

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 STRATA PRODUCTION COMPANY)
FOR COMPULSORY POOLING, LEA COUNTY,)
NEW MEXICO)

CASE NO. 12,011

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

RECEIVED
SEP 01 1998

August 6th, 1998
Santa Fe, New Mexico

Oil Conservation Division

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, August 6, 1998, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, 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

August 6th, 1998
Examiner Hearing
CASE NO. 12,011

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

FOR EXXON CORPORATION and ROBERT E. LANDRETH:

JAMES G. BRUCE, Attorney at Law
612 Old Santa Fe Trail, Suite B
Santa Fe, New Mexico 87501
P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at
2 8:21 a.m.:

3 EXAMINER STOGNER: I'll call Case 12,011.

4 MR. CARROLL: Application of Strata Production
5 Company for compulsory pooling, Lea County, New Mexico.

6 EXAMINER STOGNER: Call for appearances.

7 MR. CARR: May it please the Examiner, my name is
8 William F. Carr with the Santa Fe law firm Campbell, Carr,
9 Berge and Sheridan.

10 We represent Strata Production Company in this
11 case, and I have a statement.

12 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
13 representing Exxon Corporation and Robert E. Landreth.

14 I have no witnesses.

15 EXAMINER STOGNER: Okay. Mr. Carr?

16 MR. CARR: May it please the Examiner, two weeks
17 ago this matter came on for hearing before Examiner
18 Catanach, and at the conclusion of the hearing the case was
19 continued for two weeks to permit the parties to take
20 advantage of this additional time to attempt to reach a
21 voluntary agreement for the development of the subject
22 acreage.

23 Since that time, the parties have been in
24 communication on at least six different occasions, the
25 parties being Strata and Exxon. They were unable to reach

1 a voluntary agreement.

2 We have subsequent to that time been advised that
3 on -- in late July, I believe July 31st, this interest was
4 assigned by Exxon, the Exxon interest, to Robert E.
5 Landreth.

6 And so at this point in time I can report that we
7 attempted to reach voluntary agreement, we did not, and we
8 would request that case be taken under advisement.

9 I also have an affidavit that was prepared by Jo
10 McInerney, who is the contract landperson for Strata
11 Petroleum Company. She testified at the hearing, and
12 basically it is a summary of the contacts between Exxon and
13 Strata, and attached to it are the Exxon and Strata
14 correspondence, the last document being a copy of the
15 assignment from Exxon to Mr. Landreth.

16 I would like to -- I would request that that be
17 included in the record of this case.

18 MR. BRUCE: I have no objection.

19 EXAMINER STOGNER: Mr. Bruce, do you have any
20 statement at this time?

21 MR. BRUCE: Just briefly, Mr. Examiner. The
22 parties did negotiate, they couldn't come to terms. Exxon
23 did come to terms with Mr. Landreth who, of course, as
24 Exxon's successor, is subject to this pooling application.

25 EXAMINER STOGNER: Is there anything further in

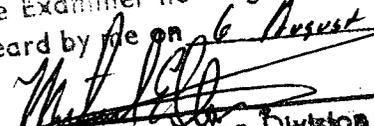
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Case 12,011?

Then this matter will be taken under advisement.

(Thereupon, these proceedings were concluded at
8:23 a.m.)

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. ~~12007~~, 12011
heard by me on 6 August 1928.

Off Conservation Division, Examiner

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 25th, 1998.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998