

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:)
APPLICATION OF NEARBURG EXPLORATION)
COMPANY, LLC, FOR COMPULSORY POOLING,)
LEA COUNTY, NEW MEXICO)

CASE NO. 13,967

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Jr., Technical Examiner
DAVID K. BROOKS, Jr., Legal Examiner

August 9th, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, Jr., Technical Examiner, DAVID K. BROOKS, Jr., Legal Examiner, on Thursday, August 9th, 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.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

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I N D E X

August 9th, 2007
 Examiner Hearing
 CASE NO. 13,967

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	5
Exhibit A	3	5
Exhibit B	4	5
Exhibit C	4	5
Exhibit 2	4	5
Exhibit A	-	5

* * *

A P P E A R A N C E S

FOR THE DIVISION:

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

FOR THE APPLICANT:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3 EXAMINER JONES: Let's call the first case of the
4 day, Case 13,967, Application of Nearburg Exploration
5 Company, LLC, for compulsory pooling, Lea County, New
6 Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the Applicant. I'm submitting this case by
10 affidavit.

11 EXAMINER JONES: Any other appearances?

12 MR. BRUCE: Mr. Examiner, in this case Nearburg
13 seeks the pooling of the southwest quarter, southwest
14 quarter of Section 30, 16 South, 39, from the surface to
15 the base of the Drinkard formation. This is for all zones
16 spaced on 40 acres.

17 Submitted to you as Exhibit Number 1, the only
18 person being pooled is Mr. Kenneth Cone of Midland, Texas,
19 who owns just under 3 percent of the working interest in
20 this lease. Actually, I believe it's an unleased mineral
21 interest. Exhibit 1 is an affidavit from the land manager
22 of Nearburg, and it sets forth the drilling rates, et
23 cetera.

24 Attached as Exhibit A to this exhibit is a land
25 plat. The well unit is marked, at least on your copy, in

1 red, the southwest quarter, southwest quarter of Section
2 30.

3 Exhibit B is the proposal letter to Mr. Cone,
4 together with the green card showing that he did indeed
5 receive this well proposal in June.

6 Attached as Exhibit C is the AFE for the well,
7 which has a dryhole cost of about \$831,000, a completed
8 well cost of a little over \$1,500,000.

9 Submitted as Exhibit 2 is my affidavit of notice.
10 You'll see that Mr. Cone has not yet picked up his
11 certified mail. I was in a hearing, I think, with both you
12 and Mr. Brooks a couple of months ago. This is a common
13 problem with Mr. Cone. You'll see that he did receive the
14 proposal letter, and somebody in his office signed for it,
15 but he has not -- just like a couple of months ago in
16 another case, he has not picked up. But this is an
17 accurate address, and I think I -- in a prior hearing I
18 submitted information to you on this matter.

19 When I get the green card back, which will
20 probably be in a week or so, I will submit it to the
21 Division.

22 I believe that notice has been properly given,
23 and we do not need to publish notice at this time.

24 With that, I would move the admission of Exhibits
25 1 and 2.

1 EXAMINER JONES: Exhibits 1 and 2 will be
2 admitted into evidence.

3 Is this a wildcat area?

4 MR. BRUCE: I couldn't find any particular pool.
5 If you look at the land plat there are some wells, but I
6 couldn't find any Drinkard Pool.

7 EXAMINER JONES: Okay. That's their main target,
8 is the Drinkard?

9 MR. BRUCE: Yeah. I mean, there are some wells
10 to the -- it looks like to the east and northeast, but it's
11 a pretty thin area. Over toward the Knowles area there's a
12 lot of Devonian and --

13 EXAMINER JONES: Okay.

14 MR. BRUCE: -- things like that.

15 EXAMINER JONES: Yeah. Okay, thank you. With
16 that, we'll take Case 13,967 under advisement.

17 (Thereupon, these proceedings were concluded at
18 8:25 a.m.)

19 * * *

20 I do hereby certify that the foregoing is
21 a complete record of the proceedings in
22 the Examiner hearing of Case No. _____,
23 heard by me on _____.

24 _____, Examiner
25 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 August 9th, 2007.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2010