

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. 12,849  
 )  
APPLICATION OF APACHE CORPORATION )  
TO AMEND ORDER R-11,744, LEA COUNTY, )  
NEW MEXICO )  
\_\_\_\_\_ )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILL JONES, Hearing Examiner

April 18th, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILL JONES, Hearing Examiner, on Thursday, April 18th, 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.

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OIL CONSERVATION DIV  
02 APR 26 AM 8:34

## I N D E X

April 18th, 2002  
 Examiner Hearing  
 CASE NO. 12,849

PAGE

REPORTER'S CERTIFICATE

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## A P P E A R A N C E S

## FOR THE DIVISION:

DAVID K. BROOKS  
 Attorney at Law  
 Energy, Minerals and Natural Resources Department  
 Assistant General Counsel  
 1220 South St. Francis Drive  
 Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

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

## ALSO PRESENT:

DAVID R. CATANACH  
 Hearing Examiner  
 New Mexico Oil Conservation Division  
 1220 South Saint Francis Drive  
 Santa Fe, NM 87501

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   8:15 a.m.:

3  
4           EXAMINER CATANACH: Call the hearing to order  
5 this morning for Docket Number 11-02.

6           I'm going to call the continuances and dismissals  
7 at this point.

8           (Off the record)

9           EXAMINER JONES: Okay, first case this morning  
10 will be Case 12,849, Application of Apache Corporation to  
11 amend Order R-11,744 in Lea County, New Mexico.

12           Do we have any appearances in this case?

13           MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of  
14 the Santa Fe law firm of Kellahin and Kellahin.

15           I'm appearing this morning on behalf of the  
16 Applicant.

17           EXAMINER JONES: Okay, any other appearances?

18           All right, Mr. Kellahin, proceed.

19           MR. KELLAHIN: Thank you, sir.

20           We've asked the Division to amend the order  
21 entered in this case, to add the appropriate findings to  
22 allow Apache the opportunity to qualify for the enhanced  
23 oil tax recovery credit.

24           The case was originally heard on January 10th of  
25 this year by Mr. Catanach. The order he issued on March

1 12th of this year -- it's Order Number R-11,744 -- does not  
2 include the language for the tax credit.

3 The original application had the request in it,  
4 and the evidence presented at that hearing includes all the  
5 necessary documentation to satisfy the burden of proof on  
6 qualifying for those findings.

7 It was an advertising error in the docket that  
8 caused the Division not to issue language for the tax  
9 credit, so we've asked that you supplement that order and  
10 give us the opportunity to qualify for that credit.

11 Pursuant to the Act, there are no additional  
12 notifications required. The original application went to  
13 all the offsetting operators, and I believe it should  
14 qualify at this point, if you'll allow us to incorporate  
15 the record in Case 12,785.

16 And if you'll do that, I think you'll find all  
17 the necessary documentation to satisfy the requirements for  
18 that credit.

19 So that's the purpose of our case this morning.

20 EXAMINER JONES: Okay, thank you, Mr. Kellahin.

21 MR. KELLAHIN: Thank you, sir.

22 EXAMINER JONES: We'll take this under  
23 advisement.

24 Okay, the record in Case Number 12,785 will be  
25 incorporated into this case, Number 12,849.

1 MR. KELLAHIN: All right, sir. Thank you.

2 EXAMINER JONES: Thank you, Mr. Kellahin.

3 (Thereupon, these proceedings were concluded at  
4 8:20 a.m.)

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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 April 18th, 2002.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 2002