

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

CASE NOS. 13,351 and 13,357
AWAITING FINAL COMMISSION ACTION
NO EVIDENCE OR TESTIMONY TAKEN

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: MARK E. FESMIRE, CHAIRMAN
JAMI BAILEY, COMMISSIONER

ORIGINAL
2005 APR 28 PM 1 36

April 14th, 2005
Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, MARK E. FESMIRE, Chairman, on Thursday, April 14th, 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.

* * *

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

I N D E X

April 14th, 2005
Commission Hearing
CASE NOS. 13,351 and 13,357 (Awaiting final Commission
Action - No evidence or testimony taken)

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A P P E A R A N C E S

FOR THE COMMISSION:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 9:31 a.m.:

3
4 CHAIRMAN FESMIRE: The next cause before the
5 Commission is Case Number 13,351, the *de novo* Application
6 of Edge Petroleum Exploration Company to restrict the
7 effect of the special rules and regulations for the Dos
8 Hermanos Gas Pool in Eddy County, New Mexico.

9 Again, Commissioner Brooks [*sic*], would you
10 explain to the Commission where we are on this case?

11 MR. BROOKS: This case was heard at the
12 Commission's March meeting, and following the conclusion of
13 the testimony the Commission met in executive session and
14 instructed me as to the decision that the Commission
15 believed was appropriate in that case, which was basically
16 to enter an order granting the compulsory pooling as
17 requested by Edge Petroleum -- I'm sorry, not compulsory
18 pooling, I misspoke -- granting the rule change as
19 requested by Edge Petroleum, which would remove the
20 peripheral area around the Dos Hermanos Pool from the
21 operation of the pool rules, with one important exception,
22 and that was that the wells that might be drilled within
23 the peripheral area and completed in the Morrow zone would
24 have to be located at least 1250 feet from the outer
25 boundary of the Dos Hermanos Pool. Otherwise, the spacing

1 in that area would go back to the statewide rules.

2 And so that was not the position advocated by
3 either party but it was the position that the Commission
4 determined was appropriate. And I believe that is what the
5 order does, and the order has been presented for your
6 signature.

7 COMMISSIONER BAILEY: I believe you misspoke and
8 said 1250 feet instead of 1650 feet.

9 MR. BROOKS: I am sorry, Commissioner, you are
10 correct. 1650 feet. I was fumbling around trying to find
11 a copy of the order. There was not one in the briefing
12 book, and I didn't have one, so I spoke from memory, and
13 I'm sure that you are correct. 1650 feet from the outer
14 boundary of the Dos Hermanos Pool.

15 CHAIRMAN FESMIRE: Commissioner Bailey, that's my
16 recollection; is that yours?

17 COMMISSIONER BAILEY: Yes, it is.

18 CHAIRMAN FESMIRE: And have you had a chance to
19 review the proposed order?

20 COMMISSIONER BAILEY: Yes, I have, and I expect
21 to sign it.

22 CHAIRMAN FESMIRE: Okay, and I took have reviewed
23 the proposed order and believe that it indicates the
24 decision of the Commission and will sign it at this time.

25 Let the record reflect that the order in Case

1 Number 13,351 has been signed and is part of the record.

2 * * *

3

4 CHAIRMAN FESMIRE: The next cause before the
5 Commission is Case Number 13,357, final action in the *de*
6 *novo* Application of Matrix New Mexico Holdings, LLC, for
7 compulsory pooling in Lea County, New Mexico.

8 Counsel Brooks, you're up again.

9 MR. BROOKS: Okay, I believe that the parties
10 have requested that this case be dismissed, and Commission
11 Secretary Davidson has prepared an order doing that.

12 CHAIRMAN FESMIRE: Okay, Commissioner Bailey,
13 have you had a chance to review the order?

14 COMMISSIONER BAILEY: Yes, and I expect to sign
15 it.

16 CHAIRMAN FESMIRE: I too have reviewed it and
17 will sign it.

18 Let the record reflect that the order dismissing
19 Case Number 13,357, the *de novo* Application of Matrix New
20 Mexico Holdings, LLC, for compulsory pooling in Lea County,
21 New Mexico, has been signed and is part of the record.

22 (Thereupon, these proceedings were concluded at
23 9:36 a.m.)

24 * * *

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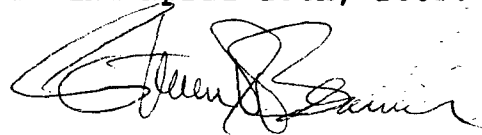
CERTIFICATE OF REPORTER

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 Commission 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 April 15th, 2005.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006