| ,  | STATE OF NEW MEVICO   |
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| 1  | STATE OF NEW MEXICO<br>OIL CONSERVATION COMMISSION  |
| 2  |   |
| 3  | IN THE MATTER OF: )   |
| 4  | THE HEARING CALLED BY THE ) OIL CONSERVATION COMMISSION )   |
| 5  | TO CONSIDER: )  |
|    | APPLICATION OF STEVENS OPERATING ) CASE NO. 9854<br>CORPORATION FOR POOL CREATION AND )                                 |
| 6  | SPECIAL POOL RULES, CHAVES COUNTY, )  |
| 7  | NEW MEXICO. )   |
| 8  | /   |
| 9  | REPORTER'S TRANSCRIPT OF PROCEEDINGS  |
| 10 | COMMISSION HEARING  |
| 11 | BEFORE: WILLIAM J. LEMAY, Chairman  |
| 12 | WILLIAM WEISS, Commissioner<br>JAMI BAILEY, Commissioner  |
|    |   |
| 13 | January 17, 1991<br>9:06 a.m.   |
| 14 | Santa Fe, New Mexico  |
| 15 | This matter came on for hearing before the Oil<br>Conservation Commission on January 17, 1991, at 9:06 a.m.             |
| 16 | at Morgan Hall, State Land Office Building, 310 Old Santa   |
| 17 | Fe Trail, Santa Fe, New Mexico, before Susan G. Ptacek, a<br>Certified Shorthand Reporter No. 124, State of New Mexico. |
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| 24 | FOR: OIL CONSERVATION BY: SUSAN G. PTACEK   |
| 25 | DIVISION Certified Shorthand Reporter<br>CSR No. 1224   |
|    |   |

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| 1  | INDEX  |           |
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| 2  | January 17, 1991<br>Service January 17, 1991                 |           |
| 3  | Commissioner Hearing<br>Case No. 9854                        |           |
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| 5  | REPORTER'S CERTIFICATE                                       | 4         |
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| 8  | APPEARANCES  |           |
| 9  |  |           |
| 10 | FOR THE DIVISION: ROBERT G. STOVALL, ESQ.<br>General Counsel |           |
| 11 | Oil Conservation Division<br>State Land Office Building      |           |
| 12 | Santa Fe, New Mexico 87504                                   |           |
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| 1  | CHAIRMAN LEMAY: I now call Case No. 9854.               |
|----|---|
| 2  | MR. STOVALL: Application of Stevens Operating           |
| 3  | Corporation for pool creation and special pool rules,   |
| 4  | Chaves County, New Mexico. As advertised on the docket, |
| 5  | this case is to be dismissed.                           |
| 6  | CHAIRMAN LEMAY: Without objection Case No. 9854 will    |
| 7  | be dismissed without prejudice.                         |
| 8  | (Whereupon, the hearing was concluded at the            |
| 9  | approximate hour of 9:07 a.m.)                          |
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| 1  | STATE OF NEW MEXICO )<br>) ss.   |
|----|--|
| 2  | COUNTY OF SANTA FE )   |
| 3  | REPORTER'S CERTIFICATE   |
| 4  |  |
| 5  | I, Susan G. Ptacek, a Certified Shorthand Reporter and                                 |
| 6  | Notary Public, do HEREBY CERTIFY that I stenographically                               |
| 7  | reported the proceedings before the Oil Conservation                                   |
| 8  | Division, and that the foregoing is a true, complete and                               |
| 9  | accurate transcript of the proceedings of said hearing as                              |
| 10 | appears from my stenographic notes so taken and transcribed                            |
| 11 | under my personal supervision.   |
| 12 | I FURTHER CERTIFY that I am not related to nor   |
| 13 | employed by any of the parties hereto, and have no interest                            |
| 14 | in the outcome thereof.  |
| 15 | DATED at Santa Fe, New Mexico, this 11th day of  |
| 16 | February, 1991.  |
| 17 | (in ) Aftert   |
| 18 | SUSAN G. PTACEK  |
| 19 | My Commission Expires: Certified Shorthand Reporter<br>December 10, 1993 Notary Public |
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### BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO AUGUST 23, 1990

#### COMMISSION HEARING

( IN THE MATTER OF: ) ( Application of Stevens Operating Corporation ) ( for pool creation and special pool rules, ) ( Chaves County, New Mexico. )

