

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION

JUN 13 2003

Oil Conservation Division

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

CASE NO. 13,047

APPLICATION OF CHESAPEAKE OPERATING,)
INC., FOR COMPULSORY POOLING, LEA)
COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

June 10th, 2003

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Tuesday, June 10th, 2003, 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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I N D E X

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Examiner Hearing
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A P P E A R A N C E S

FOR THE DIVISION:

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

FOR CONOCO/PHILLIPS:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 8:24 a.m.:

3 EXAMINER STOGNER: At this time I'm going to call
4 Case Number 13,047, which is the Application of Chesapeake
5 Operating, Inc., for compulsory pooling, Lea County, New
6 Mexico.

7 Call for appearances.

8 MR. CARR: May it please the Examiner, my name is
9 William F. Carr with the Santa Fe office of Holland and
10 Hart, L.L.P. We represent ConocoPhillips in this matter.

11 I would like to point out that this case is an
12 outgrowth of a long-running dispute between Chevron, Conoco
13 and Sapient Energy Corporation. It resulted in a
14 Commission order approximately one year ago. The order was
15 Order R-11,652-B, and what that order basically determined
16 was that the proper spacing unit for the Bertha J. Barber
17 Well Number 12 was, in fact, the northeast quarter of
18 Section 7, Township 20 South, Range 37 East. The order
19 provided that if the parties in this acreage couldn't reach
20 voluntary agreement, that a pooling application should be
21 made to the Division.

22 The property has since been conveyed from Sapient
23 to Chesapeake Operating, Inc., and I can advise the
24 Division that there have been active negotiations to settle
25 these issues in this matter between ConocoPhillips and

1 Chesapeake. Those are ongoing, they will bind the other
2 parties, the other interest owners in the spacing unit. I
3 believe they will be concluded within the next 30 days.

4 And therefore, on behalf of ConocoPhillips we
5 would request a 30-day continuance of this matter to the
6 July 10th hearing.

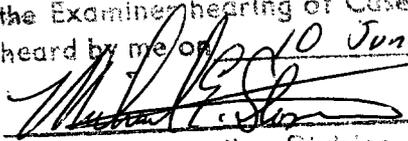
7 I have discussed this matter on several occasions
8 with Mr. Kellahin, who is the attorney for Chesapeake
9 Operating, Inc., and he has no objection to this request.

10 EXAMINER STOGNER: Thank you, Mr. Carr. Case
11 Number 13,047 will now be continued to July 10th.

12 And with that, this hearing is adjourned today.
13 Thank you.

14 (Thereupon, these proceedings were concluded at
15 8:25 a.m.)

16 * * *

17
18 I do hereby certify that the foregoing is
19 a complete record of the proceedings in
20 the Examiner hearing of Case No. 13042
heard by me on 10 June 2003
21  , 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 June 10th, 2003.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006