

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 CROSS TIMBERS OIL AND )  
GAS COMPANY FOR AN UNORTHODOX GAS WELL )  
LOCATION, SAN JUAN COUNTY, NEW MEXICO )

CASE NO. 12,314

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

December 16th, 1999

Santa Fe, New Mexico

00 JAN - 6  
6 49 PM  
OIL CONSERVATION DIV.

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, December 16th, 1999, 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

December 16th, 1999  
 Examiner Hearing  
 CASE NO. 12,314

|                        | PAGE |
|------------------------|------|
| REPORTER'S CERTIFICATE | 7    |

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## E X H I B I T S

| Applicant's | Identified | Admitted |
|-------------|------------|----------|
| Exhibit 1   | 5          | -        |
| Exhibit 2   | 5          | -        |

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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:

JAMES G. BRUCE, Attorney at Law  
 3304 Camino Lisa  
 Santa Fe, New Mexico 87501  
 P.O. Box 1056  
 Santa Fe, New Mexico 87504

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1           WHEREUPON, the following proceedings were had at  
2 11:20 a.m.:

3           EXAMINER CATANACH: At this time we'll call Case  
4 12,314.

5           MR. CARROLL: Application of Cross Timbers Oil  
6 and Gas Company for an unorthodox gas well location, San  
7 Juan County, New Mexico.

8           EXAMINER CATANACH: Call for appearances in this  
9 case?

10          MR. BRUCE: Mr. Examiner, my name is Jim Bruce of  
11 Santa Fe, representing the Applicant. If necessary, I have  
12 one witness.

13          EXAMINER CATANACH: Call for additional  
14 appearances.

15          MR. CARROLL: Mr. Bruce, who is the objecting  
16 party in this case?

17          MR. BRUCE: Mr. Carroll, this case involves a  
18 well that was drilled to test the Fruitland Coal formation.  
19 After it was drilled, Cross Timbers decided to try to  
20 attempt a completion or to drill deeper to the Pictured  
21 Cliffs formation. The well was at a previously approved  
22 unorthodox location in the Fruitland Coal, administrative  
23 approval. They sought administrative approval for the  
24 Pictured Cliffs location, and the filed that application.

25                 When that application was filed, the Jensen,

1 J-e-n-s-e-n, Brothers Partnership of Fort Collins,  
2 Colorado, objected, and this matter was set for hearing.  
3 At this time it appears that the partnership has not shown  
4 up to object.

5 If we could just refer back the matter to Mr.  
6 Stogner for a decision, that would be acceptable.

7 MR. CARROLL: The Jensen brothers have received  
8 notice of this hearing?

9 MR. BRUCE: Yes, they've received -- We don't  
10 have the green cards here, we can submit that later. But  
11 they received notice of this hearing directly from Mr.  
12 Stogner, and that should be in the Division's file.

13 Mr. Stogner sent a letter to Cross Timbers dated  
14 November 22nd, and Jensen Brothers were copied with that  
15 letter, and that letter does give the date of hearing.

16 EXAMINER CATANACH: Mr. Bruce, do you know who a  
17 Luther Harris is in regards to this case?

18 MR. BRUCE: A landman for Cross timbers is here,  
19 his name is Edwin S. Ryan, Jr., and he can tell you who  
20 that is.

21 EXAMINER CATANACH: Mr. Ryan, is it?

22 MR. RYAN: Yes, sir.

23 EXAMINER CATANACH: Could you please identify who  
24 Luther Harris is?

25 MR. RYAN: I believe he's the father-in-law or

1 father of one of -- John Jensen. I think it's the father-  
2 in-law of John Jensen.

3 MR. BRUCE: Mr. Examiner, if I could, in that  
4 administrative file there's a notice list of the interest  
5 owners given to the offset interest owners, and Luther -- I  
6 forget his last name -- is not listed --

7 MR. RYAN: Luther Harris.

8 MR. BRUCE: Luther Harris is not listed because  
9 his interest is owned by Jensen Brothers.

10 Mr. Examiner, if I could, we had marked two  
11 exhibits. Maybe this will help you understand the location  
12 and the interests of the parties.

13 The unorthodox location we're talking about is  
14 the well in the northeast quarter of the section.

15 Down in the southwest quarter of the section,  
16 there is an existing Fruitland Coal gas well operated by  
17 Cross Timbers.