CASE 9854 DE NOVO

BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

# $\underline{A} \quad \underline{P} \quad \underline{P} \quad \underline{E} \quad \underline{A} \quad \underline{R} \quad \underline{A} \quad \underline{N} \quad \underline{C} \quad \underline{E} \quad \underline{S}$

For the New Mexico Oil Conservation Commission: Robert G. Stovall Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico

- MR. LEMAY: The hearing will come to order. Call Case 9854 De Novo.
- MR. STOVALL: Case 9854, the application of Stevens Operating Corporation for pool creation and special pool rules, Chaves County, New Mexico, to be heard De Novo upon the application of Yates Petroleum Corporation. The De Novo applicant has requested that this case be continued indefinitely.
- MR. LEMAY: Without objection Case 9854 De Novo is hereby continued indefinitely. The hearing is adjourned.

#### BEFORE THE NEW MEXICO OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO JULY 19, 1990

#### COMMISSION HEARING

( IN THE MATTER OF: ) ( Application of Stevens Operating Corporation ) ( for pool creation and special pool rules, ) ( Chaves County, New Mexico. )

CASE 9854 DE NOVO

### BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

## $\underline{A} \ \underline{P} \ \underline{P} \ \underline{E} \ \underline{A} \ \underline{R} \ \underline{A} \ \underline{N} \ \underline{C} \ \underline{E} \ \underline{S}$

For the New Mexico Oil Conservation Commission:

Robert G. Stovall Legal Counsel for the Commission State Land Office Building Santa Fe, New Mexico MR. LEMAY: Call next Case 9854 De Novo.

- MR. STOVALL: Case 9854, the application of Stevens Operating Corporation for pool creation and special pool rules, Chaves County, New Mexico, to be heard De Novo upon the application of Yates Petroleum Corporation. The De Novo applicant has requested that this case be continued to the Commission hearing scheduled for August 23, 1990.
- MR. LEMAY: Case 9854 De Novo is hereby continued until the Commission hearing scheduled for August 23, 1990. The hearing is adjourned.

| 1  | STATE OF NEW MEXICO                               |
|----|---|
| 2  | ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT |
| 3  | OIL CONSERVATION COMMISSION                       |
| 4  | CASE 8139, CASE 9854                              |
| 5  |   |
| 6  | COMMISSION HEARING                                |
| 7  |   |
| 8  | IN THE MATTER OF:                                 |
| 9  |   |
| 10 | Continued and Dismissed Cases                     |
| 11 |   |
| 12 | TRANSCRIPT OF PROCEEDINGS                         |
| 13 |   |
| 14 | BEFORE: WILLIAM J. LEMAY, CHAIRMAN                |
| 15 | WILLIAM WEISS, COMMISSIONER                       |
| 16 | WILLIAM HUMPHRIES, COMMISSIONER                   |
| 17 |   |
| 18 |   |
| 19 | STATE LAND OFFICE BUILDING                        |
| 20 | SANTA FE, NEW MEXICO                              |
| 21 | June 21, 1990                                     |
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| 1  | APPEARANCES  |
|----|--|
| 2  |  |
| 3  | FOR THE OIL CONSERVATION DIVISION:   |
| 4  | ROBERT G. STOVALL  |
| 5  | Attorney at Law<br>Legal Counsel to the Division<br>State Land Office Building |
| 6  | State Land Office Building<br>Santa Fe, New Mexico                             |
| 7  |  |
| 8  | FOR STEVENS OPERATING CORPORATION:   |
| 9  | CAMPBELL & BLACK, P.A.<br>Attorneys at Law                                     |
| 10 | By: WILLIAM F. CARR<br>Suite 1 - 110 N. Guadalupe                              |
| 11 | P.O. Box 2208<br>Santa Fe, New Mexico 87504-2208                               |
| 12 | Banta Fe, New Mexico 57504 2200  |
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| WHEREUPON, the following proceedings were had           |
| at 9:20 a.m.:   |
| CHAIRMAN LEMAY: Good morning. We are the                |
| Oil Conservation Commission, Commissioner Bill          |
| Humphries on my right, and on my left Commissioner Bill |
| Weiss. My name is Bill LeMay, Chairman, and we shall    |
| begin with Case Number 8139.                            |
| MR. STOVALL: Application of BBC, Inc., for              |
| salt water disposal, Eddy County, New Mexico.           |
| Mr. Chairman, this case has been continued              |
| from a December 12th, 1984, hearing, and there being no |
| action, the Commission is requested to dismiss this     |
| case.   |
| CHAIRMAN LEMAY: Is there any objection to               |
| Case 8139 being dismissed? It's our understanding it    |
| shall be dismissed.                                     |
| * * *   |
| CHAIRMAN LEMAY: Call Case Number 9854.                  |
| MR. STOVALL: Application of Stevens                     |
| Operating Corporation for pool creation and special     |
| pool rules, Chaves County, New Mexico.                  |
| The parties request this case be continued to           |
| the July 19th, 1990, Commission docket.                 |
| CHAIRMAN LEMAY: Has there been any talk on              |
| that case being dismissed because of an Examiner        |
|   |

