

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:)
) CASE NO. 13,916
APPLICATION OF PARALLEL PETROLEUM)
CORPORATION FOR COMPULSORY POOLING,)
CHAVES COUNTY, NEW MEXICO)
_____)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Hearing Examiner

June 7th, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Hearing Examiner, on Thursday, June 7th, 2007, 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

June 7th, 2007
Examiner Hearing
CASE NO. 13,916

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T

Applicant's

Identified

Admitted

Exhibit 3

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* * *

A P P E A R A N C E S

FOR THE APPLICANT:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:57 a.m.:

3 EXAMINER BROOKS: At this time we'll call Case
4 Number 13,916, the Application of Parallel Petroleum
5 Corporation for compulsory pooling, Chaves County, New
6 Mexico.

7 MS. MUNDS-DRY: Good morning, Mr. Examiner. My
8 name is Ocean Munds-Dry with the law firm Holland and Hart,
9 here representing of Parallel Petroleum Corporation this
10 morning.

11 EXAMINER BROOKS: Any other appearances?
12 Any witnesses?

13 MS. MUNDS-DRY: No witness.

14 EXAMINER BROOKS: Very good.

15 MS. MUNDS-DRY: Mr. Examiner, this case was
16 originally heard on May 10th to pool certain lost interest
17 owners, and if you'll recall at the conclusion of that
18 hearing we discussed whether the notice complied with the
19 Division Rules --the legal notice, I should say -- in that
20 it did not identify those lost interest owners.

21 And you may also recall that after that hearing
22 you reviewed the Rules and determined that Parallel was in
23 compliance with the Rules, however --

24 EXAMINER BROOKS: That is correct.

25 MS. MUNDS-DRY: -- however, Mr. Examiner, we

1 decided, just in an abundance of caution, to go ahead and
2 re-publish legal notice and include the names of the lost
3 interest owners.

4 And as we understand, the Division may at least
5 encourage this type of publication in the future.

6 EXAMINER BROOKS: That was my recommendation to
7 the Division that they do so, because I felt that it was
8 required -- publication -- that was a requirement for
9 publication under the New Mexico Rules of Civil Procedure,
10 and while they do not apply to the Division's activities,
11 it seems -- it's at least conceivable to me that if a
12 Division proceeding were challenged in court on the
13 adequacy of published notice, that the Court might refer to
14 the New Mexico Rules of Civil Procedure by analogy.

15 MS. MUNDS-DRY: And so with that recommendation,
16 Parallel did take you up on your advice and re-published
17 and include -- and what I've given you as Exhibit Number 3
18 is that affidavit of publication, and it does include the
19 names of those lost interest owners.

20 And --

21 EXAMINER BROOKS: Thank you.

22 MS. MUNDS-DRY: -- with that, we would ask that
23 this Exhibit Number 3 be admitted into the record and that
24 this matter be taken under advisement.

25 EXAMINER BROOKS: Very good, Exhibit Number 3 is

1 admitted.

2 And if there's nothing further, Case Number
3 13,916 will be taken under advisement.

4 MS. MUNDS-DRY: Thank you, Mr. Examiner.

5 (Thereupon, these proceedings were concluded at
6 9:00 a.m.)

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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. 13916,
heard by me on June 7 2007
David K. Puthy, Examiner
Oil Conservation Division

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 7th, 2007.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2010