

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4

5 IN THE MATTER OF THE HEARING CALLED
6 BY THE OIL CONSERVATION DIVISION FOR
7 THE PURPOSE OF CONSIDERING:

ORIGINAL

CASE NO. 14395

8 APPLICATION OF XTO ENERGY INC. TO
9 TERMINATE THE SOUTH BLANCO-TOCITO
10 OIL POOL, INCLUDING ITS SPECIAL
11 RULES AND REGULATIONS, AND TO EXPAND
12 THE BASIN-MANCOS GAS POOL AND FOR AN
13 EXCEPTION TO RULE 19.15.12.9 NMAC TO
14 PERMIT DOWNHOLE COMMINGLING OF
15 PRODUCTION FROM THE TOCITO FORMATION,
16 NOW MANCOS FORMATION, WITH DAKOTA
17 FORMATION PRODUCTION, RIO ARriba
18 COUNTY, NEW MEXICO.

19 REPORTER'S TRANSCRIPT OF PROCEEDINGS
20 EXAMINER HEARING

21 December 17 2009
22 Santa Fe, New Mexico

2009 DEC 28 A 9:15
RECEIVED OGD

23 BEFORE: WILLIAM P. JONES: Hearing Examiner
24 DAVID BROOKS: Technical Advisor
25

26 This matter came for hearing before the New Mexico
27 Oil Conservation Division, David Brooks Hearing Examiner,
28 on December 17, 2009, at the New Mexico Energy, Minerals
29 and Natural Resources Department, 1220 South St. Francis
30 Drive, Room 102, Santa Fe, New Mexico.

31 REPORTED BY: PEGGY A. SEDILLO, NM CCR NO. 88
32 Paul Baca Court Reporters
33 500 Fourth Street, NW, Suite 105
34 Albuquerque, NM 87102
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APPLICANT'S EXHIBITS:

Exhibit A 5

COURT REPORTER'S CERTIFICATE 6

A P P E A R A N C E S

For the Applicant: W. THOMAS KELLAHIN, ESQ.
Kellahin and Kellahin
706 Gonzales Road
Santa Fe, NM 87501

For the OCD: MIKAL M. ALTOMARE, ESQ.
Assistant General Counsel
State of New Mexico
Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

For Enervest Operating, LLC: JAMES BRUCE, ESQ.
Attorney at Law
P. O. Box 1056
Santa Fe, NM 87501

1 HEARING EXAMINER: If you guys don't mind, let's
2 call Case 14395.

3 MR. BROOKS: Okay. Call Case No. 14395,
4 application of XTO Energy, Inc. to terminate the South
5 Blanco-Tocito Oil Pool, including its special rules and
6 regulations, and to expand the Basin-Mancos Gas Pool, and
7 for an exception to Rule 19.15.12.9 NMAC to permit
8 downhole commingling with production from Tocito
9 Formation, now Mancos Formation, with Dakota production,
10 Rio Arriba County, New Mexico. Call for appearances.

11 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
12 the Santa Fe law firm of Kellahin and Kellahin appearing
13 this morning on behalf of the applicant.

14 MR. BROOKS: Very good.

15 MS. ALTOMARE: Mikal Altomare on behalf of the
16 Oil Conservation Division.

17 MR. BRUCE: Jim Bruce of Santa Fe representing
18 Enervest Operating, LLC.

19 MR. BROOKS: Okay. Mr. Kellahin, I believe this
20 was called for the purpose of making proof of notice to an
21 additional party?

22 MR. KELLAHIN: That's true, Mr. Examiner.

23 MR. BROOKS: Okay. Are you prepared to proceed?

24 MR. KELLAHIN: Yes, sir.

25 MR. BROOKS: You may proceed.

1 MR. KELLAHIN: At the end of the hearing you
2 presided over back on the docket for December 3, there was
3 a question about a notice to an offset operator that was
4 within a mile from the southeastern boundary of the Tocito
5 pool.

6 MR. BROOKS: Right.

7 MR. KELLAHIN: And the Division records showed
8 that there was an operator called CDX. Further review of
9 that well file indicated an approved change of operator
10 from CDX to someone called Enervest Operating.

11 Subsequent to that hearing, I contacted Enervest
12 and obtained from them a waiver of notice and a waiver of
13 any objection to this matter.

14 So with your permission, we'll introduce what
15 I've marked as XTO Exhibit A to the hearing of this case
16 for the docket of December 17th.

17 In addition, Mr. Examiner, there was a
18 representative of Enervest at that hearing. I provided
19 that individual with a copy of the exhibit book and he
20 heard all of the testimony that was presented to you at
21 that time.

22 Subsequently, Mr. Bruce has entered an
23 appearance for that company.

24 MR. BRUCE: We have no objection, and we're not
25 presenting anything in this case.

1 MR. BROOKS: Ms. Altomare?

2 MS. ALTOMARE: No objection from the Oil
3 Conservation Division. We understand that the offset
4 operator has no objection, so we're fine.

5 MR. BROOKS: Very good. Case No. 14395 will be
6 taken under advisement.

7 (Whereupon, the proceedings concluded.)
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13 I do hereby certify that the foregoing is
14 a complete record of the proceedings in
15 the Examiner hearing of Case No. 14395
16 heard by me on 12-17-2009
17 David K. Burt Examiner
18 Oil Conservation Division
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1 STATE OF NEW MEXICO)
) ss.
 2 COUNTY OF BERNALILLO)

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REPORTER'S CERTIFICATE

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I, PEGGY A. SEDILLO, Certified Court
 Reporter of the firm Paul Baca Professional
 Court Reporters do hereby certify that the
 foregoing transcript is a complete and accurate
 record of said proceedings as the same were
 recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this
 22nd day of December, 2009.


 PEGGY A. SEDILLO, CCR NO. 88
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