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1 hearing involved after the case was filed? 2 MR. STOVALL: My understanding is that the parties anticipate dismissing this case upon the 3 issuance of the permanent rules for the pool at the 4 latest Examiner hearing but wish to keep it open at 5 this --6 CHAIRMAN LEMAY: Mr. Carr? 7 MR. CARR: May it please the Commission, 8 following the Examiner hearing a proposed order was 9 provided that all parties stipulated to. No order has 10 yet been entered, pending on the action taken by the 11 12 Division on that matter. We anticipate that this case will be dismissed. 13 CHAIRMAN LEMAY: My confusion is that the de 14 novo was filed actually before the case was heard by 15 the Examiner as referring to a previous case. 16 That is correct, and Yates wants 17 MR. CARR: to leave the de novo Application in place until they 18 19 see the order. 20 CHAIRMAN LEMAY: But the de novo would 21 actually apply to the new hearing, and not necessarily the old one, because the new hearing would -- That's 22 23 confusion, I guess, on our part. 24 MR. CARR: We hope to avoid the confusion by 25 being able to dismiss this between now and July the

> CUMBRE COURT REPORTING (505) 984-2244

|    | 5  |
|----|--|
| 1  | 19th.  |
| 2  | CHAIRMAN LEMAY: I hope that's that will              |
| 3  | be the case. Thank you, Mr. Carr.                    |
| 4  | MR. STOVALL: Mr. Chairman, I think you               |
| 5  | brought up a good point before you actually continue |
| 6  | the case, is that at that time should there be any   |
| 7  | desire on anybody's part, they may in fact have to   |
| 8  | bring a new de novo hearing because it will be a new |
| 9  | order issued by the Division, so that's something to |
| 10 | consider. But they have requested this case be       |
| 11 | continued at this time.                              |
| 12 | CHAIRMAN LEMAY: Well, at this point we'll            |
| 13 | continue that Case Number 9854 until the July 19th   |
| 14 | hearing and rule as to the merits of the de novo at  |
| 15 | that time if it's not resolved.                      |
| 16 | (Thereupon, these proceedings were concluded         |
| 17 | at 9:22 a.m.)  |
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CUMBRE COURT REPORTING (505) 984-2244

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CERTIFICATE OF REPORTER 1 2 STATE OF NEW MEXICO 3 ) ) ss. COUNTY OF SANTA FE 4 ) 5 I, Steven T. Brenner, Certified Shorthand 6 7 Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil 8 Conservation Commission was reported by me; that I 9 transcribed my notes; and that the foregoing is a true 10 and accurate record of the proceedings. 11 I FURTHER CERTIFY that I am not a relative or 12 employee of any of the parties or attorneys involved in 13 this matter and that I have no personal interest in the 14 final disposition of this matter. 15 WITNESS MY HAND AND SEAL June 21, 1990. 16 17 18 STEVEN T. BRENNER CSR No. 106 19 20 My commission expires: October 14, 1990 21 22 23 24 25

