

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:) CASE NO. 12,571
)
APPLICATION OF BWB PARTNERS I FOR)
COMPULSORY POOLING, LEA COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 8th, 2001

Santa Fe, New Mexico

01 FEB 22 AM 8:01
01 FEB 22 AM 8:01

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 8th, 2001, 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.

* * *

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

I N D E X

February 8th, 2001
 Examiner Hearing
 CASE NO. 12,571

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* * *

E X H I B I T

Applicant's	Identified	Admitted
Exhibit 14	4	4

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

KELLAHIN & KELLAHIN
 117 N. Guadalupe
 P.O. Box 2265
 Santa Fe, New Mexico 87504-2265
 By: W. THOMAS KELLAHIN

FOR BTA OIL PRODUCERS, INC.:

HOLLAND & HART, LLP, and CAMPBELL & CARR
 110 N. Guadalupe, Suite 1
 P.O. Box 2208
 Santa Fe, New Mexico 87504-2208
 By: WILLIAM F. CARR

* * *

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

1 WHEREUPON, the following proceedings were had at
2 9:58 a.m.:

3 EXAMINER STOGNER: So at this time I'll call Case
4 Number 12,571, which is the Application of BWB Partners I
5 for compulsory pooling, Lea County, New Mexico.

6 Call for appearances.

7 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
8 the Santa Fe law firm of Kellahin and Kellahin, appearing
9 on behalf of the Applicant.

10 MR. CARR: May it please the Examiner, William F.
11 Carr with the Santa Fe office of the law firm Holland and
12 Hart, L.L.P.

13 We represent BTA Oil Producers, Inc.

14 EXAMINER STOGNER: Any other appearances?

15 Okay, I believe this case was heard on January
16 the 11th, and it was continued for some reason to today?

17 MR. KELLAHIN: Yes, Mr. Examiner. Examiner
18 Catanach heard this case on January 11th. The land
19 testimony and the geologic opinions were presented then.
20 It was continued to this docket for two reasons.

21 One, there was additional notifications to make.
22 I have accomplished that, and I am going to submit to you
23 in a moment Exhibit Number 14, which is a certificate of
24 notification of two parties that I could not prove had been
25 served at the time of the original hearing. That has been

1 taken care of.

2 The other matter that Mr. Catanach asked us to
3 address was whether or not it was necessary for him to
4 enter a compulsory pooling for any of the shallow gas on
5 160-acre spacing in the northeast quarter.

6 Mr. Carr and I have reviewed an operating
7 agreement that affects that interval, and I'm here to
8 advise you that he and I both agree that you can dismiss
9 from the compulsory pooling the northeast quarter on 160-
10 acre spacing.

11 We have been told by Mr. Catanach to provide him
12 a draft order, and I will do that.

13 EXAMINER STOGNER: Do you have that today, or
14 will that be later?

15 MR. KELLAHIN: I'll have to do that later.

16 EXAMINER STOGNER: Anything further?

17 Let's see, I've been handed an Exhibit Number 14
18 by Mr. Kellahin, and this is the certificate of mailing; is
19 that correct?

20 MR. KELLAHIN: It's the supplemental notification
21 to show that we served Hayes Land Corporation and M. Brad
22 Bennett and that service took place more than 20 days
23 before today's date.

24 EXAMINER STOGNER: Okay, Exhibit Number 14 will
25 be accepted and made a part of the record.

1 Mr. Carr, do you have anything?

2 MR. CARR: Nothing, Mr. Stogner. I concur in Mr.
3 Kellahin's comments.

4 EXAMINER STOGNER: With that, then, Case Number
5 12,571 will now be taken under advisement.

6 (Thereupon, these proceedings were concluded at
7 10:00 a.m.)

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18 February 2001 12571
Michael Slay

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 February 10th, 2001.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002

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

KELLAHIN AND KELLAHIN

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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 12, 2001

**FEDERAL EXPRESS
and
CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

TO: SUPPLEMENTAL NOTICE OF THE HEARING OF THE FOLLOWING
NEW MEXICO OIL CONSERVATION DIVISION CASE:

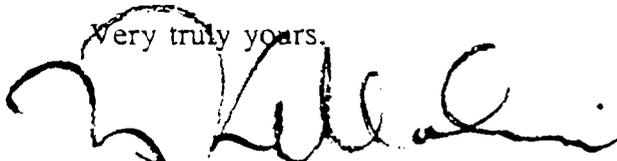
*Re: Application of BWB Partners I for an
compulsory pooling, Lea County, New Mexico*

On behalf of BWB Partners I, please find enclosed a copy of our referenced application which was heard by the New Mexico Oil Conservation Division Examiner on January 11, 2001 and was continued to a hearing scheduled for February 8, 2001. The hearing will be held at the Division hearing room located in the Pinon Building, 1220 South St. Francis Drive, Santa Fe, New Mexico, 87502 (phone 505-827-7132 or 476-3440).

