1 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION 2 STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 3 4 March, 1987 4 EXAMINER HEARING 5 6 IN THE MATTER OF: 7 The hearing called by the Oil Con-CASE 8 servation Division on its own 9102 motion for an order creating, as-9 signing a discovery allowable, and extending certain pools in Eddy and 10 Lea Counties, New Mexico. 11 12 13 BEFORE: Michael E. Stogner, Examiner 14 15 TRANSCRIPT OF HEARING 16 17 18 APPEARANCES 19 For the Commission: Jeff Taylor 20 Legal Counsel for the Division Oil Conservation Division 21 State Land Office Bldg. Santa Fe, New Mexico 87501 22 23 24 25

1 3 2 MR. STOGNER: This hearing will 3 come to order for Docket Number 7-87, March 4th, 1986, and 4 I'm Michael E. Stogner, appointed Examiner for today's 5 cases. 6 I'm going to call Case Number 7 9102, wich is in the matter of the hearing called by the Oil 8 Conservaton Division on its own motion for an order 9 creating, assigning a discovery allowable, and extending 10 certain pools in Eddy and Lea Counties, New Mexico. 11 MR. TAYLOR: May it please the Examiner, I'm Jeff Taylor, Counsel for the Division and I 12 have one witness to be sworn. 13 MR. STOGNER: Are there any 14 other appearances in this matter? 15 Will the witness please stand 16 and be sworn at this time? 17 18 (Witness sworn.) 19 MR. STOGNER: Mr. Taylor. 20 21 PAUL F. KAUTZ, 22 being called as a witness and being duly sworn upon his 23 oath, testified as follows, to-wit: 24 25

1 4 2 3 DIRECT EXAMINATION BY MR. TAYLOR: 4 Q Would you please state your name, by whom 5 you're employed, and in what capacity? 6 Α My name is Pual Kautz. I'm employed by 7 New Mexico Oil Conservation Division in the Hobbs Office. 8 Kautz, have you previously testified Q Mr. 9 before the Commission or its examiners and had your creden-10 tials accepted? 11 A Yes, I have. C Are you -- oh, let me see if you're qual-12 ified. 13 MR. TAYLOR: Mr. Examiner, is 14 the witness qualified? 15 MR. STOGNER: Mr. Kautz is so 16 qualified. 17 Q Mr. Kautz, are you prepared to make 18 recommendations to the examiner today concerning the nomen-19 clature of certain pools in Lea and Eddy Counties? Α Yes, I am. 20 0 Are your recommendations prepared in the 21 form of an exhibit? 22 А Yes, they are. 23 0 And how is that denominated, One or Α, 24 25

1 5 2 Exhibit A, Exhibit --A Exhibit One. 3 0 Exhibit One, okay. 4 Would you please refer to Exhibit One and 5 to the docket that's been distributed for the hearing today 6 and point out any differences between the two? 7 Α There is no difference. 8 0 So that the docket as distributed at the 9 hearing this morning correctly shows all the changes in 10 the nomenclature? Α Yes. 11 Do you have anything further to add to Q 12 your testimony? 13 Α No, I don't. 14 MR. TAYLOR: I'd like to move 15 the admission of Exhibit One. 16 MR. STOGNER: Exhibit One will 17 be admitted into evidence. 18 MR. TAYLOR: And that's all we have in this matter. 19 MR. STOGNER: I have no gues-20 tions of this witness. 21 Are there any questions of Mr. 22 kautz? 23 If not, he may be excused. 24 25

CERTIFICATE SALLY W. BOYD, C.S.R., DO HEREBY CER-I, TIFY the foregoing Transcript of Hearing before the Oil Con-servation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of this portion of the hearing, prepared by me to the best of my ability. Saesyles. Bayd CSR_ I do he is in at the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 9102. heard by me on 4 March 1987. ral Examiner Examiner Oil Conservation Division