STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

Cuse No. 13390

CONTINUED AND DISMISSED CASES

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

December 2nd, 2004 Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, December 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.

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STEVEN T. BRENNER, CCR (505) 989-9317

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December 2nd, 2004 Continued and Dismissed Cases

REPORTER'S CERTIFICATE

STEVEN T. BRENNER, CCR (505) 989-9317

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WHEREUPON, the following proceedings were had at 1 2 8:15 a.m.: 3 EXAMINER STOGNER: This hearing will come to 4 Please make a note, today's date December 2nd, 5 order. 2004, Docket Number 33-04. I'm Michael Stogner, appointed 6 7 Hearing Officer for today's cases. We'll go through the continuances and dismissals 8 9 first. Let's go to the second page. Case Number 13,365, 10 Nadel and Gussman Permian, L.L.C., for compulsory pooling, 11 Eddy County, New Mexico. Case Number 13,365 will be 12 continued to December 16th. 13 The next one, Case 13,389, Application of Nadel 14 and Gussman Permian, L.L.C., for compulsory pooling, Chaves 15 County, New Mexico. This case will also be continued to 16 December 16th. 17 The next one down, Case 13,352, this is the 18 Application of Samson Resources Company for compulsory 19 pooling, Lea County, New Mexico. This case will also be 20 continued until the 16th. 21 · . Let's go to page 3. On top of the page, Case 22 13,390, Application of Pride Energy Company for an 23 24 unorthodox location and for simultaneous dedication, Lea County, New Mexico. This case will be dismissed. 25

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Next case, 13,379, and also the one after that, 13,380, both of these cases are for Chi Energy, Inc., both of them are for compulsory pooling. 13,379 is in Eddy County, 13,380 is also in Eddy County. Both of these cases are also continued to December the 16th. Please make a note that these cases, I believe, were heard two weeks ago; is that correct, Mr. Bruce?

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8 MR. BRUCE: That's correct, and there need to be 9 some additional -- I had to get the advertisement in, and I 10 still haven't gotten the --

EXAMINER STOGNER: All righty. Down at the bottom, 13,387, Latigo Petroleum, Inc., for a nonstandard gas spacing and proration unit and for an unorthodox gas well location in Lea County, New Mexico. I'm not sure which pool that's in, but this case is also continued to December the 16th.

17 Any other continuances or dismissals at this 18 time?

There being none, just to let you know what will be happening today, I'll call the Yates case -- that will be the first one -- and then we will move to the second page down at the bottom and take 13,359 out of sequence, and then we will take the Bass and Devon Energy Production cases in the potash area, consolidate them or hear at one time, or we'll discuss that at that time.

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(Thereupon, these proceedings were concluded at 8:22 a.m.) . 9 I to bereby cortify that the foregoing it a complate record of the proceedings in the Examiner hearing of Case No. 13 beard by n \$90 200, Conservation Division ON Exeminar

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CERTIFICATE OF REPORTER

SS.

STATE OF NEW MEXICO 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 December 2nd, 2004.

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STEVEN T. BRENNER CCR No. 7

My commission expires: October 16th, 2006

STEVEN T. BRENNER, CCR (505) 989-9317