

CASE 13025: Continued from April 24, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Crawford Treating Company to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Dwight Crawford d/b/a Crawford Treating Company to operate an oil treating plant located in the NW/4 NW/4 of Section 12, Township 20 South, Range 38 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of his failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

CASE 13026: Continued from April 24, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Am-Bett Oil Company, Inc. to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Am-Bett Oil Company, Inc. to operate an oil treating plant located in Lot 6 of Section 3, Township 21 South, Range 37 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of its failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

CASE 13027: Continued from April 24, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division through the Environmental Bureau Chief to revoke the permit of Jamar, Inc. to operate an Oil Treatment Plant; Lea County, New Mexico. The Applicant seeks an order rescinding the permit of Jamar, Inc. to operate an oil treating plant located in the NE/4 NE/4 of Section 8, Township 20 South, Range 37 East, in Lea County, New Mexico. Applicant further seeks an order requiring the former operator to clean up and reclaim the site of such previously operated facility, and in the event of its failure to do so, authorizing the Division to clean up and reclaim the site and forfeiting the operator's bond.

CASE 13066: Continued from May 8, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division for an Order Requiring Jim Pierce to Bring Three (3) Wells into Compliance with Rule 201.B, and Assessing Appropriate Civil Penalties; Eddy County, New Mexico. The Applicant seeks an order requiring Jim Pierce to bring three inactive wells located in Eddy County, New Mexico into compliance with OCD Rule 201.B by either restoring said wells to production or beneficial use, plugging and abandoning said wells or securing Division approval for temporary abandonment thereof, and seeks civil penalties. The affected wells are the following:

| | | |
|----------------------|------------|-------------------|
| State "S" # 2 | A-12-19-29 | API# 30-015-03582 |
| Leonard "A" State #1 | B-12-19-29 | API# 30-015-03603 |
| Leonard State # 4 | I-1-19-29 | API# 30-015-03539 |

CASE 13061: Continued from May 8, 2003, Examiner Hearing.

Application of the New Mexico Oil Conservation Division, through the Environmental Bureau Chief, for an Order Determining the Responsible Party or Parties and Ordering the Responsible Party or Parties to Complete and Perform an Abatement Plan Pursuant to OCD Rule 19; Lea County, New Mexico. The Applicant seeks an order determining the responsible parties with respect to subsurface water pollution existing at the South Langlie Jal Unit, in Sections 7, 8, 17 and 18, Township 25 South, Range 37 East, and ordering the responsible parties to submit a Stage I Investigation Report to the Division for approval.

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

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

RECEIVED

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

MAY 8 2003

April 24th, 2003

Oil Conservation Division

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER and DAVID K. BROOKS, JR., Hearing Examiners, on Thursday, April 24th, 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.

* * *

I N D E X

April 24th, 2003
Continued and Dismissed Cases

| | PAGE |
|------------------------|------|
| REPORTER'S CERTIFICATE | 7 |

* * *

1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

3 EXAMINER STOGNER: This hearing will come to
4 order. Please note today's date, Thursday, April 24th,
5 2003, Docket Number 12-03. I'm Michael Stogner, one of the
6 Hearing Examiners for today. We'll go through the
7 continuances and dismissals.

8 First page, Case Number 13,052, this is the
9 Application of Yates Petroleum Corporation for approval of
10 a unit agreement, Lea County. This case is continued to
11 May 22nd, 2003.

12 Down at the bottom of the page, Case 13,054, this
13 is the Application of Yates Petroleum Corporation for
14 compulsory pooling, Eddy County, New Mexico. This case
15 will be continued to the May 22nd, 2003.

16 Page 2, bottom of the page, Case 13,040, this is
17 the Application of David H. Arrington Oil and Gas, Inc.,
18 for approval of a waterflood project, Lea County, New
19 Mexico. This case will also be continued to May 22nd,
20 2003.

