STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO

5 June 1985

EXAMINER HEARING

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IN THE MATTER OF:

Application of the Commissioner of 8 Public Lands for the State of New 9 Mexico for amendment of Division Order No. R-7817, Eddy County, New Mexico.

CASE 8564

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BEFORE: Gilbert P. Quintana, Examiner

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15 TRANSCRIPT OF HEARING

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17 APPEARANCES

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For the Oil Conservation Division:

Maryann Lunderman Attorney at Law Energy and Minerals Dept.

Santa Fe, New Mexico 97501

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For the Applicant:

1 MR. QUINTANA: We'll call next 2 3 Case 8564. MS. LUNDERMAN: Application of 5 the Commissioner of Public Lands for the State of New Mexico for an amendement to Division Order No. R-7817, Eddy County, New Mexico. 7 QUINTANA: This case was MR. prior heard by myself and was readvertised because of a mistake in the advertisement. 10 Is there any further testimony 11 in this case? 12 If not, this case will be taken 13 under advisement. 14 15 16 17 (Hearing concluded.) 18 19 20 21 22 23

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CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Soely W. Boyd CSE

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No.8564. heard by me on 1985.

Oil Concervation Division Examiner

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1 2	! STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION State Land Office Building Santa Fe, New Mexico		
3	22 May 1985		
4	EXAMINER HEARING		
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6 7 8 9	IN THE MATTER OF: Application of the Commissioner of Public Lands for the State of New Mexico for amendment of Divi- sion Order R-7817, Eddy County,	CASE 8564	
10	10		
11	BEFORE: Michael E. Stogner, Examiner		
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13	TRANSCRIPT OF HEARING		
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15	APPEARANCES		
16	16		
17	17		
18	Division: Attorney at Law		
19	Oil Conservation	n Division	
20	Santa Fe, New Me	exico 87501	
21	For the Applicant:		
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MR. STOGNER: This hearing will

3 | come to order.

MR. TAYLOR: The application of

Call next Case Number 8564.

the Commissioner of Public Lands for the State of New Mexico for amendment of Division Order No. R-7817, Eddy County, New Mexico.

MR. STOGNER: This case was heard on May 8th, 1985, and readvertised for this time; however, since the foul-up with the Santa Fe paper, this case will be continued to the Examiner's Hearing scheduled for June 5th, 1985, at which time it will be taken under advisement.

(Hearing concluded.)

CERTIFICATE

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete when of the proceedings in the Examiner heading of Case No. 2564, heard by me on 22 May 1985.

Oil Conservation Division

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 1 OIL CONSERVATION DIVISION State Land Office Building 2 Santa Pe, New Mexico 3 8 May 1985 **EXAMINER HEARING** 5 IN THE MATTER OF: Application of the Commissioner of CASE Public Lands for the State of New 8564 7 Mexico to vacate and void Division Order No. R-7817, Eddy County, New 8 Mexico. 9 10 BEFORE: Gilbert P. Quintana, Examiner 11 12 TRANSCRIPT OF HEARING 13 APPEARANCES 14 15 For the Oil Conservation Jeff Taylor Division: Attorney at Law 16 Legal Counsel for the Division Oil Conservation Division 17 Santa Fe, New Mexico 87501 18 For the Applicant: Louhannah Walker 19 Attorney at Law New Mexico State Land Office 20 P. O. Box 1148 Santa Fe, New Mexico 21 22 23 24 25

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MR. QUINTANA: We'll call next

3 | Case 3564.

MR. TAYLOR: The application of the Commissioner of Public Lands for the State of New Mexico to vacate and void Division Order No. R-7817, Eddy County, New Mexico.

MS. WALKER: Mr. Examiner, I'm Louhannah Walker from Santa Fe, New Mexico. I represent the applicant, the Commissioner of Public Lands, Jim Baca, and I don't plan to call any witnesses.

MR. QUINTANA: Do you wish to

13 give a statement?

MS. WALKER: Yes, I just wish

15 to make a statement.

MR. QUINTANA: You may proceed.

MS. WALKER: The Commission has applied to the Division to modify the earlier application to vacate Division Order No. R-7817 and to instead amend the order.

The Division Order issued upon the application of TXO Production Company. It authorized an unorthodox location and force pooled certain mineral interests in the unit, which unit included unleased land held in trust by the State.

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agreed that the portion of the order approving the unorthodox well location should remain in effect and that the part of the order relating to compulsory pooling should be set

s aside.

The Division has granted TXC's request to extend the time in which to commence drilling to August 1st, 1985, and the Commissioner has no objection to that extension.

The amendment of Division Order No. R-7817 so that it conforms to the agreement of the parties would promote conservation, prevent waste, and protect correlative rights.

The Commission therefore respectfully requests that if there is no objection, the Division Order No. R-7817 be amended so that the parts of the order that relate to compulsory pooling are set aside.

MR. QUINTANA: For the record let me clarify some points there.

MS. WALKER: Yes.

MR. QUINTANA: The compulsory pooling order was issued and at that time both the State and ourselves and all the parties weren't aware that some of the land was not leased.

MS. WALKER: That's true.

1 MR. QUINTANA: Is that the sit-2 uation? 3 MS. WALKER: Yes. MR. QUINTANA: Is there a cur-5 rent agreement between the Commissioner of Public Lands 6 whoever has leased that property or is that property un-7 leased here? 8 MS. WALKER: No, we have a high 9 bidder. It hasn't been leased yet. 10 MR. OUINTANA: It hasn't been 11 leased yet. 12 But you don't expect a compul-13 sory pooling order to be needed? 14 MS. WALKER: No, we don't. 15 MR. QUINTANA: Thank you. 16 Are there questions of Ms. 17 Walker? 18 MR. TAYLOR: Mr. Dickerson was 19 representing TXO in this? 20 MS. WALKER: Yes, he was. 21 TAYLOR: MR. Could you just 22 give us a letter from him saying there's no problem with 23 that, if you haven't already? 24 MS. WALKER: I have already. 25 MR. TAYLOR: Okay.

MS. WALKER: Stipulations have been signed. MR. TAYLOR: All right, so we'll just go ahead and file a dismissal or withdrawal of that portion. MR. QUINTANA: Thank you. (Hearing concluded.)

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CERTIFICATE

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2	STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO		
3	24 April 1985		
4	EXAMINER HEARING		
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7	IN THE MATTER OF:		
8	Application of the Commissioner of CASE Public Lands for the State of New 8564		
9	Mexico to vacate and void Division Order No. R-7817, Eddy County, New		
10	Mexico.		
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12	BEFORE: Michael E. Stogner, Examiner		
13	ZZZONZO IZONZOZ DO GOOGNIOS, ZNAMENOZ		
14	TRANSCRIPT OF HEARING		
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16	APPEARANCES		
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19	For the Oil Conservation Maryann Lunderman		
20	Division: Energy and Minerals Department Energy and Minerals Division		
21	Santa Fe, New Mexico 87501		
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23	For the Applicant:		
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MR. STOGNER: Call Case Number 8564, which is the application of the Commissioner of Public Lands for the State of New Mexico to vacate and void Division Order No. R-7817, Eddy County, New Mexico. At the Commissioner's request this application will be continued to the Examiner's Hearing scheduled for May 8th, 1985. (Hearing concluded.)