18 On Exhibit 1, the yellow is the Jensen -- the  
19 approximate location of the Jensen Brothers mineral  
20 interest.

21 If you would go to Exhibit 2, again, it's the  
22 same plat showing the well we're talking about, the  
23 approximate location of the mineral interests we're talking  
24 about. And Exhibit 2 also shows that the location is  
25 further away than a standard location could be from the

1 Jensen brothers' interest.

2 EXAMINER CATANACH: All right, Mr. Bruce, at your  
3 request we will forward this Application back to Mike  
4 Stogner for administrative processing, and I assume --  
5 Would you like to dismiss the case, or would you like to  
6 wait?

7 MR. BRUCE: Why don't we wait until the  
8 administrative order is issued?

9 EXAMINER CATANACH: Let's do that.

10 So we'll continue the case to January 6th, at  
11 which time you can check on the status of that order.

12 (Thereupon, these proceedings were concluded at  
13 11:28 a.m.)

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 12314,  
heard by me on December 16 1995.  
David P. Catanach, Examiner  
Conservation Division

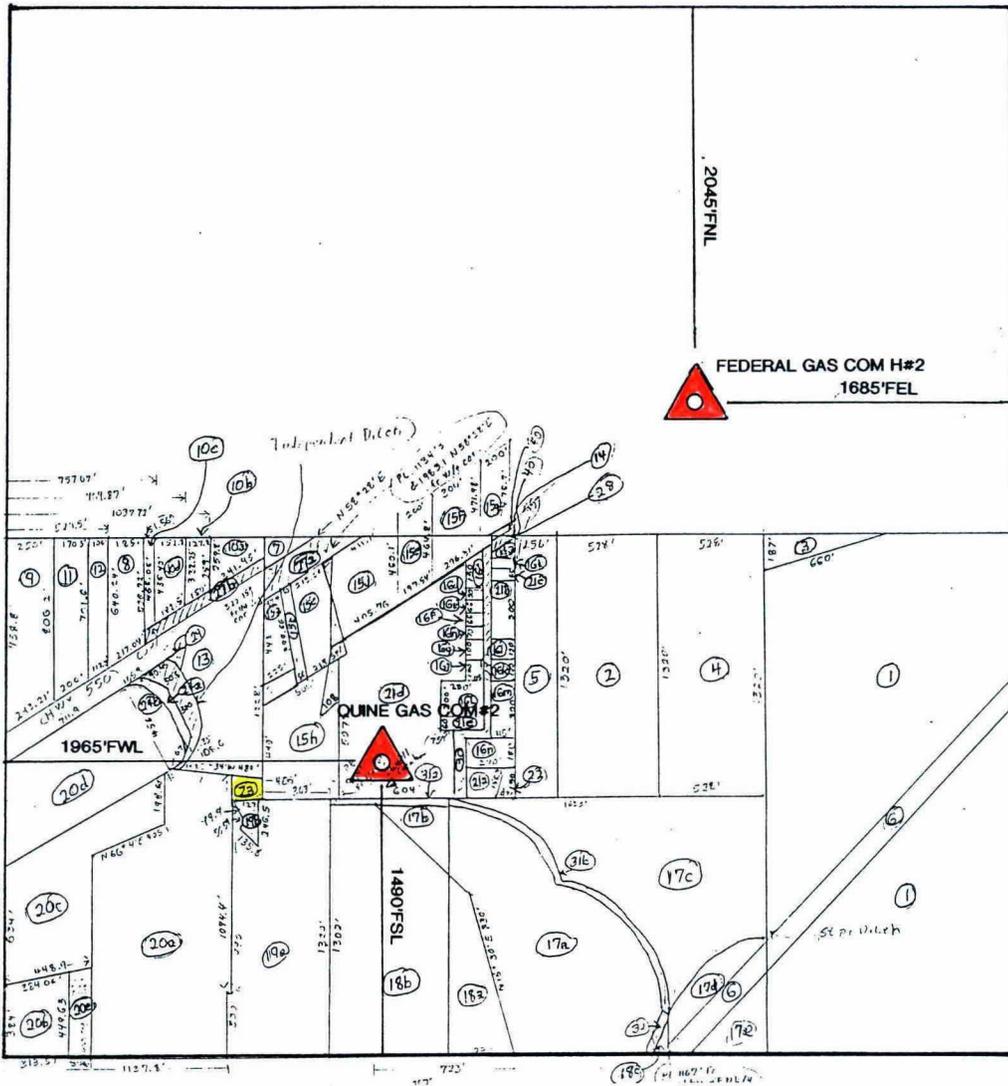




SECTION PLAT OF 1 SQUARE MILE

STATE: NEW MEXICO COUNTY: SAN JUAN  
 PROSPECT: FEDERAL GAS COM H#2 DATE: 12/13/99  
 SECTIONS: 31 BLOCK: \_\_\_\_\_ SURVEY: \_\_\_\_\_  
 ACRES: \_\_\_\_\_ TOWNSHIP: 30N RANGE: 12W PRINCIPAL MERIDIAN: \_\_\_\_\_

