

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date AUGUST 22, 1996 Time: 8:15 A.M.

| NAME           | REPRESENTING                 | LOCATION       |
|----------------|------------------------------|----------------|
| BRIAN E. BLOME | UMC PETROLEUM                | DEN. CO. 80202 |
| W. Kellolin    | Kellolin & Kellolin          | San Fe         |
| William J. Am  | Campbell, Am, Jay & Jackson  | Santa Fe       |
| James Bruce    | Huntley Law Firm             | SF             |
| Scott Hall     | Miller Law Firm              | SF             |
| Frank Chavez   | OCD                          | Atfc           |
| Kirk Bell      | Linda Bell<br>MARY BLOOMGUST |                |

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

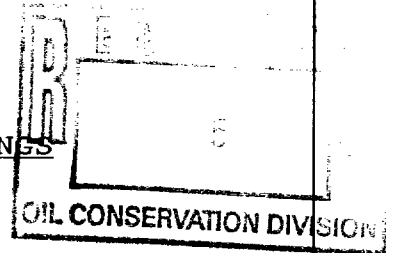
IN THE MATTER OF THE HEARING CALLED BY )  
 THE OIL CONSERVATION DIVISION FOR THE )  
 PURPOSE OF CONSIDERING: )  
 )  
 APPLICATION OF ENRON OIL AND GAS )  
 COMPANY FOR COMPULSORY POOLING, )  
 LEA COUNTY, NEW MEXICO )

CASE NO. 11,598

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING



BEFORE: DAVID R. CATANACH, Hearing Examiner

August 22nd, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, August 22nd, 1996, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

## I N D E X

August 22nd, 1996  
 Examiner Hearing  
 CASE NO. 11,598

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| STATEMENT BY MR. CARR  | 3    |
| REPORTER'S CERTIFICATE | 7    |

\* \* \*

## E X H I B I T

| Applicant's         | Identified | Admitted |
|---------------------|------------|----------|
| Affidavit of Notice | 4          | 6        |

\* \* \*

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

## FOR THE DIVISION:

RAND L. CARROLL  
 Attorney at Law  
 Legal Counsel to the Division  
 2040 South Pacheco  
 Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.  
 Suite 1 - 110 N. Guadalupe  
 P.O. Box 2208  
 Santa Fe, New Mexico 87504-2208  
 By: WILLIAM F. CARR

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 10:02 a.m.:

3           EXAMINER CATANACH: At this time we'll call the  
4 hearing back to order, and I'll call Case 11,598.

5           MR. CARROLL: Application of Enron Oil and Gas  
6 Company for compulsory pooling, Lea County, New Mexico.

7           EXAMINER CATANACH: Are there appearances in this  
8 case?

9           MR. CARR: May it please the Examiner, my name is  
10 William F. Carr with the Santa Fe law firm Campbell, Carr,  
11 Berge and Sheridan.

12           We represent Enron Oil and Gas Company in this  
13 matter, and I have a statement to make.

14           EXAMINER CATANACH: Are there any additional  
15 appearances?

16           Mr. Carr, you may make your statement.

17           MR. CARR: May it please the Examiner, the  
18 acreage which is the subject of this hearing, being the  
19 east half of Section 7 in Township 24 South, Range 34 East,  
20 Lea County, New Mexico, was the subject of a pooling  
21 application in April -- or in March of this year. That  
22 case was Case Number 11,494.

23           On the first of April, the Division entered Order  
24 Number R-10,575, pooling these lands and providing that the  
25 order became null and void if the well is not commenced by

1 the first of July or an extension of the order obtained  
2 from the Division.

3 Enron failed to obtain an extension of this  
4 order, contacted me about the 10th of July. I conferred  
5 with Mr. Stogner, and Mr. Stogner advised that if we would  
6 renotify everyone subject to the pooling, that when the  
7 case came before the Division, the Division would be  
8 willing to accept the record made at the March 21st, 1996,  
9 hearing.

10 I received an affidavit showing that notice had  
11 again been provided and that we could ask the Division to  
12 reconsider the application based on the record made on  
13 March the 21st.

14 So I would ask that the record made in Case  
15 11,494 on March the 21st be incorporated by reference into  
16 this hearing. And I have an affidavit with attached green  
17 cards that shows that once again all interest owners have  
18 been notified of this pooling application.

19 MR. CARROLL: Mr. Carr, are these the same owners  
20 as in --

21 MR. CARR: They're the same owners, with the  
22 addition of two or three people whose identity has been  
23 discovered since the last hearing. They have also been  
24 notified of the hearing, and we believe they're voluntarily  
25 joining in the well. They've agreed to, and the paperwork

1 is out to them. Other than that...

2 MR. CARROLL: Any other changed circumstances  
3 since March?

4 MR. CARR: No, sir. They just failed to seek an  
5 extension of the order until it was null and void and  
6 couldn't be revived by requesting. They have a rig  
7 available to commence the well about the 15th of September.

8 EXAMINER CATANACH: Mr. Carr, the interest owners  
9 who have been discovered subsequent to the last hearing,  
10 have they been afforded the opportunity to join in the  
11 well?

12 MR. CARR: Yes, they have been, and it appears  
13 they're going to farm out. They're very small interest  
14 owners. They were identified before as unknown.

15 MR. CARROLL: Which of these owners were added?  
16 Do you know?

17 MR. CARR: Let me get the affidavit, and I can  
18 tell you. The owners they have identified have been a  
19 group of owners, and they start with John J. -- I think  
20 it's Kilse, K-i-l-s-e, Jr., and run through the remainder  
21 of the affidavit.

22 And each of those owners has been contacted and  
23 given an opportunity to join in the well. They have  
24 indicated that they are going to. Paperwork is out to  
25 them.

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EXAMINER CATANACH: Okay, the new notice affidavit will be admitted as evidence in this case, and the record in Case Number 11,494 will be incorporated by reference into this case.

Is there anything further?

MR. CARR: Nothing further.

EXAMINER CATANACH: There being nothing further, Case 11,598 will be taken under advisement.

(Thereupon, these proceedings were concluded at 10:06 a.m.)

\* \* \*

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11598, heard by me on August 28, 1996.  
David R. Catanch, Examiner  
OH Conservation Division

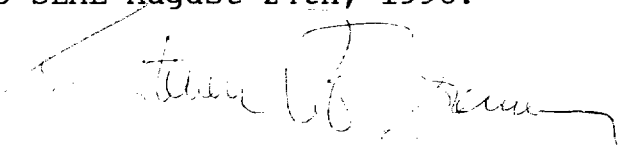
## CERTIFICATE OF REPORTER

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 August 24th, 1996.

  
 STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 1998