

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. 12,811
	)	
APPLICATION OF THE NEW MEXICO OIL	)	
CONSERVATION DIVISION FILED FOR AN	)	
ORDER REQUIRING OPERATORS TO BRING	)	
388 WELLS INTO COMPLIANCE WITH RULE	)	
201.B AND ASSESSING APPROPRIATE CIVIL	)	
PENALTIES, EDDY, CHAVES AND OTERO	)	
COUNTIES, NEW MEXICO	)	
	)	

REPORTER'S TRANSCRIPT OF PROCEEDINGS

(2 of 4: Division Exhibits 2 through 112)

OFFICIAL EXHIBIT FILE

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

March 21st and 22nd, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday and Friday, March 21st and 22nd, 2002, 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

Seq. No.	Operator	Exhibits	1st Notice	Rept Ex.	2d Notice	Rept Ex.	3d Notice	Rept Ex.	4th Notice	Rept Ex.	Final Notice	Rept Ex.	No. of Wells May 00	No. of Wells Jan 02	No. of Wells 3/22/02	Penalty No
1	AGHORN OPERATING INC	4 to 11a			9/8/00	Yes	4	1/1/01	Ack 3/22/56		7/25/01	Ack 8/3	8	21	10	1
2	BASS ENTERPRISES PRODUCTION CO	12 to 18	5/11/00	See Ex 12	9/8/00	Yes	13,14				7/25/01		17	37	14	8
3	BC DEVELOPMENT, LP	19 to 23			9/8/00	Yes	19	12/26/00	Yes	20,21	7/25/01		23	1	1	1
4	BEACH EXPLORATION INC	24 to 29	2/11/00	See Ex 24	9/8/00	Ack	25*				7/25/01		28	7	12	4
5	BILL & PATSY RICH	30 to 37	5/11/00	See Ex 30	9/8/00	Yes	31	1/17/01	Yes	34	7/25/01	Diff. Address	36	3	4	4
6	CELA RUE & B M MUNCY JR	38 to 48	5/11/00	See Ex 38	9/8/00	Yes	39	1/4/01	Yes	42	1/23/01	Yes	44	7/25/01		47
7	CFM OIL CO	49 to 56			9/8/00	Yes	51	1/22/01	Yes	52	2/13/01		54	7/25/01	Denied	55, 56
8	CO FULTON**	49 to 56			9/8/00	Yes	51	1/22/01	Yes	52						
9	CALVIN F TENNISON	57									7/25/01		57	2	2	1
10	CHI OPERATING INC	58 to 61	5/11/00	See Ex 58	12/26/00	Yes	59				7/25/00		61	6	1	1
11	DAVID G HAMMOND	62 to 65			9/8/00	Yes	62	12/26/00	Yes	63	7/25/01	no zip	65	3	2	1
12	EGL RESOURCES INC														7	
13	FI-RO CORP	66 to 71			9/8/00	Yes	68	12/26/00	Yes	69,70	7/25/01		71	7	8	8
14	GPI ENERGY INC	72 to 73	5/11/00	See Ex 72							7/25/01		73	13	43	42
15	GREAT WESTERN DRILLING CO	74									7/25/01		74	1	1	1
16	HAPPY OIL CO INC ***	75 to 83			9/8/00	Yes	75	1/29/01	Yes	77,78	7/25/01		79	1	1	1
17	HUDSON OIL COMPANY OF TEXAS															
18	IT PROPERTIES															
19	CLEO THOMPSON	84 to 87	5/11/00	See Ex 84	12/26/00	Yes	85	2/14/00		86	7/25/01		87	7	2	2
20	DR LTD ***	75 to 83			9/8/00	Yes	76	1/29/01	Yes	77,78	7/25/01		79	10	5	5****

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Seq. No.	Operator	Current PLAN	Ex.	Penalty Amount	Additional Penalty	Total Penalty
1	AGHORN OPERATING INC			6,000		6,000
2	BASS ENTERPRISES PRODUCTION CO	full compliance by 11-1-02	18	42,000		42,000
3	BC DEVELOPMENT, LP			6,000		6,000
4	BEACH EXPLORATION INC	full compliance by 6-02	28	24,000		24,000
5	BILL & PAISY RICH	plugging wells ASAP	37	24,000		24,000
6	C E LARUE & B M MUNCY JR			48,000		48,000
7	C F M OIL CO	full compliance by 4-30-02	56	24,000	8,000	32,000
8	C O FULTON**			0		0
9	CALVIN F TENNISON	Injecting per operator/ Reported under wrong	57a	0		0
10	CHI OPERATING INC			6,000		6,000
11	DAVID G HAMMOND	plugged		6,000		6,000
12	E G L RESOURCES INC			0		0
13	FERRO CORP			42,000		42,000
14	G P II ENERGY INC	per BLM on prodn		0		0
15	GREAT WESTERN DRILLING CO			0		0
16	HAPPY OIL CO INC ***	P&A by 3-31-02	83	6,000		6,000
17	HUDSON OIL COMPANY OF TEXAS			0		0
18	IT PROPERTIES			0		0
19	J CLEO THOMPSON			12,000		12,000
20	J D R LTD ***	full compliance by 4/30	83	0		0

