

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

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

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

October 20th, 2005

Santa Fe, New Mexico

2005 NOV 3 PM 5 44

ORIGINAL

WVJ 11/3/05

These matters came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, October 20th, 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.

* * *

I N D E X

October 20th, 2005
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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* * *

1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

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5 EXAMINER JONES: Okay, let's go on the record
6 this morning, and I'd like to welcome everybody to the Oil
7 Conservation Division Examiner Hearing for Thursday,
8 October the 20th, 2005.

9 This is Docket Number 34-05. I'm William V.
10 Jones, this is Gail MacQuesten.

11 And first let's talk about the continuances and
12 dismissals.

13 On page 1, Case 13,578 is continued to November
14 the 17th; Case 13,557 is dismissed.

15 Case 13,558 is continued to November the 17th.
16 That's on page two.

17 And on page 4, Case 13,560 is dismissed.

18 Page 5, Case 13,561 is dismissed; Case 13,562 is
19 dismissed; Case 13,563 is continued to December the 15th;
20 and Case 13,531, continue that to --

21 MR. CARR: Two weeks.

22 EXAMINER JONES: -- two weeks to November the
23 3rd.

24 And on page 6, Case 13,576 is dismissed; and Case
25 13,577 is continued to November the 3rd.

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Any other continuances or dismissals?

(Thereupon, these proceedings were concluded at
8:17 a.m.)

* * *

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

Oil Conservation Division, Examiner

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 October 28th, 2005.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006

1. **Ricky Well No. 1** (API No. 30-045-25976) located 790 feet from the north line and 875 feet from the West line (Unit D);
2. **Ricky Well No. 1R** (API No. 30-045-31165) located 765 feet from the North line and 830 feet from the West line (Unit D);
3. **Ricky Well No. 2** (API No. 30-045-25977) located 1850 feet from the South line and 790 feet from the West line (Unit L); and
4. **Ricky Well No. 2R** (API No. 30-045-31166) located 1845 feet from the South line and 745 feet from the West line (Unit L).

Said spacing unit is located approximately 30 miles southeast of Farmington, New Mexico.

CASE 13566: *Continued from November 3, 2005, Examiner Hearing*

Application of Unit Petroleum Company for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the base of the San Andres formation to the base of the Morrow formation underlying the E/2 of Section 1, Township 18 South, Range 26 East, and in the following manner: The E/2 to form a standard 320-acre gas spacing and proration unit for all formations and/or pools developed on 320 acre spacing within that vertical extent, including the Atoka-Pennsylvanian Gas Pool; and the SE/4 NE/4 to form a standard 40-acre oil spacing and proration unit for all formations and/or pools developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the Monte Carlo Fed. Com. Well No. 1, to be drilled from a surface location in the SE/4 NE/4 of Section 1 to a bottomhole location approximately 1845 feet from the north line and 1487 feet from the east line of Section 1. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 6 miles east-northeast of Atoka, New Mexico.

CASE 13594: *Application of Kaiser-Francis Oil Company To Amend Administrative Order NSL-5133 To*

Establish A Non-Standard Spacing and Proration Unit and for an Exception to Rule 104(B)(1). Applicant seeks the amendment of Administrative Order NSL-5133 to establish an 80-acre nonstandard spacing and proration unit consisting of the SW/4 NW/4 and NW/4 SW/4 of Section 11, T-22-S, R-26-E and for an exception to Rule 104(B)(1) for the completion of its Mesa Grande "11" Well No. 2 in the Bone Spring and Delaware formations drilled at an unorthodox oil well location 2661' FSL and 660' FWL (Unit L) of Section 11. The subject lands and well are located approximately ½ mile southwest of Carlsbad, New Mexico.

CASE 13578: *Continued from October 20, 2005, Examiner Hearing*

Application of Lynx Petroleum Consultants, Inc. for compulsory pooling, Lea County, New Mexico. Lynx Petroleum Consultants, Inc. seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the NE/4 NE/4 of Section 8, Township 18 South, Range 32 East, to form a standard 40 acre oil spacing proration unit for formations and/or pools developed on 40 acre spacing within the vertical extent. Applicant Lynx Petroleum Consultants, Inc. proposes to re-enter the plugged and abandoned Amoco Production Company Federal 'DM' No. 1 located on the identified property. Applicant proposes to re-enter the referenced well located 760 feet from the North line and 960 feet from the East line to a depth sufficient to test the Wolfcamp and Bone Springs formations. Also to be considered will be cost of re-entering and completing the well and the allocation of the cost among the well's working interest owners, as well as actual operating costs and charges for supervision, together with a provision adjusting the rates pursuant to COPAS accounting procedure, designation of Lynx Petroleum Consultants, Inc. as operator of the well and a 200% charge for the risk involved in re-entering and completing the well.