| 1  | STATE OF NEW MEXICO                               |
|----|---|
| 2  | ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT |
| 3  | OIL CONSERVATION COMMISSION                       |
| 4  | CASE 9854, CASE 9867, CASE 9868, CASE 9883        |
| 5  |   |
| 6  | COMMISSION HEARING                                |
| 7  |   |
| 8  | IN THE MATTER OF:                                 |
| 9  |   |
| 10 | Continued and Dismissed Cases                     |
| 11 |   |
| 12 | TRANSCRIPT OF PROCEEDINGS                         |
| 13 |   |
| 14 | BEFORE: WILLIAM J. LEMAY, CHAIRMAN                |
| 15 | WILLIAM WEISS, COMMISSIONER                       |
| 16 | WILLIAM HUMPHRIES, COMMISSIONER                   |
| 17 |   |
| 18 |   |
| 19 | STATE LAND OFFICE BUILDING                        |
| 20 | SANTA FE, NEW MEXICO                              |
| 21 | May 24, 1990                                      |
| 22 | ORIGINAL  |
| 23 | UNIUINAL  |
| 24 |   |
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APPEARANCES 1 2 FOR THE OIL CONSERVATION DIVISION: 3 ROBERT G. STOVALL 4 Attorney at Law Legal Counsel to the Division 5 State Land Office Building Santa Fe, New Mexico 6 \* \* \* 7 8 9 10 11 12 WHEREUPON, the following proceedings were had 13 at 9:04 a.m.: 14 CHAIRMAN LEMAY: Good morning. This is the 15 Oil Conservation Commission, and my Commissioners along 16 with myself are Bill Weiss on my left and Bill 17 Humphries on my right, and we're very pleased to see 18 you all here today. 19 We'll start by calling Case Number 9854. 20 MR. STOVALL: The Application of Stevens 21 Operating Corporation for pool creation and special 22 pool rules, Chaves County, New Mexico. 23 This is a de novo case. The special pool 24 rules have been re-heard by the Division in accordance 25

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CUMBRE COURT REPORTING (505) 984-2244

| 1  | with the temporary rules. The Applicant requests this   |
|----|---|
| 2  | case be continued to June 21st, 1990.                   |
| 3  | CHAIRMAN LEMAY: Is there any objection to               |
| 4  | continuance of the case to June 21st?                   |
| 5  | If not, the case shall be continued to the              |
| 6  | Commission Hearing June 21st.                           |
| 7  | * * *   |
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| 10 | CHAIRMAN LEMAY: We'll now call Cases Number             |
| 11 | 9867 and Case 9868.                                     |
| 12 | MR. STOVALL: Case Number 9867 is the                    |
| 13 | Application of Mallon Oil Company for compulsory        |
| 14 | pooling, Eddy County, New Mexico.                       |
| 15 | Case 9868 is the Application of George                  |
| 16 | Mitchell d/b/a G.P. II Energy, Inc., for compulsory     |
| 17 | pooling, Eddy County, New Mexico.                       |
| 18 | These two cases concern the same property and           |
| 19 | well, and the parties have apparently reached an        |
| 20 | agreement and have asked that these cases be dismissed. |
| 21 | CHAIRMAN LEMAY: Without objection, Cases                |
| 22 | 9867 and 9868 will be dismissed.                        |
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CUMBRE COURT REPORTING (505) 984-2244

| 1  | CHAIRMAN LEMAY: Now call Case 9883.                 |
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| 2  | MR. STOVALL: Application of BTA Oil                 |
| 3  | Producers for an unorthodox oil well location, Eddy |
| 4  | County, New Mexico.                                 |
| 5  | The Applicant has requested this case be            |
| 6  | continued to June 21st, 1990.                       |
| 7  | CHAIRMAN LEMAY: Without objection, Case 9883        |
| 8  | will be continued to the Commission Hearing on June |
| 9  | 21st.   |
| 10 | (Thereupon, these proceedings were concluded        |
| 11 | at 9:06 a.m.)                                       |
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5 CERTIFICATE OF REPORTER 1 2 STATE OF NEW MEXICO 3 ) ss. ) 4 COUNTY OF SANTA FE ) 5 I, Steven T. Brenner, Certified Shorthand 6 Reporter and Notary Public, HEREBY CERTIFY that the 7 foregoing transcript of proceedings before the Oil 8 Conservation Commission was reported by me; that I 9 transcribed my notes; and that the foregoing is a true 10 and accurate record of the proceedings. 11 I FURTHER CERTIFY that I am not a relative or 12 employee of any of the parties or attorneys involved in 13 this matter and that I have no personal interest in the 14 final disposition of this matter. 15 WITNESS MY HAND AND SEAL May 25, 1990. 16 17 Cena 1 18 STEVEN T. BRENNER CSR No. 106 19 20 My commission expires: October 14, 1990 21 22 23 24 25