

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. 14,040  
APPLICATION OF PARALLEL PETROLEUM )  
CORPORATION TO REINSTATE DIVISION )  
ORDER R-12,798 FOR COMPULSORY POOLING, )  
CHAVES COUNTY, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner  
DAVID K. BROOKS, Jr., Legal Examiner

December 13th, 2007

Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Technical Examiner, DAVID K. BROOKS, Jr., Legal Examiner, on Thursday, December 13th, 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.

\* \* \*

## I N D E X

December 13th, 2007  
 Examiner Hearing  
 CASE NO. 14,040

PAGE

REPORTER'S CERTIFICATE

9

\* \* \*

## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	5
Exhibit 2	-	5
Exhibit 3	-	5
Exhibit 4	-	5

\* \* \*

## A P P E A R A N C E S

## FOR THE DIVISION:

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

## FOR THE APPLICANT:

KELLAHIN & KELLAHIN  
 117 N. Guadalupe  
 P.O. Box 2265  
 Santa Fe, New Mexico 87504-2265  
 By: W. THOMAS KELLAHIN

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:40 a.m.:

3           EXAMINER EZEANYIM: On page 2, at this point I  
4 call Case Number 14,040. This is the Application of  
5 Parallel Petroleum Corporation to reinstate Division Order  
6 R-12,798 for compulsory pooling, Chaves County, New Mexico.  
7           Call for appearances.

8           MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of  
9 the Santa Fe law firm of Kellahin and Kellahin, appearing  
10 this morning on behalf of the Applicant. With your  
11 permission we have advertised to hear this case pursuant to  
12 an affidavit, so I have no witnesses.

13           EXAMINER EZEANYIM: Any other appearances?  
14           Okay, you may proceed, Mr. Kellahin.

15           MR. KELLAHIN: Mr. Examiner, I'm appearing this  
16 morning on behalf of Parallel Petroleum Corporation. Back  
17 in August the Division issued Order R-12,798, which is a  
18 compulsory pooling order. Unfortunately, Parallel  
19 neglected to obtain an extension of the order. It expired  
20 of its terms. The expiration of the order was October  
21 31st.

22           Having failed to obtain an extension, I'm  
23 applying today to have the order reinstated.

24           In order to accomplish that, Mr. Examiner, Mr.  
25 Aaron Myers' affidavit is presented to you, which is marked

1 as Exhibit Number 1. The substance of Mr. Myers' affidavit  
2 is that all the parties remain the same, all the costs  
3 associated with the well are the same, the risk factor is  
4 the same, the well is the same, the plan for the well is  
5 the same. And so what he is seeking to accomplish, to have  
6 you simply reinstate the order and provide a new expiration  
7 date so that they can go ahead and complete the pooling  
8 portion of the Application.

9 To aid you, I've made references to the prior  
10 transcript, and order -- the order itself is attached to  
11 the package of documents, and we've made reference to the  
12 transcript.

13 Behind the affidavit, the first document is a  
14 list of the parties for whom there was no voluntary  
15 agreement. The highlighted individuals are parties that  
16 could not be located pursuant to the original pooling,  
17 still cannot be located, and all their names appeared on  
18 the original notice in the newspaper.

19 In addition, we've attached a new notification in  
20 the newspaper with regards to this case, and it appears in  
21 the package of documents.

22 In addition to the list of owners, there's a  
23 locator map associated with it, and as you turn through the  
24 exhibits you're going to find a summary, which was  
25 presented in the original case, of the contacts to try to

1 find all these people.

2 And then finally in the package is my certificate  
3 of notification where we attempted to notify all the  
4 parties of the hearing today. That notice was sent on  
5 November 8th of this year.

6 With that explanation, Mr. Examiner, we seek your  
7 permission to introduce this package of exhibits before you  
8 today, as marked as Exhibit 1 through Exhibit -- through  
9 Exhibit 4, 1 through 4.

