

1 NEW MEXICO OIL CONSERVATION DIVISION

2 STATE LAND OFFICE BUILDING

3 STATE OF NEW MEXICO

4 CASE NO. 10471

5
6 IN THE MATTER OF:

7
8 The Application of Southwest Royalties,
9 Inc., For Compulsory Pooling,
Eddy County, New Mexico.

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14
15 BEFORE:

16 DAVID R. CATANACH

17 Hearing Examiner

18 State Land Office Building

19 October 15, 1992

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23 REPORTED BY:

24 CARLA DIANE RODRIGUEZ
25 Certified Shorthand Reporter
for the State of New Mexico

COPY

A P P E A R A N C E S

FOR THE APPLICANT:

THE RODEY LAW FIRM
Post Office Box 1357
Santa Fe, New Mexico 87504-1357
BY: PAUL A. COOTER, ESQ.

FOR CONOCO, INC:

KELLAHIN & KELLAHIN
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
BY: W. THOMAS KELLAHIN, ESQ.

1 EXAMINER CATANACH: At this time we'll
2 call Case 10471, the application of Southwest
3 Royalties, Inc., for compulsory pooling, Eddy
4 County, New Mexico.

5 Are there appearances in this case?

6 MR. COOTER: Paul Cooter with the Rodey
7 law firm in Santa Fe, appearing on behalf of the
8 Applicant, Southwest Royalties.

9 EXAMINER CATANACH: Any other
10 appearances?

11 MR. KELLAHIN: Mr. Examiner, I'm Tom
12 Kellahin of the Santa Fe law firm of Kellahin &
13 Kellahin, appearing on behalf of Conoco, Inc.

14 EXAMINER CATANACH: Mr. Cooter?

15 MR. COOTER: May it please the
16 Examiner, we would ask you to take administrative
17 notice of the prior hearing in this case which
18 resulted in the entry of the order by the
19 Division, Order No. R-9673 dated May 6, 1992.

20 We would also ask you to take
21 administrative notice of this Division's Form
22 C-101, which was filed in the appropriate office
23 of this Division and approved by the duly
24 designated officer of this Division on July 16,
25 1992.

1 Under the supplemental application
2 filed for this hearing today, we have asked the
3 Division to do one of two things: One, to extend
4 the time as expressed in that prior Order R-9673
5 for the commencement of the well in the southwest
6 40 acres of that northeast quarter of Section 17,
7 from August 1, 1992 to November 15, 1992, or, if
8 the Division deems it appropriate, then to
9 reinstate the prior order of the Division pooling
10 all mineral interests in the northeast quarter,
11 and providing for the appropriate supervision
12 costs as the parties have agreed to, of \$5,600
13 per month while drilling that well and \$560 per
14 month while producing that well.

15 The operator of that particular well
16 would be Southwest Royalties, Inc.

17 EXAMINER CATANACH: Is that all you
18 have, Mr. Cooter?

19 MR. COOTER: Yes, sir.

20 EXAMINER CATANACH: Mr. Kellahin?

21 MR. KELLAHIN: I would like to make a
22 statement for the record, Mr. Examiner.

23 EXAMINER CATANACH: Okay.

24 MR. KELLAHIN: Southwest Royalties,
25 Inc.'s Case 10473 was reopened and scheduled for

1 hearing on the September 17th docket. There was
2 a competing companion case, if you will, that's
3 on your docket today, filed by Conoco, to
4 compulsory pool the same acreage. It's Case No.
5 10560. Conoco has continued that case.

6 The issue was whether or not Order
7 R-9673 was in full force and effect by the
8 drilling of the well in Unit B as opposed to Unit
9 G as provided in that order.

10 Prior to this matter coming to hearing,
11 Conoco and Southwest entered into a stipulated
12 settlement of their differences. The result of
13 that stipulation is that Conoco will operate the
14 well in Unit B and that Southwest will undertake
15 to drill and operate the well to be drilled in
16 Unit G.

17 Part of that stipulation is an
18 agreement to use operating overhead rates, \$5,600
19 a month drilling well rate and \$560 a month
20 producing well rate.

21 We would support the Division Examiner
22 entering a new pooling order specifically
23 authorizing Southwest Royalties to commence the
24 drilling of the well in Unit G, and designating
25 them the operator of that well.

1 And Conoco waives any procedural
2 notices with regards to this supplemental
3 application or the amendment that Mr. Cooter has
4 proposed with regards to this new pooling order.

5 That concludes our statement.

6 EXAMINER CATANACH: Mr. Cooter, it's my
7 understanding that the only other interest
8 affected is that of Scarlett Nunes?

9 MR. COOTER: Nunes, N-U-N-E-S.

10 EXAMINER CATANACH: And you have been
11 unable to locate Ms. Nunes?

12 MR. COOTER: Yes, sir. Our notices to
13 her have all been returned.

14 EXAMINER CATANACH: All right. The
15 Division will take administrative notice of the
16 evidence and testimony presented in the original
17 Case 10471, and also of Division Form C-101 that
18 was referenced by Mr. Cooter.

19 And there being nothing further, Case
20 10471 will be taken under advisement.

21 MR. COOTER: Thank you for staying
22 late.

23 (And the proceedings concluded.)
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3 CERTIFICATE OF REPORTER4 STATE OF NEW MEXICO)
5) ss.
6 COUNTY OF SANTA FE)7 I, Carla Diane Rodriguez, Certified
8 Shorthand Reporter and Notary Public, HEREBY
9 CERTIFY that the foregoing transcript of
10 proceedings before the Oil Conservation Division
11 was reported by me; that I caused my notes to be
12 transcribed under my personal supervision; and
13 that the foregoing is a true and accurate record
14 of the proceedings.15 I FURTHER CERTIFY that I am not a
16 relative or employee of any of the parties or
17 attorneys involved in this matter and that I have
18 no personal interest in the final disposition of
19 this matter.20 WITNESS MY HAND AND SEAL October 15,
21 1992.22
23 
24 CARLA DIANE RODRIGUEZ RPR
25 CSR No. 4