

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

1 August 1984

COMMISSION HEARING

IN THE MATTER OF:

Application of Bass Enterprises Pro- CASE
duction Co. for the approval of 8288
drilling islands and special rules
for Potash-Oil Area, Eddy County,
New Mexico.

BEFORE: Commissioner Joe Ramey, Chairman
Commissioner Ed Kelley

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: W. Perry Pearce
Attorney at Law
Oil Conservation Commission
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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3 MR. RAMEY: We'll call next
4 Case 8288.

5 MR. PEARCE: That case is on
6 the application of Bass Enterprises Production Company for
7 the approval of drilling islands and special rules for
8 potash/oil area, Eddy County, New Mexico.

9 Mr. Examiner, that case -- Mr.
10 Commissioner, I apologize, that case is to be continued
11 until August the 23rd, 1984.

12 MR. RAMEY: Case 8288 will be
13 continued to August 23rd, 1984.

14 (Hearing concluded.)
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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY
that the foregoing Transcript of Hearing before the Oil Con-
servation Division was reported by me; that the said tran-
script is a full, true, and correct record of the hearing,
prepared by me to the best of my ability.

Sally W. Boyd CSR

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

23 August 1984

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drilling islands and special rules
for the potash/oil area, Eddy County,
New Mexico.

BEFORE: Commissioner Joe Ramey, Chairman
Commissioner Ed Kelley

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation W. Perry Pearce
Division: Attorney at Law
Oil Conservation Commission
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant: W. Thomas Kellahin
Attorney at Law
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3 MR. RAMEY: We will now call
4 Case 8288.

5 MR. PEARCE: That case is on
6 the application of Bass Enterprises Production Company for
7 the approval of drilling islands and special rules for the
8 potash/oil area, Eddy County, New Mexico.

9 I will call for appearances at
10 this time, please.

11 MR. KELLAHIN:, Mr. Chairman, I
12 am Tom Kellahin of Kellahin and Kellahin, Santa Fe, New Mex-
13 ico, appearing in association with Patrick Apodoca, an at-
14 torney at law and a member of the Washington, D. C. Bar.

15 We are repreenting the appli-
16 cant, Bass Enterprises Production Company.

17 MR. HIGH: Mr. Charles C. High,
18 Jr. and Reese Fullerton of Kemp, Smith, Duncan & Hammond,
19 appearing on behalf of Duval Corporation, International Min-
20 erals and Chemical Corporation, Potash Company of America,
21 and AMAX Chemical Corporation, in opposition to the applica-
22 tion.

23 MR. ROBB: John Robb of the
24 firm of Rodey, Dickason, Sloan, Akin & Robb, appearing in
25 opposition on behalf of Kerr McGee Company.

MR. TEMPLEMAN: William Temple-
man, appearing on behalf of Noranda Exploration, Incorporated.

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2 MR. PEARCE: Are there other
3 takers?

4 MR. KELLAHIN: Mr. Chairman, I
5 would like to place as an exhibit that's marked for identi-
6 fication in this case as Bass Exhibit Number One, the pro-
7 posed procedures for approval of the drilling islands in the
8 Oil Conservation Division Oil/Potash Area.

9 I will submit a copy for the
10 record to the Commission and to opposing counsel.

11 MR. ROBB: Mr. Chairman, may I
12 ask counsel if these are the same as the ones covered by the
13 application or whether they have some "amendments"?

14 MR. KELLAHIN: Mr. Chairman, in
15 response to counsel's questions, I believe the proposed Ex-
16 hibit Number One is the detailed procedures and those are
17 not contained in the application.

18 The application itself, as
19 filed, simply refers to the establishment of eighteen drill-
20 ing islands and the detailed procedures are not appended to
21 that application and that's the purpose in me sharing those
22 with counsel at this point.

23 MR. ROBB: Is it being tendered
24 as an exhibit?

25 MR. KELLAHIN: No, sir, it's
simply placed before counsel and the Commission as an exhi-
bit that's marked for identification.

Mr. Chairman, I am particularly

1 sensitive and aware to the fact that the Oil Conservation
2 Commission has its own jurisdiction and rules and proce-
3 dures for exercising and governing its jurisdiction over the
4 potash/oil area, performing its statutory duties pursuant.

5 I'm also sensitive to the fact
6 that this area is also subject to the jurisdiction of the
7 Secretary of Interior and the Bureau of Land Management has
8 its own separate and different procedures for the drilling
9 in this area.

10 I'm also mindful of the fact
11 that while I am not ready to present to you either in oppo-
12 sition or support of the fact that the Secretary of Interior
13 has a potash enclave map, I am aware of the fact that that
14 map is currently being reproduced and that the existing map
15 that has been circulated for a number of years is in the
16 process of being revised.

17 Without admitting whether or
18 not it is a necessary element of proving anyone's case or
19 whether it's relevant to this, I'm interested in seeing what
20 that map has to say in relation to this case.

21 In addition, my client has been
22 requested by the Bureau of Land Management to cooperate with
23 the Bureau of Land Management in allowing, subject to your
24 judgment, Mr. Chairman, that this case be continued for some
25 reasonable period of time so that the oil and gas operators,
Bureau of Land Management, potash industry representatives,
have an opportunity to look at and review the new map when

published.

My client concurs in that request on behalf of the Bureau of Land Management, and therefore we're requesting that you continue the current case now before you indefinitely until such time as the potash map has been published and made available not only to my client but to the potash industry.

At such time as I come in possession of that map, I will then notify the Commission and will request for a hearing in this island case and notify opposing counsel and we'll see if we can't reach some agreement upon when we can reschedule this case.

Based upon those comments and qualifications, Mr. Chairman, we seek that this case now be continued.

MR. RAMEY: All right, Mr. Kellahin, we'll continue Case 8288 until we hear from you again.

MR. KELLAHIN: Thank you, sir.

MR. RAMEY: With that the hearing is adjourned.

(Hearing concluded.)

C E R T I F I C A T E

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