

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: )  
APPLICATION OF THE NEW MEXICO OIL )  
CONSERVATION DIVISION FOR A PUBLIC )  
HEARING PURSUANT TO RULE 19.G(3) TO )  
CONSIDER THE ADEQUACY OF A REVISED )  
STAGE 2 ABATEMENT PLAN, LEA COUNTY, )  
NEW MEXICO )

CASE NO. 12,919

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

RECEIVED

EXAMINER HEARING

SEP 11 2003

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

Oil Conservation Division

September 4th, 2003

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, September 4th, 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.

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## I N D E X

September 4th, 2003  
Examiner Hearing  
CASE NO. 12,919

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## A P P E A R A N C E S

## FOR THE DIVISION:

DAVID K. BROOKS, JR.  
Assistant General Counsel  
Energy, Minerals and Natural Resources Department  
1220 South St. Francis Drive  
Santa Fe, New Mexico 87505

## FOR RICE OPERATING COMPANY:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR  
110 N. Guadalupe, Suite 1  
P.O. Box 2208  
Santa Fe, New Mexico 87504-2208  
By: MICHAEL H. FELDEWERT

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:42 a.m.:

3           EXAMINER STOGNER: Since this is fresh in my  
4 mind, I'm going to call Case Number 12,919 at this time.

5           MR. BROOKS: Mr. Examiner, I'm David Brooks,  
6 Energy, Minerals and Natural Resources Department of the  
7 State of New Mexico, as the general counsel, appearing for  
8 the New Mexico Oil Conservation Division which is the  
9 Applicant in this case.

10          EXAMINER STOGNER: Any other appearances?

11          MR. FELDEWERT: May it please the Examiner,  
12 Michael Feldewert with the Santa Fe office of Holland and  
13 Hart, and I'm appearing on behalf of Rice Operating  
14 Company.

15          EXAMINER STOGNER: Thank you.

16          Mr. Brooks?

17          MR. BROOKS: Mr. Examiner, it is my understanding  
18 -- Well, I'll give you a capsule background on this.

19                 This involves an abatement plan. Under Rule 19  
20 an abatement plan can be approved administratively unless  
21 there is an objection. If there are objections, then it's  
22 discretionary with the Director whether to set those  
23 objections for hearing.

24                 In this case there were objections from a surface  
25 owner. The case was set for hearing. However, pending the

1 hearing, which has pended for quite a while, the property  
2 was transferred and was acquired by an affiliate of OXY  
3 USA, and it's my understanding that the new surface owner  
4 is withdrawing those objections. The City of Hobbs, which  
5 also filed objections, is likewise withdrawing its  
6 objections. And it's my understanding also that Rice  
7 Operating Company, represented here by Mr. Feldewert, has  
8 agreed to accept the conditions imposed upon the plan by  
9 the Division.

10 And based on all those understandings, I am  
11 requesting -- the Division is requesting that this case be  
12 dismissed.

13 EXAMINER STOGNER: Mr. Feldewert?

14 MR. FELDEWERT: Mr. Examiner, what Mr. Brooks  
15 laid out is indeed correct. Occidental has acquired the  
16 property from the surface owner.

17 I spoke with the attorney for the City of Hobbs  
18 yesterday. He has likewise stated that they have no  
19 objection to the remediation plan, and Rice is prepared to  
20 proceed with the remediation at this site pursuant to the  
21 additional conditions that were placed by the Division, I  
22 believe by letter dated May 30th, 2000.

23 EXAMINER STOGNER: Mr. Brooks, you've asked that  
24 this matter be dismissed. Now, will this be remanded back  
25 to the Environmental Bureau for administrative handling?

1 MR. BROOKS: Yes, the approval of the abatement  
2 plan from this point on will be handled administratively by  
3 the Environmental Bureau of the Division.

4 EXAMINER STOGNER: Okay, so it's this particular  
5 case and not the Application that's being essentially  
6 dismissed at this time?

