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: IN THE MATTER OF THE HEARING CALLED BY CASE NOS 12,106 THE OIL CONSERVATION DIVISION FOR AN ORDER CONTRACTING AND EXTENDING CERTAIN EXISTING POOLS IN LEA COUNTY, NEW MEXICO) IN THE MATTER OF THE HEARING OF THE OIL) and 12,107 CONSERVATION DIVISION FOR AN ORDER CONTRACTING AND EXTENDING CERTAIN EXISTING POOLS IN EDDY COUNTY, NEW MEXICO (Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

December 17th, 1998

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, December 17th, 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.

* * *

STEVEN T. BRENNER, CCR (505) 989-9317

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REPORTER'S CERTIFICATE

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APPEARANCES

FOR THE DIVISION:

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

* * *

WHEREUPON, the following proceedings were had at 1 10:44 a.m.: 2 EXAMINER CATANACH: And at this time I will call 3 Case 12,106. 4 MR. CARROLL: In the matter of the hearing called 5 by the OCD for an order contracting and extending certain 6 7 existing pools in Lea County, New Mexico. EXAMINER CATANACH: Let's just go ahead and 8 9 consolidate that, Mr. Carroll, with Case 12,107. MR. CARROLL: In the matter of the hearing of the 10 11 OCD for an order contracting and extending certain existing 12 pools in Eddy County, New Mexico. EXAMINER CATANACH: Again, these cases, both 13 Cases 12,106 and 12,107, are styled in the absence of 14 15 objection this case will be taken under advisement. I will call for appearances in either one of 16 these cases at this time. 17 18 There being no appearances, Cases 12,106 and 12,107 will be taken under advisement. 19 And this hearing is adjourned. 20 21 (Thereupon, these proceedings were concluded at 10:45 a.m.) 22 I do heldly certify that the fortige. to consider a record of the proceeding. 23 12/06, 12107 the Examiner hearing of, Cyr 24 heard by me on , Examina 25 Of Conservation Division

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 19th, 1998.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 2002