

Case No. 13179

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STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

RECEIVED

JAN 8 2004

CONTINUED AND DISMISSED CASES  
Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87505

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

December 4th, 2003

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, December 4th, 2003, 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

December 4th, 2003  
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 8:15 a.m.:

3 EXAMINER STOGNER: This hearing will come to  
4 order. Please note today's docket is Docket Number 39-03,  
5 and today's date is Thursday, December the 4th, 2003. I'm  
6 Michael Stogner, appointed Hearing Officer for today's  
7 cases.

8 At this point I'll go through the known  
9 continuances and dismissals.

10 Let's go to the second page, Case Numbers 8287  
11 and 8288. Both of these are the Application of Bass  
12 Enterprises Production Company. Well, let's see, they  
13 concern -- both concern the potash. 8287 is for the  
14 amendment of Division Order Number R-111-A, Eddy and Lea  
15 County, New Mexico; and 8288, was approval of drilling  
16 islands and special rules for potash-oil area, Eddy County,  
17 New Mexico.

18 These cases were originally heard and docketed  
19 back in the late 1980s, early 1990s, and were continued  
20 indefinitely. And in preparing our case files for imaging  
21 it was time we did something with these, so I readvertised  
22 them and reopened them and notified the parties that this  
23 case -- both cases would be dismissed unless the Applicant  
24 appeared to show cause why these matters should not be  
25 heard. I did get a letter from Bass Enterprises last week.

1 Both of these matters will be dismissed. So 8287 and 8288  
2 are dismissed.

3 Third one, Case Number 13,144, this is the  
4 Application of Permian Resources, Inc., for special pool  
5 rules or, alternatively, for an unorthodox well location,  
6 Lea County, New Mexico. This case will be continued to the  
7 January 8th, 2004, hearing.

8 Case 13,180 is the Application of Kaiser-Francis  
9 Oil Company for pool creation and adoption of special rules  
10 and regulations for the new pool -- for a new pool in the  
11 Paddock oil, Lea County, New Mexico. This case will be  
12 dismissed.

13 ~~Case 13,179, this is the Application of~~  
14 ~~Chesapeake Operating, Inc., for compulsory pooling, Lea~~  
15 ~~County, New Mexico. This case will also be dismissed.~~

16 Page 3, third one down, Case Number 12,681, this  
17 is the matter reopened pursuant to Order Number R-11,680.  
18 This case will be continued also to January 8th, 2004.

19 Are there any other continuances or dismissals at  
20 this time?

21 MR. BRUCE: Mr. Examiner, the first page, the  
22 fourth case down, 13,184, we request that that case be  
23 dismissed.

24 EXAMINER STOGNER: 13,184, this is the  
25 Application of Mewbourne Oil Company for an unorthodox gas

1 well location --

2 MR. BRUCE: Yes, sir.

3 EXAMINER STOGNER: -- Case 13,184 is dismissed  
4 pursuant to Mr. Bruce's request.

5 MR. OWEN: Mr. Examiner --

6 EXAMINER STOGNER: Yes.

7 MR. OWEN: -- on the third page, second case  
8 down, 13,177, I'm appearing on behalf of Crossland  
9 Operating, L.L.C.

10 This case was originally heard a month ago, and  
11 it has been continued to today's date. It's my  
12 understanding that the parties have reached verbal  
13 agreement, they're waiting on a written confirmation of  
14 those agreements, and I request that it be continued for  
15 two weeks accordingly.

16 In addition, I've had discussions -- a number of  
17 discussions about this advertisement. It seeks -- The  
18 advertisement seeks pooling of the southeast quarter,  
19 northeast quarter. Both the Application and my notice  
20 letters accurately reflect that it's the entire east half  
21 being pooled in this case, and for the readvertisement for  
22 the next hearing, I request that it reflect the accurate --  
23 I'll make the request on the record and follow up with  
24 another letter that it reflect what the accurate --

25 EXAMINER STOGNER: Okay, I believe, if this is to

1 be readvertised, you've missed the deadline for the  
2 December 18th docket.

3 MR. OWEN: And -- I understand that, and it's  
4 been a problem that's been ongoing. I've asked that the  
5 advertisement be amended a couple of times, and if it  
6 hasn't been done so, I'll follow up with another letter.

7 EXAMINER STOGNER: Okay, I will look into that.

8 MR. OWEN: I'm not sure exactly where the problem  
9 is. I think it's just a matter of miscommunication between  
10 my office and the Division.

11 EXAMINER STOGNER: If you would, once you're  
12 through today, if you would collect any mailings or  
13 whatever you have mailed to us for that readvertisement, if  
14 you would send that directly to me I'll look into this  
15 matter.

16 Okay, so at this point Case Number 13,177 will be  
17 continued to December 18th. I don't know, or I don't have  
18 anything in the record here that shows me that the  
19 advertisement has been corrected, but if you're going to be  
20 here for the rest of the day we can run upstairs and check  
21 that out. And at that time, if we need to, we can continue  
22 it again for the January 8th, 2004, hearing. So we'll need  
23 to check on the readvertisement of this case.

24 MR. OWEN: I hadn't planned to be here for the  
25 rest of the day --

1 EXAMINER STOGNER: Oh, okay --

2 MR. OWEN: -- since I don't have any other cases  
3 on the docket, Mr. Examiner, but perhaps I'll check with  
4 you at --

5 EXAMINER STOGNER: I'll check with you on the  
6 phone, then, before the day's over.

7 MR. OWEN: That'll be fine. And with any luck,  
8 the case will be simply dismissed if the written commitment  
9 to the well is received by my client.

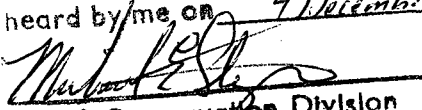
10 Thank you, Mr. Examiner.

11 EXAMINER STOGNER: Thank you, sir.

12 Any other continuances or dismissals at this  
13 time?

14 (Thereupon, these proceedings were concluded at  
15 8:24 a.m.)

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17  
18 I do hereby certify that the foregoing is  
19 a complete record of the proceedings in  
20 the Examiner hearing of Case No. 13179  
21 heard by me on 4 December 2003  
22 , Examiner  
23 Oil Conservation Division  
24  
25

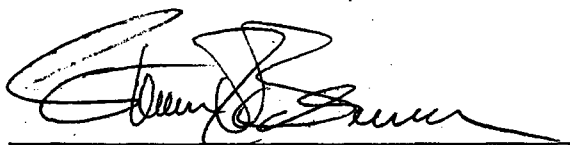
## CERTIFICATE OF REPORTER

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 December 4th, 2003.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006