SCALE: 1"=1000'

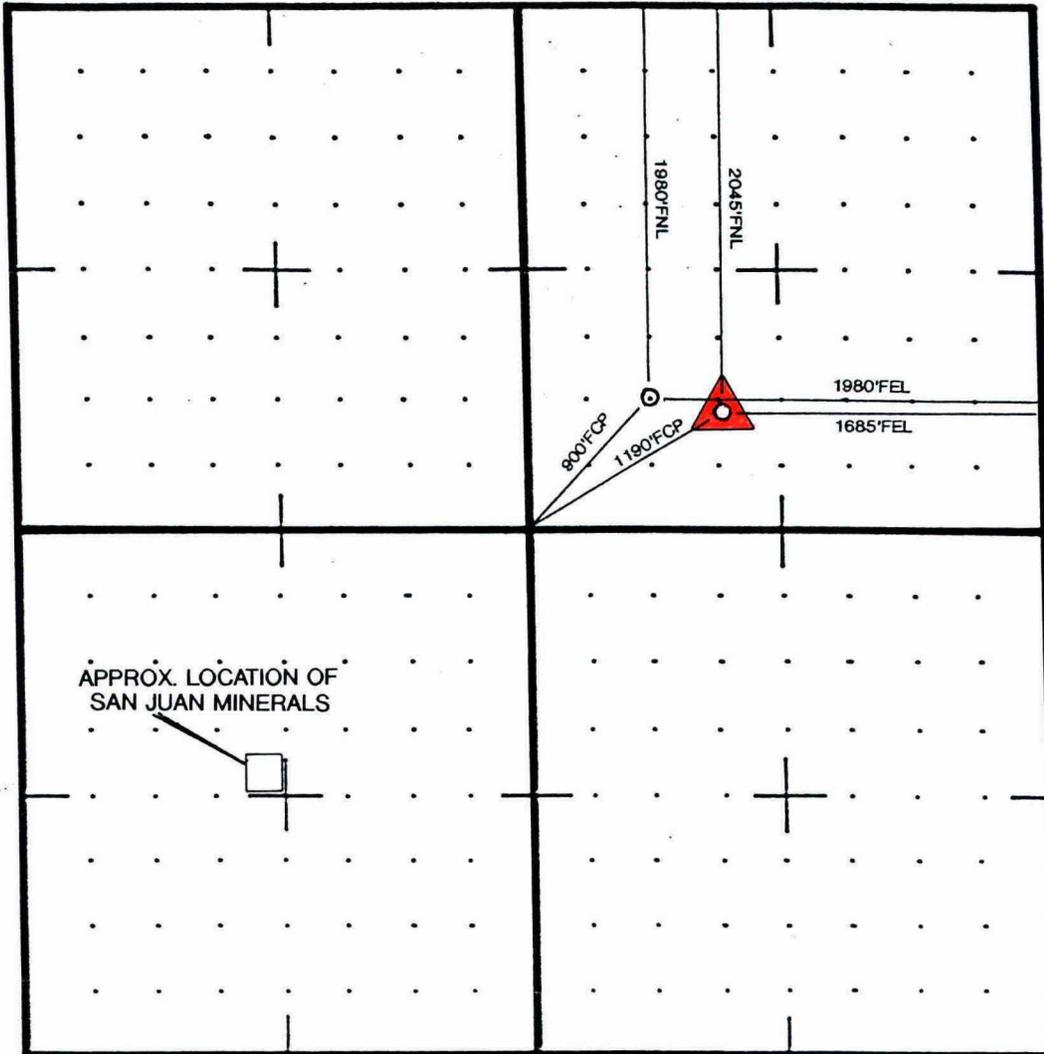




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FEDERAL GAS COM H#2 -UNORTHDOX LOCATION



LEGAL LOCATION