Seq. No.	Operator	Exhibits	1st Notice	Rept	Ex.	2d Notice	Rept	Ex.	3d Notice	Rept	Ex.	4th Notice	Rept	Ex.	Final Notice	Rept	Ex.	No. of Wells May 00	No. of Wells Jan 02	No. of Wells 3/22/02	Penalty No
21	JOHN A YATES JR	88 to 92, 92a				9/8/00	Yes	90	12/26/00	Yes	91				7/25/01		92	4	2	2	1
22	KC RESOURCES INC	93-100	5/11/00	See Ex 94		9/8/00	Yes	95	12/26/00	Yes	96,97				7/25/01		98	4	1	1	1
23	KERSEY & CO *****	101-106a				9/8/00	Yes	101	12/26/00	Yes	103				7/25/01		105	4	3	3	2
24	KERSEY & DONOHUE *****	101-106a				9/8/00	Yes	101	12/26/00	Yes	103				7/25/01		105	1	2	1	????????
25	KLABZUBA OIL & GAS, INC.	107													7/25/01		107	2	2	2	0
26	LOUIS DREYFUS NATURAL GAS CORP.	108-113	5/11/00	See Ex 108		9/8/00	See Ex	111							7/25/01		112	12	8	1	????????
27	ME W ENTERPRISES	114-122, 122a, b	4/23/00	See Ex 114		1/16/01	infer	115, 116							7/25/01	Ack	118-120	46	21	12	11
28	MAR OIL & GAS CORP.	123-124													7/25/01		122	1	1	????????	
29	MCQUADRANGLE, LC	125-129	5/11/00	See Ex 124		1/24/01	Addok	125							7/25/01	See 127	126	28	8	5	5
30	MINERAL TECHNOLOGIES INC	130-134	5/11/00	See Ex 130		9/8/00	Yes	131	12/26/00	Yes	132,33				7/25/01		134	1	1	1	1
31	NALUMANN OIL & GAS INC																	2	2	2	0
32	PARRISH, H DWAYNE & RHONDA K	135-138				9/8/00	Yes	136							7/25/00		138	15	15	15	15
33	PERMAN RESOURCES INC	139-140a													7/25/00		139	2	1	1	0
34	POGO PRODUCING CO	146-150				9/8/00	Yes	146	12/26/00	Yes	147,48				7/25/00	Ack	149-50	4	4	1	0
35	PRAIRIE SUN, INC.	151-154				9/8/00	Yes	151	12/26/00	Yes	152-53				7/25/00		154	4	10	10	4
36	PRONGHORN MANAGEMENT CORP	155-163				9/8/00	Yes	157	1/22/01	Yes	159	2/14/01			7/25/00		162	19	17	17	16
37	KAY WESTALL	164-170				9/8/00	Yes	164-65	12/26/00	Yes	167	2/5/01			7/25/01		170	20	6	2	2
38	SANDIOTT ENERGY (JACKIE BREWER DBA)	171-175				9/8/00	Yes	171	12/26/00	Yes	174	2/14/01						21	5	5	5

Seq. No.	OPERATOR	Current PLAN	Ex.	Penalty Amount Regular	Addition al Penalty	Total Penalty
21	JOHN A YATES JR			6,000	2,000	8,000
				0		0
22	KC RESOURCES INC	work in progress to restore production	100	6,000	2,000	8,000
				0		0
23	KERSEY & CO *****	See Exhibit.	106, 106a	12,000		12,000
				0		0
24	KERSEY & DONOHUE *****	Operator says well plugged	106, 106a	#VALUE!		#VALUE!
				0		0
25	KLABZUBA OIL & GAS, INC.			0		0
				0		0
26	LOUIS DREYFUS NATURAL GAS CORP.	Plan to P&A	113	#VALUE!		#VALUE!
				0		0
27	M E W ENTERPRISES	See Exhibit.	121	66,000		66,000
				0		0
28	MAR OIL & GAS CORP	Work in progress	123	#VALUE!		#VALUE!
				0		0
29	MCOUADRANGLE, LC	prodn restored		30,000		30,000
				0		0
30	MINERAL TECHNOLOGIES INC			6,000		6,000
				0		0
31	NAUMANN OIL & GAS INC			0		0
				0		0
32	PARRISH, H DWAYNE & RHONDA K			90,000	22,000	112,000
				0		0
33	PERMIAN RESOURCES INC	MITT conducted; report mailed; per TC 3/20	140	0		0
				0		0
34	POGO PRODUCING CO			0		0
				0		0
35	PRAIRIE SUN, INC.			24,000		24,000
				0		0
36	PRONGHORN MANAGEMENT CORP			96,000	26,000	122,000
				0		0
37	RAY WESTALL			12,000		12,000
				0		0
38	SANDLOTT ENERGY (JACKIE BREWER DBA)			10,000		10,000
				0		0

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Seq.	Operator	Current PLAN	Ex.	Penalty Amount Regular	Addition al Penalty	Total Penalty
39	SMITH & MARRS INC			0		0
40	SOUTHWEST ROYALTIES, INC			0		0
41	ST. MARY LAND & EXPLORATION COMPANY	Request additional 5 mos	18	6,000		6,000
42	STEPHENS & JOHNSON OP CO			0	4,000	10,000
43	STRATA PRODUCTION CO			0	4,000	22,000
44	UNITED OIL & MINERALS LIMITED PARTNERSHIP			36,000		36,000
45	VINTAGE DRILLING LLC			0		0
				24,000		24,000
	*OCD does not have a copy of the 9/8/00 letter to Beach Exploration, but receipt thereof is acknowledged by Beach in Ex. 25.					
	** No separate notices were sent to C.O. Fulton. His wells were included on notices of CFM Oil Co. Note, however, that these two entities filed a joint response.					
	*** Happy Oil Co, JDR Ltd, and Smith and Marrs responded jointly.					
	**** Operator claims 3 in compliance. See Ex. 83.					
	***** Kersey & Co. and Kersey & Donohoe responded jointly					