

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 RSC RESOURCES LIMITED
PARTNERSHIP FOR APPROVAL OF A
NON-STANDARD OIL SPACING AND PRORATION
UNIT AND COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

CASE NO. 14277

2009 APR 1 PM 3 18

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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

March 19, 2009

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, March 19, 2009, 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 THE APPLICANT:

James G. Bruce, Esq.
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

FOR COG OPERATING, LLC:

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

1 MR. EZEANYIM: Let's go back on the record.

2 And we will go out of order. On the last page, we'll
3 call Case No. 14277. This is the Application of RSC Resources
4 Limited Partnership for Approval of a Non-Standard Oil Spacing
5 and Proration Unit and Compulsory Pooling, Eddy County,
6 New Mexico.

7 Call for appearances.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the applicant.

10 MR. EZEANYIM: Any other appearances?

11 MR. HALL: Mr. Examiner, Scott Hall, Montgomery &
12 Andrews of Santa Fe, appearing on behalf of COG Operating, LLC.

13 MR. EZEANYIM: Any witnesses?

14 MR. BRUCE: No witnesses, Mr. Examiner.

15 MR. EZEANYIM: All right.

16 MR. BRUCE: Mr. Examiner, this case was heard two
17 weeks ago by Examiner Warnell, and evidence was presented at
18 that time as to the compulsory pooling issue.

19 There is one outstanding issue, and that is there
20 is -- this is a horizontal well. There's an existing vertical
21 well on a 140-acre tract. On behalf of RSC Resources, I have
22 filed an application for the April 16 hearing to allow two
23 operators on a well unit.

24 But at this time -- and I'll let Mr. Hall speak on
25 that -- I don't believe there's any additional evidence to be

1 taken in this matter at this time, and I'd ask that the case be
2 taken under advisement. Although I don't think an order needs
3 to be issued until after the April 16th hearing.

4 MR. HALL: Mr. Examiner, you might recall that COG
5 had a preexisting APD approved for an 80-acre horizontal well
6 in the N/2, NE/4 of this same section. Negotiations between
7 Concho and RSC have proceeded to the point where we think we
8 can state to you that Concho will support RSC's application,
9 and Concho will withdraw its APD for a 40-acre well and will
10 support the 160-acre well to be operated by RSC.

11 MR. EZEANYIM: Okay.

12 MR. HALL: And we request it be taken under
13 advisement.

14 MR. EZEANYIM: Okay. For the record, there was an
15 objection from Three Span Oil and Gas, so I don't know what's
16 going on with that.

17 MS. MUNDS-DRY: Mr. Examiner, Ocean Munds-Dry with
18 the law firm of Holland & Hart. I represent Three Span Oil and
19 Gas in that matter.

20 That, I think, has to do more with the application
21 that Mr. Bruce has filed on April 16th. I don't think it
22 relates to the compulsory pooling matter. Three Span certainly
23 doesn't have any objection to this matter being taken under
24 advisement at this time.

25 MR. EZEANYIM: Okay. Thank you very much. Any

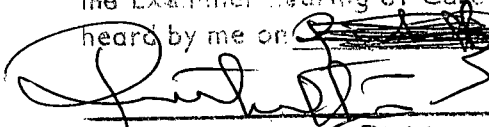
1 questions?

2 MR. BROOKS: No questions.

3 MR. EZEANYIM: At this time, Case No. 14277 will be
4 taken under advisement pending the case on the 16th of April.
5 Right?

6 MR. BRUCE: Thank you, Mr. Examiner.

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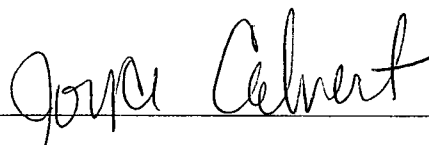
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14 I do hereby certify that the foregoing is
15 a complete record of the proceedings in
the Examiner hearing of Case No. 14277
16 heard by me on ~~3/19/89~~ 3/19/89
17  , Examiner
18 Oil Conservation Division
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2 **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 19th day of March, 2009.
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22 New Mexico P-03
23 License Expires: 7/31/09
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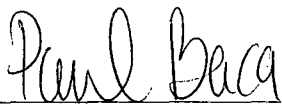
1 STATE OF NEW MEXICO)
2)
3 COUNTY OF BERNALILLO)

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, 19th day of
12 March, 2009.

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16 Joyce D. Calvert
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