

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 QUEST CHEROKEE, LLC, FOR )  
 APPROVAL OF AN APPLICATION FOR PERMIT TO )  
 DRILL, LEA COUNTY, NEW MEXICO )

CASE NO. 13,800

ORIGINAL

RECEIVED

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MARK E. FESMIRE, Division Chairman

October 31st, 2007

Santa Fe, New Mexico

This matter came on for emergency hearing before  
 MARK E. FESMIRE, New Mexico Oil Conservation Division  
 Chairman, on Wednesday, October 31st, 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

October 31st, 2007  
Examiner Hearing  
CASE NO. 13,870

## PAGE

APPEARANCES

3

REPORTER'S CERTIFICATE

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

## FOR THE DIVISION:

SONNY SWAZO  
Assistant General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

## FOR QUEST CHEROKEE, LLC:

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

## FOR THE INTERVENORS:

HEIDEL, SAMBERSON, NEWELL, COX & McMAHON  
311 North First  
P.O. Drawer 1599  
Lovington, NM 88260  
By: MICHAEL T. NEWELL

\* \* \*

## ALSO PRESENT:

RICHARD MARLIN  
Vice President of Engineering  
Quest Cherokee, LLC

VERNON D. DYER  
Consulting Landman  
Quest Cherokee, LLC

\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 10:35 a.m.:

3 DIRECTOR FESMIRE: It's 10:00 a.m., October 31st,  
4 2007. This is an emergency hearing before the Chairman of  
5 the New Mexico Oil Conservation Commission and the Director  
6 of the New Mexico Oil Conservation Division in Case Number  
7 13,870, the Application of Quest Cherokee, LLC, for  
8 approval of an application for permit to drill in Lea  
9 County, New Mexico.

10 In anticipation of settlement, the parties who  
11 are herein present in the form of counsel -- Mr. Jim Bruce  
12 for Quest Cherokee and Mr. Mike Newell for the citizens --  
13 How is that -- ?

14 MR. NEWELL: I think they're the Cox group in the  
15 Order.

16 DIRECTOR FESMIRE: The Cox group in the Order?  
17 -- have agreed to meet, and they believe that they will be  
18 able to settle the case, but that we are going to continue  
19 this case until the regularly scheduled Oil Conservation  
20 Commission meeting on November 8th, at which time we  
21 anticipate having an agreed Order.

22 In the meantime, the Chairman has taken Mr.  
23 Bruce's motion for a *nunc pro tunc* correction to the Order,  
24 wherein the Order will include a maximum number of  
25 monitoring -- water-monitoring wells to be drilled at

1 three. That was the intention of the original order. It  
2 was left out of the original order, and the order will be  
3 corrected and reissued to reflect the number -- the maximum  
4 number of wells required.

5 Is there anything else that needs to go on the  
6 record by the --

7 MR. BRUCE: No, sir.

8 CHAIRMAN FESMIRE: -- counsel present?

9 MR. NEWELL: No.

10 DIRECTOR FESMIRE: Okay. At this time we'll  
11 adjourn the emergency hearing and continue it until  
12 November 8th.

13 Thank you all.

14 (Thereupon, these proceedings were concluded at  
15 10:37 a.m.)

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## 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 October 31st, 2007.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010