

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 YATES PETROLEUM) CASE NOS. 13,332
CORPORATION FOR APPROVAL OF A UNIT)
AGREEMENT, CHAVES COUNTY, NEW MEXICO)
)
APPLICATION OF YATES PETROLEUM) and 13,333
CORPORATION FOR APPROVAL OF A UNIT)
AGREEMENT, LEA COUNTY, NEW MEXICO)
)
) (Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

ORIGINAL

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

September 2nd, 2004

Santa Fe, New Mexico

2004 SEP 16 PM 12 57

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This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, September 2nd, 2004, 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.

* * *

I N D E X

September 2nd, 2004
 Examiner Hearing
 CASE NOS. 13,332 and 13,333 (Consolidated)

	PAGE
REPORTER'S CERTIFICATE	6

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E X H I B I T S

Applicant's	Identified	Admitted
Case 13,332		
Exhibit 1	3	4
Case 13,333		
Exhibit 1	3	4

* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
 Deputy General Counsel
 Energy, Minerals and Natural Resources Department
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

FOR THE APPLICANT:

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 9:02 a.m.:

3 EXAMINER JONES: Okay, let's call Case 13,332 and
4 Case 13,333 at this time. They're both the Application of
5 Yates Petroleum Corporation for approval of a unit
6 agreement, Chaves County for the first one and Lea County
7 for the second one.

8 Call for appearances.

9 MR. FELDEWERT: Mr. Examiner, Michael Feldewert
10 with the Santa Fe office of the law firm of Holland and
11 Hart, appearing on behalf of the Applicant, Yates Petroleum
12 Corporation, in both cases. I have no witnesses today, as
13 we are presenting both matters by affidavit.

14 EXAMINER JONES: Any other appearances?

15 I guess we scared off all the Yates witnesses
16 this morning.

17 MR. FELDEWERT: Both of these -- in Case 13,332
18 Yates has submitted the affidavit of Tim Miller, with the
19 attachments in which they're seeking approval of the Boffin
20 State Exploratory Unit, and in Case 13,333 Yates has
21 submitted as its exhibit the affidavit of John Amiet, in
22 which he explains the basis for seeking approval of the
23 Orbison State Exploratory Unit.

24 Basically the presentation of both cases are
25 identical. If you have any questions, I'd be happy to

1 answer them.

2 EXAMINER JONES: Okay, these are all both Exhibit
3 Number 1?

4 MR. FELDEWERT: In each case, yes.

5 EXAMINER JONES: In each case. I think the
6 structure map is there on the 13,332 --

7 MR. FELDEWERT: Yeah, in each case we have the
8 preliminary approval letter from the New Mexico State Land
9 Office, in each case all of the working interest owners
10 have signed off on the unit agreement --

11 EXAMINER JONES: Okay.

12 MR. FELDEWERT: -- and in each case we have
13 submitted not only an isopach map but also a cross-section.

14 And in each case as well, the last exhibit,
15 Exhibit -- or, I'm sorry, Attachment G to each of these
16 affidavits contains a summary of the geologic reasons
17 supporting this Application.

18 EXAMINER JONES: And both of these are 100-
19 percent State Land Office leases?

20 MR. FELDEWERT: Yes.

21 EXAMINER JONES: Okay, I have no more questions.
22 Let's admit into evidence Exhibit Number 1 for Case 13,332
23 and Exhibit Number 1 for Case 13,333.

24 And let's take Case 13,332 under advisement and
25 Case 13,333 under advisement.

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MR. FELDEWERT: Thank you, Mr. Examiner.

EXAMINER JONES: Okay, thank you.

(Thereupon, these proceedings were concluded at
9:04 a.m.)

* * *

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

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 3rd, 2004.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006