7 MR. BROOKS: Well --

8 EXAMINER STOGNER: It will be handled by the  
9 administrative process of the --

10 MR. BROOKS: Yeah --

11 EXAMINER STOGNER: -- Environmental --

12 MR. BROOKS: -- the case Application, the  
13 Application that I filed, is being dismissed. The  
14 abatement plan is not being dismissed, it's going to  
15 continue in effect and will be approved administratively.

16 EXAMINER STOGNER: Okay, thank you, Mr. Brooks.  
17 If there's nothing further in Case 12,919, then  
18 this case will be dismissed at this time.

19 MR. FELDEWERT: Thank you, Mr. Examiner.

20 EXAMINER STOGNER: Thank you.

21 (Thereupon, these proceedings were concluded at  
22 8:45 a.m.)

23 \* \* \* This hearing is hereby certified to be a public hearing and the proceedings of  
24 the hearing are hereby recorded in the proceedings of the Examiner hearing of Case No. 12919  
25 heard by me on 24 September 2003

*[Signature]*  
Oil Conservation Division, Examiner

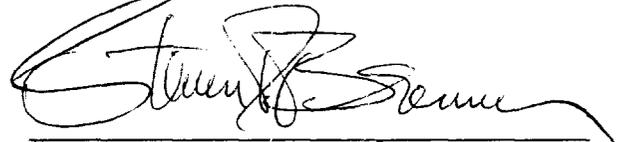
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF SANTA FE )

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 September 4th, 2003.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

*Case 12919*

CONTINUED AND DISMISSED CASES

**RECEIVED**  
SEP 11 2003  
Oil Conservation Division

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

September 4th, 2003

Santa Fe, New Mexico

**ORIGINAL**

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## I N D E X

September 4th, 2003  
Continued and Dismissed Cases

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\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:35 a.m.:

3           EXAMINER STOGNER: Okay, we'll go over the docket  
4 continuances and dismissals at this time.

5           First page, Case 13,137, this is the Application  
6 of Richardson Production Company to amend a compulsory  
7 pooling order. This matter was advertised in the absence  
8 of objection. Unfortunately, the advertisement in the  
9 paper in San Juan County missed the most important half of  
10 this ad, and it had to be readvertised for October 9th. So  
11 Case 13,137 will be continued and readvertised for October  
12 the 9th.

13           The next case, 13,138, Application of Apache  
14 Corporation for compulsory pooling, Lea County, this case  
15 will be continued to September the 18th.

16           The third case on this page, Case 13,126,  
17 Application of (The) Wiser Oil Company for three unorthodox  
18 locations, Lea County, this case will be continued to  
19 October the 9th.

20           Page 2, second case, 13,087, Ocean Energy,  
21 compulsory pooling, Lea County, this case will be  
22 dismissed.

23           Case 13,139, Application of Gruy Petroleum  
24 Management Company to expand the White City-Pennsylvanian  
25 Gas Pool, Eddy County, New Mexico, this case will be

1 continued to September 18th.

2 Case 13,140 is another Application of Gruy  
3 Petroleum Management Company. After a prehearing meeting  
4 with the parties involved in this matter yesterday, this  
5 case will be dismissed.

6 Case 13,133, this is the Application of Devon  
7 Energy Production Company, L.P., for compulsory pooling,  
8 Eddy County, this case will be continued to September the  
9 18th.

10 Moving to the third page, Case 13,141, this is  
11 the Application of EOG Resources, Inc., for the  
12 reinstatement of a particular order that has to do with  
13 special pool rules of the Diamond-Strawn Pool, and this is  
14 in Lea County. This case will be continued to September  
15 the 4th.

16 Case 13,142, down at the bottom, this is the  
17 Application of the Oil Conservation Division.

18 MR. BROOKS: I'm sorry, Mr. Examiner, you said on  
19 13,141 that it will be continued to September the 4th.  
20 This is September the 4th.

21 EXAMINER STOGNER: That is September the 4th,  
22 pardon me. This case will be -- I'm sorry, let's go back.  
23 Case 13,141 -- that's the Application of EOG Resources --  
24 this case will be dismissed. I apologize.