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. You are not required to attend this hearing, but failure to appear at the hearing and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 1208.B, you are further notified that if you desire to appear in this case, then you are required to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, February 2, 2001, with a copy delivered to the undersigned. This statement must include: the names of the parties and attorneys; a concise statement of your position in this case; the names of all witnesses you will call to testify at the hearing; the approximate time you will need to present your case and identification of any procedural matters that area to be resolve prior to the hearing.

Very truly yours,



W. Thomas Kellahin

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hayes Land Corp.
 PO Box 51510
 Midland, TX
 Attn: M. Brad Bennett

2. Article Number (Copy from service label)

PS Form 3811, July 1999

Domestic Return Receipt

102595-00-M-0952

COMPLETE THIS SECTION ON DELIVERY

A. Received by (Please Print Clearly) B. Date of Delivery

S. M. Gowen 1/22/01

C. Signature

X *S. M. Gowen* Agent Addressee

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

3. Service Type

BWB Partners
 February 8, 2001
 1/17/01

ndise

Z 274 518 193

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Arti

M. Brad Bennett
 PO Box 51510
 Midland, TX 79710-1510

2. Article Number (Copy from service label)

PS Form 3811, July 1999

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102595-00-M-0952

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S. M. Gowen 1/22/01

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X *S. M. Gowen* Agent Addressee

D. Is delivery address different from item 1? Yes

If YES, enter delivery address below: No

Service Type

BWB Partners
 February 8, 2001
 1/17/01

ndise

7000 0600 0224 3131 4414

FedEx 824151325358

Form ID No 0215

SNA23

1 From

Date 1/12/01

Sender's FedEx Account Number

1002-0934-9

Sender's Name

Phone (505) 982-4285

Company KELLAHIN & KELLAHIN

Address 117 N GUADALUPE ST

City SANTA FE State NM ZIP 87501

2 Your Internal Billing Reference

3 To

Recipient's Name

Phone 915 6824336

Company Hayes Land Corporation

Address 3300 North "A" Street

BLDG 1 STE 220

City Midland State TX ZIP 79705

Peel and stick FedEx USA Airbill

See back for application instructions.

Questions? Call 1-800-Go-FedEx (800-463-3339)

Visit our Web site at www.fedex.com

0159786770

4a Express Package Service

FedEx Priority Overnight FedEx Standard Overnight FedEx First Overnight

Packages up to 150 lbs. Delivery commitment may be held in some areas. Earliest next business morning delivery in select locations.

FedEx 2Day FedEx Express Saver

* FedEx 2Day and FedEx Express Saver are not available for international service.

4b Express Freight Service

FedEx 1Day Freight FedEx 2Day Freight FedEx 3Day Freight

Packages over 150 lbs. Delivery commitment may be held in some areas. Earliest next business morning delivery in select locations.

5 Packaging

FedEx Envelope/letter FedEx Pak Other Pkg.

* Declared value limit \$500. Higher FedEx Box Fees apply for customer bag.

6 Special Handling

SALVINARY Delivery SUNDAY Delivery HOLIDAY Delivery

Include FedEx address in Section 3. Available for FedEx Priority Overnight and FedEx 2Day in select ZIP codes. Not available with FedEx First Overnight in select ZIP codes.

Does this shipment contain dangerous goods? Yes No

One box must be checked. Yes No

Are you shipping Dry Ice Cargo Aircraft Only

7 Payment Biller

Sender's Account No. or Credit Card No. below. Sender's Account No. Nonprofit Third Party Credit Card Cash/Check

Total Packages

Total Weight

Total Declared Value

\$.00

8 Release Signature

Signer and/or delivery without opening signature

FedEx User Only

By signing your address on this bill, you authorize the shipment without obtaining a signature and agree to indemnify and hold FedEx harmless from any resulting claims.

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PULL AND RETAIN THIS COPY BEFORE AFFIXING TO THE PACKAGE