#### STATE OF NEW MEXICO

# ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION COMMISSION

CASE NOS. 12,008, 12,325, 12,276, 12,288 and 12,296 (Continued)

#### CONTINUED CASES

TRANSCRIPT OF PROCEEDINGS

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BEFORE: LORI WROTENBERY, CHAIRMAN JAMI BAILEY, COMMISSIONER ROBERT LEE, COMMISSIONER

June 23rd, 2000

Santa Fe, New Mexico

These matters came on for hearing before the Oil Conservation Commission, LORI WROTENBERY, Chairman, on Friday, June 23rd, 2000, at the New Mexico Energy, Minerals and Natural Resources Department, Conference Room of the Office of the Secretary, 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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## INDEX

June 23rd, 2000 Commission Hearing CASE NOS. 12,008, 12,325, 12,276, 12,288 and 12,290 (Continued cases)

PAGE

REPORTER'S CERTIFICATE

6

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## APPEARANCES

## FOR THE COMMISSION:

STEPHEN ROSS
Deputy General Counsel
Energy, Minerals and Natural Resources Department
2040 South Pacheco
Santa Fe, New Mexico 87505

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WHEREUPON, the following proceedings were had at 1 2 9:00 a.m.: CHAIRMAN WROTENBERY: This is the hearing of the 3 Oil Conservation Commission on Friday, June 23rd, 2000. 4 It's about nine o'clock in the morning. We're here in the 5 Division's conference room in Santa Fe, New Mexico. 6 I'm Lori Wrotenbery, I'm Chairman of the Oil 7 Conservation Commission. 8 9 To my left is Commissioner Robert Lee. To my right is Commissioner Jami Bailey, who 10 11 represents Land Commissioner Ray Powell on the Commission. 12 We have here to assist us Florene Davidson, the 13 Commission's secretary; Stephen Ross, the Commission's 14 legal counsel; and Steve Brenner is going to be recording 15 this meeting for us here today. 16 We have one case that's actually going to be 17 heard today, but before we get to that we have a couple of 18 preliminary matters to go over. 19 First of all, the minutes of the hearing of the 20 Oil Conservation Commission held on April 26th, 2000. 21 Commissioners, have you had a chance to review --COMMISSIONER BAILEY: Yes, I have, and I move 22 23 that we accept those. 24 COMMISSIONER LEE: Second. 25 CHAIRMAN WROTENBERY: All in favor say "aye".

COMMISSIONER BAILEY: Aye.

COMMISSIONER LEE: Aye.

CHAIRMAN WROTENBERY: Aye. And this time all three of us are going to sign it so that Commissioner Lee can use his new pen. He was always borrowing a pen from us, so he now has a gift from the Division.

\* \* \*

CHAIRMAN WROTENBERY: And then we had a number of cases that had been scheduled for this hearing but that have been continued for one reason or another.

Case 12,008, the Application of Robert E.

Landreth for a determination of reasonable well costs in

Lea County, New Mexico, has been continued at the request

of the Applicant to the July 21st Commission hearing.

Case 12,325, the Application of Chesapeake
Operating, Inc., for compulsory pooling and an unorthodox
subsurface location in Lea County, New Mexico, this matter
has been continued at the request of the parties to the
July 21st, 2000, hearing.

And then we have two Applications of Burlington Resources Oil and Gas Company for compulsory pooling in San Juan County, New Mexico. These are Case Numbers 12,276 and 12,277, and this matter has been continued indefinitely, pending resolution of some contract issues, which we

1 understand will be presented to the 11th Judicial District Court. And that was done at the request of the parties. 2 3 And then one more case that was continued is Case 12,289, the Application of Gillespie Oil, Inc., and Energen 4 Resources Corporation to Amend Division Order Number 5 R-10,864-A for unit expansions, statutory unitization and 6 7 qualification of the expanded unit area for the recovered 8 oil tax rate and certification of a positive production 9 response pursuant to the New Mexico Enhanced Oil Recovery 10 Act, all of this occurring in Lea County, New Mexico. This 11 case was also continued to the July 21st hearing at the 12 request of the parties. 13 And I believe those are all of the preliminary 14 matters. 15 Florene, was there anything else we needed to 16 cover? 17 MS. DAVIDSON: (Shakes head) 18 (Thereupon, these proceedings were concluded at 19 9:04 a.m.) 20 \* \* \* 21 22 23 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 Commission 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 June 23rd, 2000.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 2002