

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. 12,858
)
 APPLICATION OF DAVID H. ARRINGTON OIL)
 AND GAS, INC., FOR COMPULSORY POOLING,)
 LEA COUNTY, NEW MEXICO)
)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILL JONES, Hearing Examiner

May 2nd, 2002

Santa Fe, New Mexico

OIL CONSERVATION DIVISION
MAY 15 11 51 AM '02

This matter came on for hearing before the New Mexico Oil Conservation Division, WILL JONES, Hearing Examiner, on Thursday, May 2nd, 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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I N D E X

May 2nd, 2002
Examiner Hearing
CASE NO. 12,858

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E X H I B I T

Applicant's	Identified	Admitted
Exhibit 1	5	6

* * *

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:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: MICHAEL H. FELDEWERT

ALSO PRESENT:

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

MICHAEL E. STOGNER
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 11:15 a.m.:

3 EXAMINER JONES: Call for appearances in Case
4 12,858, Application of David H. Arrington Oil and Gas,
5 Incorporated, for compulsory pooling, Lea County, New
6 Mexico.

7 MR. FELDEWERT: Mr. Examiner, Michael Feldewert
8 with the Santa Fe office of Holland and Hart, appearing on
9 behalf of the Applicant, David H. Arrington Oil and Gas,
10 Inc.

11 EXAMINER JONES: Any other appearances? Guess
12 not.

13 Go ahead.

14 MR. FELDEWERT: Mr. Examiner, this case was
15 originally presented on November 1st, 2001, to Examiner
16 Brooks under Case Number 12,752.

17 On November 16th, 2001, the Division entered
18 Order Number R-11,690, which pooled the interests of the
19 respective owners to form spacing units for Arrington's
20 proposed Royal Stimulator 31 Well Number 2. And if I may
21 approach, I've got a copy of the order I just referenced.

22 Mr. Examiner, this pooling order expired by its
23 own terms on February 28th, 2002. Arrington now intends to
24 proceed with this directional drilling project. They ask
25 that a new pooling order be entered by the Division.

1 Notice of this hearing was sent to all interest
2 owners in the property, and I have provided to you a copy
3 of our notice affidavit, which I've marked as Exhibit
4 Number 1 in this matter.

5 And I want to bring your attention to the fact
6 that the return receipts for this notice indicate that
7 certain interest owners did not return their receipts.
8 These are unleased mineral owners who own less than one
9 percent in the west half of Section 31. They are James E.
10 Bailey and Wilma J. Lair, the Estate of Thelma Ann Turner,
11 Robert Freck, F-r-e-c-k, and Shawn Freck, F-r-e-c-k. And
12 you'll see on the notice affidavit that we have blanks next
13 to the return receipts. Those are the four individuals
14 that Arrington was unable to locate.

15 The transcript of the hearing in Case Number
16 12,752 contains testimony from Arrington's landman
17 identifying the efforts that were undertaken to locate
18 these four individuals.

19 So we would ask as part of this case that the
20 transcript and exhibits from the hearing in Case Number
21 12,752 be incorporated into this matter.

22 EXAMINER JONES: Okay, it is so incorporated.

23 MR. FELDEWERT: And this matter, as you know, was
24 advertised in the absence of objection that it would be
25 taken under advisement, so we ask that Exhibit Number 1 be

1 admitted, we ask that the Division incorporate the record
2 in Case Number 12,752 and that the Division enter an order
3 that is consistent with Order Number R-11,690 that was
4 entered in the prior case in this matter.

5 EXAMINER JONES: Okay, Exhibit 1 shall be
6 admitted as evidence.

7 So this was reopened because it never happened in
8 the --

9 MR. FELDEWERT: Correct, they received an order,
10 it expired by its own terms in February of this year.
11 Arrington now would like to proceed with this project, so
12 we ask that a new pooling order be entered by the Division.

13 EXAMINER JONES: Okay, we will incorporate the
14 previous testimony in the record and take this case under
15 advisement.

16 MR. FELDEWERT: Thank you, Mr. Examiner.

17 (Thereupon, these proceedings were concluded at
18 11:20 a.m.)

19 * * *

20
21 I hereby certify that the foregoing is
22 a true and correct copy of the proceedings in
23 an application of Case No. _____
24 made by me on _____ 19 ____.

25 _____, Examiner
Oil Conservation Division

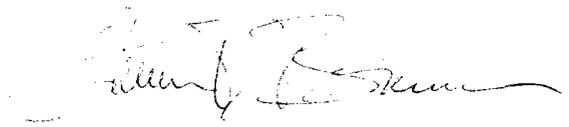
CERTIFICATE OF REPORTER

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 May 6th, 2002.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002