10 EXAMINER EZEANYIM: Exhibits 1 through 4 will be  
11 admitted.

12 Go ahead.

13 MR. KELLAHIN: That's all I have, Mr. Examiner.

14 EXAMINER BROOKS: I was comparing the lists to  
15 see if -- from Exhibit A and Exhibit B, and -- Let's see...

16 MR. KELLAHIN: Having made that mistake before,  
17 Mr. Brooks, I have double-checked those, and we attempted  
18 to place every name in the newspaper notification --

19 EXAMINER BROOKS: Yeah.

20 MR. KELLAHIN: -- and it's also shown on the  
21 list.

22 EXAMINER BROOKS: Well, there's a couple I'm not  
23 finding here, and maybe you can help me. Got Kelly, got  
24 Gifford, John Brown University, Siewert Family Trust,  
25 Robert Brown, Kenneth Long -- Marsha Cockrell, that's one I

1 didn't see before, so we've got Marsha Cockrell. The only  
2 one left I'm not finding is Gerald Vincent Reeder.

3 MR. KELLAHIN: I'm having trouble finding that  
4 name, Mr. Brooks. On what list does that name show?

5 EXAMINER BROOKS: On Exhibit A to the affidavit,  
6 the fifth page in your package.

7 MR. KELLAHIN: Yeah, it starts off with Helena  
8 Kelly?

9 EXAMINER BROOKS: Yeah, that's the top one,  
10 then --

11 EXAMINER EZEANYIM: And the highlighted ones.

12 EXAMINER BROOKS: Yeah. I found all of them on  
13 the list on Exhibit B except for --

14 MR. KELLAHIN: I see, Gerald Vincent Reeder.

15 EXAMINER BROOKS: Let's see what you've got.

16 MR. KELLAHIN: I will double-check, Mr. Brooks.  
17 But my understanding is, that interest -- there were a  
18 couple of interests that they obtained leases for  
19 subsequent to the last order --

20 EXAMINER BROOKS: Okay.

21 MR. KELLAHIN: -- and I think that's been deleted  
22 because there is a lease with that individual --

23 EXAMINER BROOKS: Okay --

24 MR. KELLAHIN: -- but I'll --

25 EXAMINER BROOKS: -- that would make sense.

1 MR. KELLAHIN: -- reconfirm that. I'll double-  
2 check that.

3 EXAMINER BROOKS: Okay, if you will advise the  
4 Examiner --

5 MR. KELLAHIN: I will.

6 EXAMINER BROOKS: -- when you get that  
7 information.

8 MR. KELLAHIN: Yes, sir.

9 EXAMINER EZEANYIM: Let me understand. On that  
10 Exhibit A, Attachment A, the highlighted names, what are  
11 they?

12 MR. KELLAHIN: The original highlighted names on  
13 that exhibit were parties for whom Parallel could never  
14 find an address.

15 EXAMINER EZEANYIM: Oh, okay. Why did they let  
16 this order expire, without doing anything?

17 MR. KELLAHIN: That was simply an oversight on  
18 the clerical people that had posted the information about  
19 the order, and they simply forgot to get the extension,  
20 which is very easy to accomplish. They just didn't do it.

21 EXAMINER EZEANYIM: Yes, that's very good. If  
22 they have done the extension, we're wasting our time here.

23 MR. KELLAHIN: Yeah, I understand that. I  
24 apologize for the client. They've done a number of these  
25 cases, and unfortunately they forgot to get this one

1 extended.

2 EXAMINER BROOKS: I see that Reeder is included  
3 on the publication notice, so if his address is unknown but  
4 you have a lease from him, then that --

5 MR. KELLAHIN: I'll double-check.

6 EXAMINER BROOKS: -- then you know his address,  
7 but then you don't need to notify him, so -- Okay.

8 EXAMINER EZEANYIM: Are you going to provide that  
9 information to --

10 MR. KELLAHIN: Yes, I'll double-check to make  
11 sure my understanding is correct.

12 EXAMINER EZEANYIM: Okay. Okay, at this point  
13 Case Number 14,040 will be taken under advisement.

14 (Thereupon, these proceedings were concluded at  
15 8:48 a.m.)

16 \* \* \*

17  
18  
19 I do hereby certify that the foregoing is  
20 a complete record of the pro  
the District Hearing of Co  
heard by me on 12/13/87 14040

21  
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 February 28th, 2008.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2010