

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. 12,994

APPLICATION OF CONCHO OIL AND GAS)
 CORPORATION FOR COMPULSORY POOLING,)
 LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, JR., Hearing Examiner

January 23rd, 2003

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, JR., Hearing Examiner, on Thursday, January 23rd, 2003, 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

January 23rd, 2003
Examiner Hearing
CASE NO. 12,994

	PAGE
APPEARANCES	3
REPORTER'S CERTIFICATE	7

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	-
"Verification"	4	-

* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
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:

JAMES G. BRUCE
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504
369 Montezuma, No. 213
Santa Fe, New Mexico 87501

* * *

ALSO PRESENT:

MICHAEL E. STOGNER
Hearing Examiner
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87505

* * *

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

1 WHEREUPON, the following proceedings were had at
2 9:05 a.m.:

3 EXAMINER BROOKS: At this time we'll call Case
4 Number 12,994, Application of Concho Oil and Gas
5 Corporation for compulsory pooling, Lea County, New Mexico.
6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
8 representing the Applicant. I just have a brief statement
9 and a couple of matters to submit to the Division.

10 EXAMINER BROOKS: Any other appearances?
11 You may proceed.

12 MR. BRUCE: Mr. Examiner, this is a compulsory
13 pooling case, styled in the absence of objection it will be
14 taken under advisement. I have submitted an Application
15 pursuant to Rule 1207.A(1)(b), and I would ask the Division
16 to take that Application -- the matters stated in that
17 Application under advisement.

18 There's a couple of other matters. There were
19 two parties who were being pooled. That is Exhibit 1, the
20 affidavit of notice given to those interest owners.

21 One other matter is, the Rule does require that
22 the Application be verified. I didn't have the original
23 verification when I filed the Application, so I would
24 submit the verification.

25 The final matter is, this well is at an

1 unorthodox location. That location was previously approved
2 by Division Administrative Order NSL-4823, and for purposes
3 of the risk penalty I would refer you to that file. This
4 is approximately a 14,000-foot Devonian wildcat test, and
5 therefore the Applicant believes that the maximum risk
6 penalty should be assessed against the nonconsenting
7 interest owners.

8 EXAMINER STOGNER: What was that administrative
9 order number again?

10 MR. BRUCE: It is 4823.

11 EXAMINER STOGNER: NSL-4823?

12 MR. BRUCE: Yes, sir.

13 And with that, I would ask that the matter be
14 taken under advisement and an order issued.

15 EXAMINER BROOKS: Okay, what administrative and
16 overhead charges are you requesting?

17 MR. BRUCE: They are \$6000 a month for a drilling
18 well and \$600 for a producing well.

19 EXAMINER BROOKS: And do you have the information
20 in your Application regarding the pools in which this is --

21 MR. BRUCE: It is a wildcat Devonian well.

22 EXAMINER BROOKS: Okay, so you said that there
23 are no pools in any horizon that you're --

24 MR. BRUCE: Correct. Just for your information,
25 Mr. Examiner, the nearest Devonian pool is the Dean,

1 D-e-a-n, Devonian Pool, but it is more than a mile away.
2 And that pool is just a standard Devonian oil pool with
3 40-acre spacing.

4 EXAMINER BROOKS: Okay. Mr. Stogner, do you have
5 any questions?

6 EXAMINER STOGNER: Let's see, the well is not
7 drilling, or what's the current status of the rig?

8 MR. BRUCE: It is drilling right now, Mr.
9 Stogner.

10 EXAMINER STOGNER: It is drilling. And do you
11 know what depth it is?

12 MR. BRUCE: It's 5000 feet, my landman has
13 informed me.

14 EXAMINER STOGNER: Do you know when it was
15 spudded?

16 MR. BRUCE: I don't know. I'm guessing about two
17 weeks ago, from the depth.

18 EXAMINER STOGNER: I have no other questions.

19 EXAMINER BROOKS: Anything further?

20 MR. BRUCE: No, sir.

21 EXAMINER BROOKS: Very good, then Case Number
22 12,994 will be taken under advisement.

23 (Thereupon, these proceedings were concluded at
24 9:08 a.m.)

25 * * *

CERTIFICATE OF REPORTER

[illegible]

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 January 24th, 2003.

STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006

I hereby certify that the foregoing is
a complete record of the proceedings in
the hearing of Case No. 12994
heard by me on Jan. 23, 2003.
David R. Brady, Executive
Director, Immigration Division

STEVEN T. BRENNER, CCR
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