

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

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 14986

APPLICATION OF APACHE CORPORATION
FOR AN UNORTHODOX OIL WELL LOCATION AND
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

DOCKET NO. 18-13

BEFORE: PHILLIP GOETZE, Hearing Officer
DAVID K. BROOKS, Legal Examiner

MAY 30, 2013

8:37 AM

Santa Fe, New Mexico

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This matter came on for hearing before the
New Mexico Oil Conservation Division, PHILLIP
GOETZE, Hearing Examiner, and DAVID K. BROOKS, Legal
Examiner, on THURSDAY, MAY 30, 2013, at the
New Mexico Energy, Minerals and Natural Resources
Department, 1220 South Street Francis Drive,
Room 102, Santa Fe, New Mexico.

REPORTED BY: PAUL BACA PROFESSIONAL COURT
REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

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A P P E A R A N C E S

For Apache Corporation:

JAMES GARRETT BRUCE, ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, NM 87504-1056
(505) 982-2043

I N D E X

PAGE

CERTIFICATE OF COMPLETION OF HEARING

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EXHIBITS

MARKED/IDENTIFIED

1. Verified Statement of Michelle Hanson

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2. Affidavit of Notice

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3. Affidavit of Notice

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4. Affidavit of Publication

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1 MR. EXAMINER: And the final case on the
2 docket is case 14986, application of Apache
3 Corporation for an unorthodox oil well location and
4 compulsory pooling, Lea County, New Mexico.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of
6 Santa Fe representing the applicant and I am
7 submitting the case by affidavit.

8 In this case Apache Corporation -- again, I
9 am submitting as the primary exhibit the verified
10 statement of Michelle Hanson, the landman. In this
11 case Apache seeks to force pool lot 4 of section 2,
12 20 south, 38 east containing 39.73 acres.

13 The subject well, the White Well Number 2
14 will be drilled to test the Drinkard formation. So
15 in this case we are seeking to force pool depths
16 from the surface to base of the Drinkard formation.
17 The well through surface matters is unorthodox. It
18 is 475 feet from the north line and 1,075 feet from
19 the west line of section 2.

20 Attached to the affidavit are the interest
21 owners. All of the unlocateable parties are the
22 same. There are different -- or I should say there
23 are fewer interest owners to force pool in this
24 well. Seven Ways Minerals is not an interest owner
25 in this well.

1 The proposal letters dating back to last
2 fall are attached. And the affidavit shows that the
3 well cost is approximately \$1.7 million. Applicant
4 again requests a 200 percent risk charge and a 7500
5 a month overhead rate for drilling and 750 for a
6 producing well.

7 Exhibit 2 is the affidavit of notice to the
8 locateable parties. Exhibit 3, the well encroaches
9 on lot 3 of section 2 to the east which was the
10 subject of the immediately prior pooling
11 application. All of the interest owners in lot 3
12 have been given notice of the unorthodox location.
13 Exhibit 3 is my affidavit of notice to the
14 locateable offset interest owners.

15 And Exhibit 4 is the affidavit of
16 publication. If you read through it you'll see that
17 the unlocateable parties were given notice of the
18 pooling of lot 4. And also in this notice they were
19 given notice -- since they are also owners in lot 3
20 to the east they were given notice by this
21 publication notice of the unorthodox location of the
22 White Well Number 2. So everybody has been notified
23 of the pooling and of the unorthodox location.

24 And with that I'd move the admission of
25 Exhibits 1 through 4.

1 MR. EXAMINER: Exhibits 1 through 4 are
2 admitted.

3 [Exhibits 1 through 4 admitted into evidence.]

4 MR. BRUCE: And I have nothing further in
5 this matter.

6 MR. EXAMINER: Do you have any questions?

7 MR. BRUCE: No questions.

8 MR. EXAMINER: Just one question. Have you
9 filed a C-102 with the district office? Do we know
10 if that's been done?

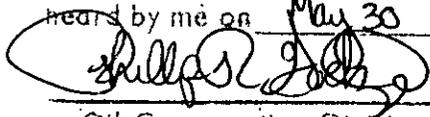
11 MR. BRUCE: Yes, it has. I forgot to tell
12 you, it's got an API number so it was filed. API
13 number is 3002540290. And in the Pino Number One,
14 the well in the middle case, the second case, the
15 last digits of the API number are 41081.

16 MR. EXAMINER: No further questions. We
17 will take this case under advisement, and that's
18 today's docket.

19 [Case 14986 taken under advisement.]

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14986
heard by me on May 30 2013.


_____, Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

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Working under the direction and direct supervision of Paul Baca, New Mexico CCR License #112, Official Court Reporter for the US District Court, District of New Mexico, I do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest whatsoever in the final disposition of this case in any court.



PAUL BACA PROFESSIONAL COURT REPORTERS