you know what

1 was going on. I think at this time the Commission can do  
2 whatever it decides to do at Mr. Brooks' bidding.

3 Thank you.

4 CHAIRMAN FESMIRE: Mr. Brooks?

5 MR. BROOKS: Mr. Chairman, honorable  
6 Commissioners, as Mr. Bruce stated, I sent an e-mail on  
7 Monday, March -- I'm sorry, February the 6th, to Mr. Comeau  
8 who was counsel of record for the Applicants in this case,  
9 and to Mr. Bruce who was counsel of record for the  
10 operator, advising them that no prehearing statement had  
11 been filed and that unless a motion for continuance was --  
12 or unless a continuance was requested, that the case would  
13 be -- or that the case might be dismissed by the Commission  
14 for want of prosecution.

15 I received no response. I want to enter my  
16 e-mail into evidence as Commission Exhibit 1. And in case  
17 the Commission is disposed, in view of the absence of any  
18 filing or appearance or other communication with the  
19 Commission, assuming the Commission is disposed to dismiss  
20 the case, I have caused an order of dismissal to be  
21 prepared by the Commission Secretary.

22 CHAIRMAN FESMIRE: Okay. Comments from the  
23 Commission?

24 COMMISSIONER BAILEY: It sounds like the Neals  
25 don't want to prosecute any more of this case, so...

1 MR. BROOKS: We have received no communication,  
2 no response to my e-mail, and they've filed nothing, either  
3 a prehearing statement or a motion for continuance.

4 COMMISSIONER BAILEY: Then I move we dismiss it.

5 COMMISSIONER OLSON: Second.

6 CHAIRMAN FESMIRE: All those in favor?

7 COMMISSIONER BAILEY: Aye.

8 COMMISSIONER OLSON: Aye.

9 CHAIRMAN FESMIRE: Opposed? Let the record  
10 reflect that the motion carries.

11 I have before me the order that Mr. Brooks  
12 indicated that he prepared. At this time I will review the  
13 order and then ask the other Commissioners to do the same.

14 Mr. Brooks, this order dismisses the case without  
15 prejudice; is that correct?

16 MR. BROOKS: Yes, that is correct. It's my  
17 understanding that any -- There's no language to that  
18 effect in the order, but it's my understanding that any  
19 order of dismissal by the Commission is without prejudice,  
20 and there is the usual sentence that the Commission  
21 reserves jurisdiction to enter such further orders as might  
22 be necessary in the case.

23 CHAIRMAN FESMIRE: Commissioner Bailey, does that  
24 order reflect the will of the Commission?

25 COMMISSIONER BAILEY: Yes, it does, and I move

1 that we adopt it.

2 CHAIRMAN FESMIRE: Second?

3 COMMISSIONER OLSON: Second.

4 CHAIRMAN FESMIRE: All those in favor?

5 COMMISSIONER BAILEY: Aye.

6 COMMISSIONER OLSON: Aye.

7 CHAIRMAN FESMIRE: The motion carries. The  
8 Commission will now sign the order.

9 (Thereupon, these proceedings were concluded at  
10 9:49 a.m.)

11 \* \* \*

12

13

14

15

16

17

18

19

20

21

22

23

24

25

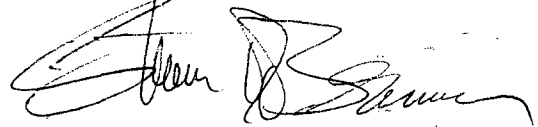
## CERTIFICATE OF REPORTER

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 Commission 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 February 10th, 2006.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006