

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:

ORIGINAL

APPLICATION OF APACHE CORPORATION
FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

CASE NO. 14383

2009 SEP 30 P 2:05
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REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Presiding Examiner
DAVID K. BROOKS, Legal Examiner
TERRY G. WARNELL, Technical Examiner

September 17, 2009

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, RICHARD EZEANYIM,
Presiding Examiner; DAVID K. BROOKS, Legal Examiner; and
TERRY G. WARNELL, Technical Examiner, on Thursday,
September 17, 2009, at the New Mexico Energy, Minerals
and Natural Resources Department, 1220 South St. Francis
Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105
Albuquerque, NM 87103 505-843-9241

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A P P E A R A N C E S

FOR THE APPLICANT:

JAMES G. BRUCE, ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504-1056

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1 MR. EZEANYIM: We go to page three and
2 call the first case, Case Number 14362. This is
3 continuing from the August 20 Examiner Hearing. This is
4 the application of Chesapeake Operating, Inc., for
5 statutory -- I'm sorry. This is not what I want to do.
6 I told you I want to do compulsory case.

7 Let's go back to page 5. On page 5, now we go
8 to those two compulsory cases like I said before. Case
9 Number 14383, application of Apache Corporation for
10 compulsory pooling, Lea County, New Mexico. Call for
11 appearances.

12 MR. BRUCE: Mr. Examiner, Jim Bruce of
13 Santa Fe representing the applicant. I'm submitting this
14 by affidavit.

15 MR. EZEANYIM: Any other appearances? You
16 may proceed, Mr. Bruce.

17 MR. BRUCE: Mr. Examiner, in this case
18 Apache seeks the pooling of the southwest quarter
19 northwest quarter of Section 11, Township 20 South, Range
20 38 East from the surface to the base of Drinkard
21 formation.

22 Attached as Exhibit 1 is the affidavit of
23 Michelle Hanson, Apache's landman. Exhibit A attached to
24 the affidavit shows -- highlights the acreage being
25 pooled, and Exhibit B lists the interest owners being

1 pooled. For the most part, they're unlocateable interest
2 owners, and the only people with valid addresss are
3 Robert Groves Howard and Thelma Marie Carlin.

4 Apache has sent proposal letters to those
5 people. They have also checked all the pertinent
6 records, Internet records, to locate the unlocateable
7 people. This is actually the second well on this well
8 unit drilled by Apache. If you look at the land plat,
9 the west half of the northwest quarter is a single fee
10 tract with numerous, numerous mineral owners, and they
11 have been -- they have drilled a couple of wells on this
12 acreage, so they have been looking for these people for a
13 couple of years and have been unable to locate them.

14 Exhibit D is the AFE for the well. The well
15 is a little over a million one, and the overhead rates
16 requested are 6,000 a month for a drilling well and 600 a
17 month for a producing well.

18 Exhibit 2 is my affidavit of notice. There
19 were three entities with addresss. Only one of the
20 addresses appears valid, and this comports with my prior
21 notices to these addresss and the other wells that I
22 mentioned. And as a result, we did submit to the Hobbs
23 newspaper a notice to be published, and Exhibit 3 is the
24 affidavit of notice which identifies all people in the
25 well unit, including the one person -- the one woman who

1 did receive actual notice.

2 With that I would move the admission of
3 Exhibits 1 through 3 and ask that they be admitted into
4 evidence.

5 MR. EZEANYIM: Exhibits 1, 2 and 3 will be
6 admitted.

7 (Exhibits 1 through 3 were admitted.)

8 MR. BRUCE: That's it.

9 MR. EZEANYIM: Any questions?

10 MR. BROOKS: From the surface to the base
11 of the Drinkard, is that the same ownership for all
12 depths --

13 MR. BRUCE: Yes. The ownership is common
14 as to all depths in this tract.

15 MR. BROOKS: And there were, of course,
16 several people you were unable to locate, and they're all
17 on this legal notice?

18 MR. BRUCE: Yes.

19 MR. BROOKS: Okay. I will let the
20 Examiner check and verify that, do that on my own when
21 I'm the examiner, but I won't try to do it while you all
22 are sitting here. That's all my questions.

23 MR. WARNELL: Do you have an API number
24 for this well?

25 MR. BRUCE: I will check. I did check

1 last week, and they did not have an API number. I will
2 check again and let you know.

3 MR. WARNELL: Has it been drilled or
4 spudded or do you know?

5 MR. BRUCE: No, it has not been drilled.

6 MR. WARNELL: And the notice was
7 published?

8 MR. BRUCE: It was published on the 31st
9 of August in the Hobbs newspaper. Or I should say August
10 29th.

11 MR. BROOKS: I was going to say the 31st
12 is only 18 days.

13 MR. WARNELL: That's all I have.

14 MR. EZEANYIM: Okay. Mr. Bruce, since you
15 didn't locate everybody, you are going to establish some
16 escrow here?

17 MR. BRUCE: Yes. I believe they already
18 have. But put that in the order and I'll verify that for
19 the Division. They have force pooled these same people.
20 This is the third time they have force pooled.

21 MR. EZEANYIM: I didn't see any plat, Form
22 C-102. Do you have any idea where the well is located?

23 MR. BRUCE: It is 2,260 feet from the
24 north line --

25 MR. EZEANYIM: 2,200?

1 MR. BRUCE: 2,260 --

2 MR. EZEANYIM: -- from the north line

3 MR. BRUCE: And 330 from the west line.

4 MR. EZEANYIM: Okay. And no APD yet,
5 since --

6 MR. BRUCE: As of last week. I'll check
7 and verify and email you both.

8 MR. EZEANYIM: Okay. And what is the
9 depth of the well?

10 MR. BRUCE: It is something over 7,000.
11 7,350 is the estimated total depth.

12 MR. EZEANYIM: Okay. At this point, Case
13 Number 14383 will be taken under advisement.

14 * * *

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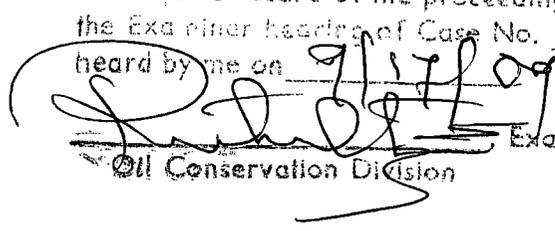
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14383
heard by me on 9/17/09


Examiner
Oil Conservation Division

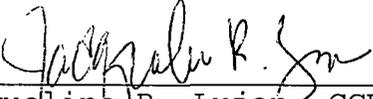
REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on September 17, 2009, proceedings in
the above captioned case were taken before me and that I
did report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with 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.

WITNESS MY HAND this 30th day of September,
2009.



Jacqueline R. Lujan, CCR #91
Expires: 12/31/2009

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