

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

CASE NOS. 13,492 *de novo* and 13,493 *de novo*

AWAITING FINAL COMMISSION ACTION

NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

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

March 16th, 2007

Santa Fe, New Mexico

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These matters came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Friday, March 16th, 2007, 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.

\* \* \*

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## I N D E X

March 16th, 2007  
Commission Hearing  
CASE NOS. 13,492 *de novo* and 13,493 *de novo* (Awaiting  
final Commission Action - No evidence or testimony  
taken)

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

## FOR THE COMMISSION:

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## FOR KAISER-FRANCIS OIL COMPANY:

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By: J. SCOTT HALL

## FOR MEWBOURNE OIL COMPANY:

JAMES G. BRUCE  
Attorney at Law  
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\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 9:09 a.m.:

3 CHAIRMAN FESMIRE: The next order of business  
4 before the Commission today is combined Cases Number 13,492  
5 and 13,493.

6 13,492 is the *de novo* Application of Samson  
7 Resources Company, Kaiser-Francis Oil Company, and  
8 Mewbourne Oil Company for cancellation of two drilling  
9 permits and approval of a drilling permit in Lea County,  
10 New Mexico.

11 Case Number 13,493, the *de novo* Application of  
12 Chesapeake Permian, L.P., for compulsory pooling in Lea  
13 County, New Mexico.

14 Is there attorneys present in those cases?

15 MR. HALL: Mr. Chairman, Scott Hall appearing on  
16 behalf of Kaiser-Francis Oil Company.

17 MR. BRUCE: Mr. Examiner, Jim Bruce representing  
18 Mewbourne Oil Company.

19 CHAIRMAN FESMIRE: Okay. Mr. Hall --

20 MR. BROOKS: Mr. Chairman, David Brooks  
21 representing the New Mexico Oil Conservation Commission --  
22 Oh, I'm sorry, you're calling -- you're not calling -- I  
23 thought maybe I'd missed --

24 CHAIRMAN FESMIRE: No.

25 MR. BROOKS: -- entering my appearance. You're

1 on the Samson.

2 (Laughter)

3 MR. BROOKS: No, I'm not appearing in that.

4 CHAIRMAN FESMIRE: I accidentally read it, that  
5 case, but we'll come back to it.

6 Right now we're on Cause Numbers 13,492 and  
7 13,493.

8 Mr. Hall, the Chairman has received -- read your  
9 motion to allow additional evidence, as well as Samson's  
10 response to that motion. At this time the Chair is going  
11 to deny that motion and continue with the proceedings  
12 today.

13 At this time I'll ask Counsel Bada to bring the  
14 Commission up to speed on where we are with this case  
15 procedurally.

16 Counsel Bada?

17 MS. BADA: I've drafted the order based on the  
18 Commission's discussion at the January hearing, and I  
19 believe all the Commissioners have had a chance to review  
20 it. Hopefully it reflects what the Commission decided,  
21 that there would be a 640-acre spacing unit.

22 CHAIRMAN FESMIRE: Commissioner Bailey, have you  
23 reviewed the drafted order as Counsel drafted it?

24 COMMISSIONER BAILEY: I've reviewed a draft, but  
25 I didn't see a final after all of the Commissioners had put

1 in their comments.

2 MS. BADA: Do you want to look at it during the  
3 hearing, we'll come back to it?

4 COMMISSIONER BAILEY: Have the other  
5 Commissioners had a chance to see the final final, after  
6 all of the --

7 CHAIRMAN FESMIRE: I have.

8 COMMISSIONER OLSON: I haven't seen the final. I  
9 had a few minor edits, though, just to the draft. I  
10 think -- I saw the draft, I think, that you had already  
11 edited at that point, so --

12 COMMISSIONER BAILEY: Okay.

13 COMMISSIONER OLSON: -- that's what I understand.

14 CHAIRMAN FESMIRE: Commissioner Bailey, would you  
15 like to take a few minutes and read the order?

16 COMMISSIONER BAILEY: Sure, you bet.

17 CHAIRMAN FESMIRE: While Commissioner Bailey is  
18 doing that, we'll take a -- 10-minute?

19 COMMISSIONER BAILEY: Yeah.

20 CHAIRMAN FESMIRE: -- 10-minute recess. Nothing  
21 like starting and stopping.

22 (Thereupon, a recess was taken at 9:11 a.m.)

23 (The following proceedings had at 9:16 a.m.)

24 COMMISSIONER BAILEY: I see the changes that I  
25 suggested are there, and I note the changes that Mr. Olson

1 made are there, so I have no problem signing this.

2 CHAIRMAN FESMIRE: Let's go -- We're back on the  
3 record?

4 Is there a motion to adopt the order and sign it?

5 COMMISSIONER BAILEY: I move we adopt the order  
6 and sign it.

7 CHAIRMAN FESMIRE: And does this -- Commissioner  
8 Bailey, in your opinion, does this order fairly and  
9 accurately represent the decision of the Commission in this  
10 case?

11 COMMISSIONER BAILEY: Yes, it does.

12 CHAIRMAN FESMIRE: Commissioner Olson?

13 COMMISSIONER OLSON: And I agree with that  
14 assessment, and I'll second the motion.

15 CHAIRMAN FESMIRE: All those in favor?

16 COMMISSIONER BAILEY: Aye.

17 CHAIRMAN FESMIRE: Aye.

18 COMMISSIONER OLSON: Aye.

19 CHAIRMAN FESMIRE: Opposed? Let the record  
20 reflect that Commission has adopted this order as fairly  
21 and accurately representing the decision of the Commission,  
22 and we'll sign the order and transmit it to the secretary.

23 (Thereupon, these proceedings were concluded at  
24 9:17 a.m.)

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 March 22nd, 2007.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010