

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 PECOS PRODUCTION COMPANY)
FOR APPROVAL OF A COOPERATIVE WATERFLOOD)
PROJECT AND TO QUALIFY THE PROJECT FOR)
THE RECOVERED OIL TAX RATE, EDDY COUNTY,)
NEW MEXICO)

CASE NO. 13,377

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

January 6th, 2005

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, January 6th, 2005, 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.

2005 JAN 20 PM 8:11

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I N D E X

January 6th, 2005
Examiner Hearing
CASE NO. 13,377

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| REPORTER'S CERTIFICATE | 5 |

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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:

JAMES G. BRUCE
Attorney at Law
P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at
2 9:56 a.m.:

3 EXAMINER CATANACH: Call Case 13,377, the
4 Application of Pecos Production Company for approval of a
5 cooperative waterflood project and to qualify the project
6 for the recovered oil tax rate, Eddy County, New Mexico.

7 Call for appearances in this case.

8 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
9 representing the Applicant.

10 EXAMINER CATANACH: Any additional appearances?

11 MR. BRUCE: Mr. Examiner, if the record could
12 reflect that Mr. Carr did enter an appearance on behalf of
13 Yates Petroleum corporation in this case, but I have spoken
14 with him and told him that no new evidence was being
15 presented, and therefore he's not appearing today.

16 EXAMINER CATANACH: Okay, thank you, Mr. Bruce.

17 MR. BRUCE: In this case it was reopened and
18 readvertised so that the Division's advertisement was
19 correct. It seeks a waterflood with a project area
20 comprising essentially the east half of Section 3 and the
21 west half of Section 2 in Township 19 South, Range 30 East.

22 The original notice in the Division's records --
23 The west half of Section 2 comprises Lots 1, 2, the south
24 half, northeast -- excuse me, Lots 3, 4, the south half,
25 northwest, and the southwest quarter of Section 2 had been

1 originally advertised as Lots 1 and 2, rather than Lots 3
2 and 4, and so the case was simply reopened to correct the
3 Division's records.

4 Notice of the original Application had been given
5 by certified mail to all of the interest owners, and the
6 certified mailing was correct to all the interest owners,
7 and therefore I did not renotify them of the reopened case,
8 other than Mr. Carr, who was aware of it.

9 EXAMINER CATANACH: Okay, so this ought to take
10 care of it?

11 MR. BRUCE: Yes.

12 EXAMINER CATANACH: Okay. There being nothing
13 further, Case 13,377, reopened, will be taken under
14 advisement.

15 (Thereupon, these proceedings were concluded at
16 9:58 a.m.)

17 * * *

18 I hereby certify that the foregoing is
19 a complete record of the proceedings in
20 the Examiner hearing of Case No. 13377,
heard by me on January 6 2005.
21 David P. Catanch, Examiner
22 Oil Conservation Division
23
24
25

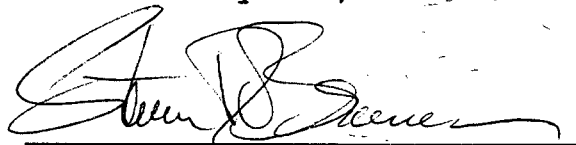
CERTIFICATE OF REPORTER

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 January 8th, 2005.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006