21 Page 3, toward the bottom, Case 13,059, this is
22 the Application of Chi Energy, Inc., for compulsory
23 pooling, Eddy County, New Mexico. This case is to be
24 dismissed. Therefore Case 13,059 is hereby dismissed.

25 Down at the bottom, Case 13,060, this is the

1 Application of Mewbourne Oil Company for compulsory
2 pooling, Eddy County, New Mexico. This case will be
3 continued to May 8th, 2003.

4 ~~Page 4, the first three cases -- this is 13,025,~~
5 ~~13,026, 13,027 -- these are all Applications of the New~~
6 ~~Mexico Oil Conservation Division through the Environmental~~
7 ~~Bureau Chief to revoke permit for an oil treating -- or~~
8 ~~three oil treating plants. All three of these cases are~~
9 ~~continued to May 22nd, 2003. Again, that's 13,025, 13,026~~
10 ~~and 13,027, all continued to May 22nd.~~

11 Down toward the bottom, Case 13,061, this is the
12 Application of the New Mexico Oil Conservation Division
13 through the Environmental Bureau Chief for an order
14 determining the responsible party or parties and ordering
15 these parties to complete and perform an abatement plan
16 pursuant to Rule 19, Lea County, New Mexico, this case will
17 be continued to May 8th.

18 Are there any other continuances or dismissals at
19 this time?

20 MR. BRUCE: Mr. Examiner, on the first page, the
21 first case, that's Mr. Kellahin's case. He's out of town
22 and I entered an appearance for Arch Petroleum in that
23 case. I believe the parties have come to terms, but Mr.
24 Kellahin isn't around. I don't know if he has mailed
25 anything to you on that.

1 EXAMINER BROOKS: I haven't seen anything.

2 MR. BRUCE: I don't object if it's to be
3 continued.

4 EXAMINER STOGNER: Well, I haven't seen anything.

5 EXAMINER BROOKS: I haven't seen anything. But
6 as you know, Mr. Bruce, I was in a meeting all afternoon.

7 MR. BRUCE: I believe the parties have worked it
8 out, but I'm hesitant to request a dismissal on Mr.
9 Kellahin's behalf.

10 EXAMINER STOGNER: That's a compulsory pooling
11 case --

12 EXAMINER BROOKS: It is.

13 EXAMINER STOGNER: -- so I'll turn it over to
14 you, Mr. Brooks.

15 EXAMINER BROOKS: Okay. Well, in deference to
16 the eminent Mr. Kellahin, in the absence of him being
17 present to make an appearance, we will continue the case.
18 I believe he's not coming back till May 10th; is that
19 correct?

20 MR. BRUCE: I believe that's correct.

21 EXAMINER BROOKS: All right, I'll continue that.
22 Case Number 13,014 will be continued to May 22nd.

23 (Off the record at 8:19 a.m.)

24 (The following proceedings had at 11:15 a.m.)

25 EXAMINER BROOKS: At this time I'll call Case

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

Number 13,006, Application of Chesapeake Operating, Inc.,
for compulsory pooling, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is
William F. Carr with the Santa Fe office of Holland and
Hart, L.L.P. I'm appearing in association with W. Thomas
Kellahin of Kellahin and Kellahin, and I can advise the
Division that Chesapeake requests that this Application be
dismissed.

EXAMINER BROOKS: Very good, the Application in
Case Number 13,006 will be dismissed.

(Thereupon, these proceedings were concluded at
11:16 a.m.)

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 13027
heard by me on 24 April 2003
[Signature]
Examiner
Oil Conservation Division

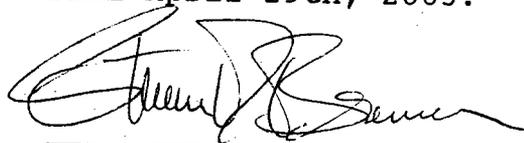
CERTIFICATE OF REPORTER

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 April 29th, 2003.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006