CASE 13531: *Continued from November 3, 2005, Examiner Hearing*

Application of Yates Petroleum Corporation for an Order (1) directing Pride Energy Company to reimburse Yates for the well costs incurred by Yates in its attempt to re-enter the State "X" Well No. 1 (API No. 30-025-01838) located in Section 12, Township 12 South, Range 34 East, NMPM, prior to the time Pride Energy Company assumed operations of the well, (2) directing Pride Energy Company to account for and pay all sums it is now improperly holding pursuant to expired orders of the Division and Commission, and (3) requiring Pride Energy Company to plug and abandon the State "X" Well No. 1, Lea County, New Mexico. Applicant seeks (1) an order directing Pride Energy Company ("Pride") to reimburse Yates for the costs Yates incurred in its re-entry operations on the State "X" Well No. 1 (API No. 30-025-01838) located 1980 feet from the North line and 660 feet from the West line (Unit E) of Section 12, Township 12 South, Range 34 East, prior to the time Pride assumed operations of the well, (2) an order directing Pride to account to and refund to Yates all of the portion of the estimated share of well costs for the State "X" Well now

**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:**

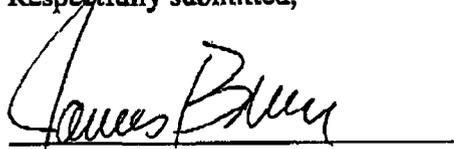
**APPLICATION OF LYNX PETROLEUM CONSULTANTS,
INC. FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO.**

Case No. 13,578

ENTRY OF APPEARANCE

James Bruce enters his appearance in the above case on behalf of XTO Energy Inc.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

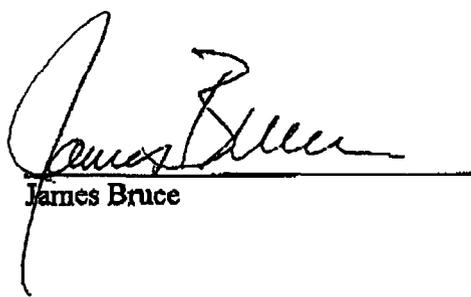
*WNB
10/20/05*

Attorney for XTO Energy Inc.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 16th day of October, 2005 via facsimile transmission:

Lorraine Hollingsworth
Domenici Law Firm P.C.
Suite 1000
320 Gold Avenue S.W.
Albuquerque, New Mexico 87102
Fax: (505) 884-3424



James Bruce

DOMENICI LAW FIRM, P.C.

ATTORNEYS AT LAW

**320 Gold Ave. SW, Suite 1000
Albuquerque, New Mexico 87102**

Pete V. Domenici, Jr.
pdomenic@domicilaw.com

Jeanne Cameron Washburn
jwashburn@domicilaw.com

(505) 883-6250 Telephone
(505) 884-3424 Facsimile

Charles N. Lakins
clakins@domicilaw.com

Lorraine Hollingsworth
lhollingsworth@domicilaw.com

October 14, 2005

VIA FACSIMILE TO (505) 476-3462

DL

WVJ 10/20/05

Florene Davidson
Hearing Clerk
Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

RE: Lynx Petroleum Consultants, Inc. Application for Compulsory Pooling

Dear Ms. Davidson:

Attached please find the Applicant Lynx Petroleum, Inc.'s Stipulation to Vacate and Reset Hearing. Please ensure that this matter is vacated from the October 20, 2005 Docket and reset for November 17, 2005 before the Hearing Examiner. I am also mailing the original to you this date. If this matter needs to be readvertised for any reason, please so advise me as soon as possible.

Thank you for your courtesies.

Sincerely,
DOMENICI LAW FIRM, P.C.



Charles N. Lakins, Esq.

cc: Client
1606

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**APPLICATION OF LYNX PETROLEUM
CONSULTANTS, INC. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO****Case No.: 13578****APPLICANT'S STIPULATION TO VACATE AND RESET HEARING DATE**

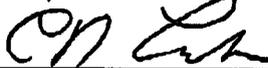
THE APPLICANT Lynx Petroleum Consultants, Inc. hereby states that it does not object to the request by XTO Energy to extend the hearing on this matter to the Thursday, November 17, 2005 hearing date. The Applicant therefore also requests that the OCD vacates this case from the Thursday, October 20, 2005 Docket and resets this matter for the Thursday, November 17, 2005 Docket in order to allow XTO Energy the opportunity to enter appearance and prepare for participation in this case.

