

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. 13,735

APPLICATION OF LCX ENERGY, LLC, FOR )  
COMPULSORY POOLING, EDDY COUNTY, )  
NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

July 20th, 2006

Santa Fe, New Mexico

2006 JUL 25 AM 11 23

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, July 20th, 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

July 20th, 2006  
Examiner Hearing  
CASE NO. 13,735

	PAGE
REPORTER'S CERTIFICATE	6

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E X H I B I T

Applicant's	Identified	Admitted
Exhibit 6	3	-

\* \* \*

A P P E A R A N C E S

FOR THE DIVISION:

CHERYL O'CONNOR  
Assistant Counsel, NMOCD  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

MILLER, STRATVERT P.A.  
150 Washington  
Suite 300  
Santa Fe, New Mexico 87501  
By: J. SCOTT HALL

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:25 a.m.:

3

4           EXAMINER EZEANYIM: On page 5 of the docket, Case  
5 Number 13,735. This case was also heard on June 22nd,  
6 readvertised and continued until today to collect certain  
7 information. This is the Application of LCX for compulsory  
8 pooling.

9           Call for appearances.

10          MR. HALL: Mr. Examiner, Scott Hall, Miller  
11 Stratvert law firm, Santa Fe, on behalf of the Applicant,  
12 LCX Energy, LLC.

13          EXAMINER EZEANYIM: Any other appearances? Okay.

14          MR. HALL: Mr. Examiner, this case as well had a  
15 flaw in the advertisement. There was an incorrect  
16 description of the bottomhole location for a horizontal  
17 well that required us to readvertise it on the Division's  
18 docket as well as publish it in the Carlsbad newspaper  
19 again.

20          And let me submit for the record our Exhibit  
21 Number 6, which is the corrected advertisement for that  
22 case.

23          EXAMINER EZEANYIM: Okay.

24          MR. HALL: Since then, Mr. Examiner, we had some  
25 difficulty providing notice to a number of family members

1 who own a total of about seven net mineral acres in the  
2 unit.

3 Since the hearing I have found out that the  
4 interests that supposedly devolved to those family members  
5 were the result of an unprobated estate. The decedent was  
6 not notified, and my understanding from past Division  
7 precedent cases is that need only notify the interest owner  
8 of record at the time of the application.

9 So what I'd like to discuss with my client is to  
10 shortcut the flaw in the notice to the other family members  
11 is republish the notice once again in the Carlsbad  
12 newspaper to notify -- provide notice to the estate of the  
13 decedent, and I think that will cure that problem.

14 So in view of that, rather than taking the case  
15 under advisement today, I'd ask that it be continued to  
16 August 17th.

17 EXAMINER EZEANYIM: We will continue to August  
18 17th, so whenever you contact those --

19 MR. HALL: Yeah.

20 EXAMINER EZEANYIM: -- those people -- Okay.

21 (Off the record)

22 EXAMINER EZEANYIM: Yeah, I think you need to do  
23 that correction, so at this point this case will not be  
24 taken under advisement.

25 However, we are going to continue it at the

1 Applicant's request to -- August 17th, you said?

2 MR. HALL: Yes, sir.

3 EXAMINER EZEANYIM: Okay, this case is continued  
4 to August 17th.

5 (Thereupon, these proceedings were concluded at  
6 8:29 a.m.)

7 \* \* \*

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11  
12 I do hereby certify that the foregoing is  
13 a complete record of the proceedings in  
14 the Examiner hearing of Case No. 137,35  
15 heard by me on 7/27/06  
16 [Signature], Examiner  
17 Oil Conservation Division  
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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 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 July 20th, 2006.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 16th, 2006