

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:

ORIGINAL

CASE NO. 14163

APPLICATION OF MERRION OIL AND GAS  
CORPORATION FOR COMPULSORY POOLING IN  
SAN JUAN COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

RECEIVED  
2008 SEP 29 PM 4 36

BEFORE: DAVID K. BROOKS, Legal Examiner  
RICHARD EZEANYIM, Technical Examiner  
TERRY G. WARNELL, Technical Examiner

September 18, 2008

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico  
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,  
RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL,  
Technical Examiner, on Thursday, September 18, 2008, at the  
New Mexico Energy, Minerals and Natural Resources Department,  
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

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

FOR WESTERN REFINING SOUTHWEST, INC.:

J. Scott Hall, Esq.  
MONTGOMERY & ANDREWS LAW FIRM  
325 Paseo De Peralta  
Santa Fe, New Mexico 87501

1 MR. EZEANYIM: Well, then, today there are some  
2 requests that I move some cases up or down. So I'm going to  
3 shuffle among the docket. And until then we'll get to hear  
4 from whom our request shows up.

5 So barring that, we first of all call case, on page  
6 2, Case No. 14163. This case was continued from August 21st to  
7 September 18th, and this is the Merrion Oil and Gas Corporation  
8 for Compulsory Pooling in San Juan County, New Mexico.

9 Call for appearances.

10 MR. HALL: Mr. Examiner, I'd like to enter an  
11 appearance in this case for Western Refining Southwest, Inc.

12 MR. EZEANYIM: For Case No. 14163?

13 MR. HALL: Yes, sir.

14 MR. EZEANYIM: Okay. Very good. There is no  
15 appearance on behalf of the applicant, but we got an affidavit  
16 from Merrion Oil saying that it should be taken into account  
17 and consider this case. So I would like the record to reflect  
18 that we have gotten an affidavit from Merrion Oil, the  
19 applicant in this case.

20 And the hearing now goes first. The Examiner, in  
21 continuing this case to today, said that the operator can  
22 provide a notice of continuance because of certain issues for  
23 this case. And maybe that's why we have an appearance right  
24 now.

25 MR. BROOKS: Mr. Hall, does your client oppose -- or

1 does your client intend to offer evidence?

2 MR. HALL: Not today. I should state for the record  
3 my name. Mr. Brooks, my name is Scott Hall, Montgomery and  
4 Andrews law firm of Santa Fe, for Western Refining. I don't  
5 know much more than that. They are the owner of an unleased  
6 mineral interest record title that's in Giant Industries  
7 Arizona, Inc. I believe it's a very small tract within the  
8 unit, and I'll know tomorrow, I hope.

9 MR. BROOKS: And you're requesting a continuance?

10 MR. HALL: Not -- if it's to be taken under  
11 advisement today, I just wish to enter an appearance to  
12 preserve their rights.

13 MR. BROOKS: Okay.

14 MR. HALL: I won't present any witnesses today.

15 MR. BROOKS: Okay.

16 MR. EZEANYIM: Should I continue it?

17 MR. BROOKS: Well, if they haven't requested it to be  
18 continued, I don't see any reason to continue it.

19 MR. EZEANYIM: I guess that's why the continuance was  
20 requested before was because to inform all the interest owners,  
21 you know, about these continuances. So something like that.  
22 So based on the advice of my attorney, I'm going to go ahead.

23 What happened first was they were supposed to provide  
24 notice of the continuance to the operators, and they have done  
25 that. They also published notice of this continuance in the

1 Farmington Daily Times. They have done what they were asked to  
 2 do. So the record will reflect that we received an affidavit  
 3 of completion of these tasks from one Briana Campbell of  
 4 Merrion Oil.

5 And before I take this case under advisement, I will  
 6 give an opportunity to the opposing counsel to state what it is  
 7 that you are asking in this case.

8 MR. HALL: Mr. Examiner, I got the call late in the  
 9 day yesterday to simply enter an appearance for Western  
 10 Refining. They had only recently discovered that they had an  
 11 unleased mineral interest. In not being a producing company,  
 12 they were unsure of the protocol. They simply asked me to  
 13 enter an appearance to preserve their rights in this matter.

14 It's my expectation that they'll communicate with  
 15 Merrion and try to work out a lease or some form of  
 16 participation in the well. I've not been asked to seek a  
 17 continuance, and I believe that participation can be arranged  
 18 before the time the order is issued in any event. So I don't  
 19 see the need for a continuance.

20 MR. EZEANYIM: So you wouldn't object to me taking  
 21 this case under advisement?

22 MR. HALL: No, sir.

23 MR. EZEANYIM: We now have got all the data and  
 24 information that we requested. This case, Case No. 14163, will  
 25 be taken under advisement today.

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 an examiner hearing of Case No.

PAUL BACA PROFESSIONAL COURT REPORTERS  
 500 4th Street, NW, Suite 105, Albuquerque, NM 87102

Examiner  
 Oil Conservation Division

1

2 **REPORTER'S CERTIFICATE**

3

4 I, JOYCE D. CALVERT, Provisional Court Reporter for  
5 the State of New Mexico, do hereby certify that I reported the  
6 foregoing proceedings in stenographic shorthand and that the  
7 foregoing pages are a true and correct transcript of those  
8 proceedings and was reduced to printed form under my direct  
9 supervision.

10 I FURTHER CERTIFY that I am neither employed by nor  
11 related to any of the parties or attorneys in this case and  
12 that I have no interest in the final disposition of this  
13 proceeding.

14 DATED this 18th of September, 2008.

15

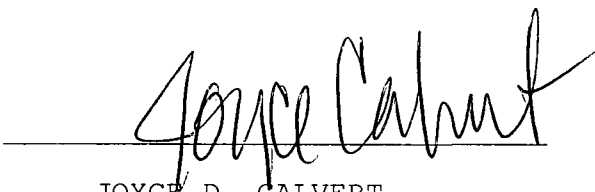
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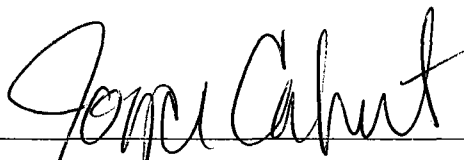
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23 New Mexico P-03  
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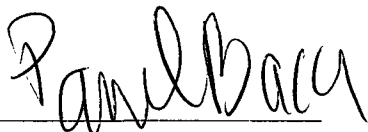
1 STATE OF NEW MEXICO )  
2 COUNTY OF BERNALILLO )

3  
4 I, JOYCE D. CALVERT, a New Mexico Provisional  
5 Reporter, working under the direction and direct supervision of  
6 Paul Baca, New Mexico CCR License Number 112, hereby certify  
7 that I reported the attached proceedings; that pages numbered  
8 1-5 inclusive, are a true and correct transcript of my  
9 stenographic notes. On the date I reported these proceedings,  
10 I was the holder of Provisional License Number P-03.

11 Dated at Albuquerque, New Mexico, 18th day of  
12 September, 2008.

13  
14 

15 Joyce D. Calvert  
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