Respectfully Submitted,
DOMENICI LAW FIRM, P.C.



Charles N. Lakins, Esq.
Attorneys for Lynx Petroleum Consultants, Inc.
320 Gold Ave SW, Suite 1000
Albuquerque, NM 87102
(505) 883-6250

I hereby certify that a true and correct copy of the foregoing was served on the parties of record this 14th day of October 2005.



Charles N. Lakins, Esq.



VIA Facsimile (505) 884-3424 - (505) 476-3462
Fed-Ex Overnight Delivery

October 13, 2005

Domenici Law Firm, P.C.
Attorneys at Law
320 Gold SW Suite 1000
Albuquerque, New Mexico 87102
Attn: Lorraine Hollingsworth, Esq
Office: (505) 883-6250

New Mexico Oil Conservation Division
1220 South Saint Francis
Santa Fe, New Mexico 87505
Attn: Hearing Examiner
Facsimile: (505) 476-3462
Office: (505) 476-3470

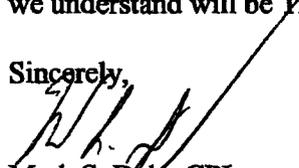
Re: Lynx Petroleum Consultants, Inc.
Application for Compulsory Pooling
NE/4 NE/4 Sec 8, T18S, R32E N.M.P.M.,
Lea County, New Mexico

Dear Ms. Hollingsworth and OCD Hearing Examiner:

In response to Ms. Hollingsworth Certified Letter and Pooling Application received Tuesday, October 11, 2005, XTO hereby requests an extension of time from the October 20th hearing docket and also to advise you that we plan to enter an appearance and participate in the case.

We ask that the Hearing Examiner grant this extension until the next calendar date, which we understand will be Thursday, November 17, 2005.

Sincerely,


Mark S. Dale, CPL
Division Landman - Permian Basin

cc: New Mexico Oil Conversation Division
1625 North French Drive
Hobbs, New Mexico 88240
Attn: Mr. Paul Kautz
Office: (505) 393-6161
Facsimile: (505) 393-0720

James Bruce
Attorney at Law
369 Montezuma, No. 213
Santa Fe, New Mexico 87501
Office: (505) 982-2043
Facsimile: (505) 982-2151

Kameron Fivecoat - Reservoir Engineer
Charles Ways - Senior Geologist
Jimmy Death
Tim Welch

WVY 10/20/05

DOMENICI LAW FIRM, P.C.

ATTORNEYS AT LAW

320 Gold Ave. SW, Suite 1000
Albuquerque, New Mexico 87102

Pete V. Domenici, Jr.
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Jeanne Cameron Washburn
jwashburn@domicilaw.com

(505) 883-6250 Telephone
(505) 884-3424 Facsimile

Lorraine Hollingsworth
lhollingsworth@domicilaw.com

October 14, 2005

VIA FACSIMILE TO (505) 476-3462

Florene Davidson
Hearing Clerk
Oil Conservation Division
1220 So. St. Francis Drive
Santa Fe, NM 87505

*Case
135 78*

RECEIVED
OCT 17 2005
OIL CONSERVATION
DIVISION

RE: Lynx Petroleum Consultants, Inc. Application for Compulsory Pooling

Dear Ms. Davidson:

Attached please find the Applicant Lynx Petroleum, Inc.'s Stipulation to Vacate and Reset Hearing. Please ensure that this matter is vacated from the October 20, 2005 Docket and reset for November 17, 2005 before the Hearing Examiner. I am also mailing the original to you this date. If this matter needs to be readvertised for any reason, please so advise me as soon as possible.

*WWSJ
P/19/05*

Thank you for your courtesies.

Sincerely,
DOMENICI LAW FIRM, P.C.



Charles N. Lakins, Esq.

cc: Client
1606

RECEIVED

OCT 17 2005

OIL CONSERVATION
DIVISION

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF LYNX PETROLEUM
CONSULTANTS, INC. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO

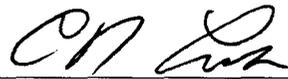
Case No.: 13578

APPLICANT'S STIPULATION TO VACATE AND RESET HEARING DATE

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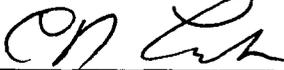
LWVJT
10/19/05

Respectfully Submitted,
DOMENICI LAW FIRM, P.C.



Charles N. Lakins, Esq.
Attorneys for Lynx Petroleum Consultants, Inc.
320 Gold Ave SW, Suite 1000
Albuquerque, NM 87102
(505) 883-6250

I hereby certify that a true and correct copy of the foregoing was served on the parties of record this 14th day of October 2005.



Charles N. Lakins, Esq.