25 Okay, down at the bottom 13,142, this is the

1 Application of the Oil Conservation Division for an order  
2 requiring Maralo, LLC, to remediate a hydrocarbon  
3 contamination at an abandoned well and battery site in Lea  
4 County. This case will be continued to October the 9th.

5 Okay, I believe there's -- Are there any other  
6 continuances or dismissals?

7 MR. FELDEWERT: May it please the Examiner, on  
8 page 3, Case Number 13,103 which is the Application of V-F  
9 Petroleum, I believe that case has been continued. I don't  
10 recall the date, but it's my understanding that case has  
11 been continued.

12 EXAMINER STOGNER: Okay, let me see if the case  
13 file has anything. Okay, the last thing I have in the file  
14 is a continuance from August the 7th to the 4th, and I see  
15 that that's Mr. Bill Carr with Holland and Hart. I don't  
16 have any other continuing notice in front of me. Shall I  
17 just assume that this is continued to the 18th of  
18 September?

19 MR. BRUCE: Mr. Examiner, I did enter an  
20 appearance in that case on behalf of BP America Production  
21 Company, and I know the parties are attempting to work out  
22 their differences with respect to compulsory pooling. So  
23 the last I heard, it was going to be continued. And I  
24 would request on behalf of my client that it be continued  
25 to the 18th.

1 EXAMINER STOGNER: I'm sorry, to the 18th of  
2 September?

3 MR. FELDEWERT: September 18th would be fine.

4 EXAMINER STOGNER: Okay. And that's the only  
5 thing I have on it. So for Mr. Bruce and Mr. Feldewert,  
6 Case 13,103 will be continued to September the 18th.

7 MR. BROOKS: Mr. Examiner --

8 EXAMINER STOGNER: Yes.

9 MR. BROOKS: -- Case Number 12,919, the  
10 Application of the New Mexico Oil Conservation Division for  
11 a public hearing pursuant to Rule 19.G(3) to consider the  
12 adequacy of a revised State 2 abatement plan, that case is  
13 to be dismissed. But since Mr. Feldewert and I are both  
14 here, we would appreciate if you would call that case and  
15 let us enter our appearances, and then we'll stipulate to  
16 dismiss it.

17 EXAMINER STOGNER: And again, that's Case --

18 MR. BROOKS: -- 12,919, it's the second case on  
19 page 4.

20 EXAMINER STOGNER: Okay. First of all, are there  
21 any other continuances and dismissals before I do that?

22 Case 13,085, this is the amended Application of  
23 EGL Resources, Inc., and Robert Landreth for pool extension  
24 or an alternative pool creation. This is in Lea County,  
25 New Mexico. As I understand from Mr. Catanach, there's a

1 tentative -- this case is tentatively scheduled to be heard  
2 at a special docket within the next two weeks. That date  
3 has not been set at this time. Please check either by  
4 calling Mr. Catanach, Ms. Florene Davidson, or check the  
5 website.

6 So this matter is continued to a tentative  
7 special hearing within the next two weeks.

8 (Off the record)

9 EXAMINER STOGNER: We're going to come back to  
10 13,085.

11 (Off the record at 8:41 a.m.)

12 (The following proceedings had at 9:09 a.m.):

13 EXAMINER STOGNER: Let's go back on the record.  
14 Returning to Case 13,085, this is the EGL-Robert Landreth  
15 matter. This case will be continued to a special hearing  
16 to be set for Tuesday, September the 16th, here in Porter  
17 Hall.

18 With that, then Docket Number 28-03 is adjourned.

19 (Thereupon, these proceedings were concluded at  
20 9:10 a.m.)

21 \* \* \*

22 I do hereby certify that the foregoing is  
23 a complete record of the proceedings at  
24 the Examiner hearing of Case No. 12919,  
25 heard by me on 14 September 2003.

 Examiner  
Oil Conservation Division

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF SANTA FE )

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 September 4th, 2003.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006