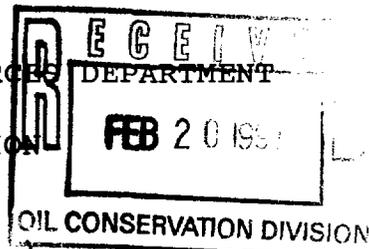


STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES  
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING CALLED BY  
THE OIL CONSERVATION DIVISION FOR THE  
PURPOSE OF CONSIDERING:

APPLICATION OF NEARBURG EXPLORATION  
COMPANY, L.L.C., FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO

CASE NO. 11,684

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 6th, 1997

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 6th, 1997, 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

February 6th, 1997  
Examiner Hearing  
CASE NO. 11,684

PAGE

REPORTER'S CERTIFICATE

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

## FOR THE APPLICANT:

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

## FOR AMOCO PRODUCTION COMPANY:

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 9:13 a.m.:

3           EXAMINER STOGNER: At this time I'll call Case  
4 Number 11,684, which is the Application of Nearburg  
5 Exploration Company, L.L.C., for compulsory pooling, Eddy  
6 County, New Mexico.

7           At this time I'll 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 on behalf of the Applicant.

11          MR. CARR: May it please the Examiner, my name is  
12 William F. Carr with the Santa Fe law firm Campbell, Carr,  
13 Berge and Sheridan. I am entering my appearance on behalf  
14 of Amoco Production Company.

15          Mr. Stogner, I've been authorized by Amoco to  
16 advise the Examiner that Amoco has no objection to the  
17 compulsory pooling Application in this case which will  
18 affect its interest in this property.

19          EXAMINER STOGNER: Mr. Kellahin, do you have any  
20 witnesses?

21          MR. KELLAHIN: No, sir. Let me take a minute  
22 when you're ready and explain to you how we got here today.

23          EXAMINER STOGNER: Okay, because I don't have the  
24 case file on this --

25          MR. KELLAHIN: Yes, sir, it's -- Mr. Catanach

1 heard it on the 23rd of January.

2 EXAMINER STOGNER: Well, that explains where the  
3 case file probably --

4 MR. KELLAHIN: If I may approach the table, I  
5 will --

6 EXAMINER STOGNER: Please.

7 MR. KELLAHIN: -- hand you a couple of documents.

8 EXAMINER STOGNER: Mr. Kellahin, you may  
9 continue.

10 MR. KELLAHIN: Thank you.

11 Mr. Examiner, this case was presented by Nearburg  
12 to Examiner Catanach on January 23rd. I've handed you  
13 Exhibit 2 out of that package of documents that were  
14 introduced.

15 You can see by the configuration of lots in the  
16 east half of the section that the deep gas well spacing  
17 unit is subdivided.

18 You'll also note that in the northeast quarter of  
19 the southeast quarter of the section, it is further  
20 subdivided between Arco and Amoco. At the time the  
21 Application was filed by Nearburg, we were unaware that  
22 Amoco, in fact, had an interest in that 40-acre tract.

23 Subsequent to the hearing, then, on January 24th  
24 [sic], I delivered the letter that you have before you to  
25 my colleague, Mr. Carr, who generally represents Amoco,

1 requesting his assistance to determine if Amoco desired to  
2 participate in the well, that if they had any objection  
3 would they like the matter to be reopened and contested at  
4 an Examiner hearing concerning compulsory pooling or, in  
5 fact, would they waive the notice and waive any objection  
6 to being pooled?

7 I've delivered those documents to Mr. Carr, and  
8 he this morning has entered an appearance on behalf of  
9 Amoco. That is the only unfinished matter in this case  
10 before it is taken under advisement.

11 Mr. Carr has just announced that Amoco has no  
12 objection to having this case concluded and to having a  
13 pooling order entered, and we would ask that you do so at  
14 this time.

15 EXAMINER STOGNER: The map that you handed me --  
16 Well, there's two documents that you handed me: the January  
17 24th, 1997, letter, and the land plat, I should say, are  
18 these in the form of an exhibit, or just made a part of the  
19 record?

20 MR. KELLAHIN: Exhibit 2, which is the plat, is  
21 already in the case file, Mr. Examiner. It's simply an  
22 additional copy.

23 EXAMINER STOGNER: Oh, okay. So this is nothing  
24 new?

25 MR. KELLAHIN: No, sir. What is new before you

1 is a copy of my letter to Mr. Carr in which I ask him to  
2 assist me in providing Amoco with notice and an opportunity  
3 to participate.

4 EXAMINER STOGNER: Just clarification of the  
5 record.

6 In referring to the plat at the January 23rd  
7 hearing, and subsequent to today's hearing, who will this  
8 compulsory pooling order affect of those parties that are  
9 shown down there in the unit working interest?

10 MR. KELLAHIN: I do not believe there are final  
11 documents on any of the parties at this point. So subject  
12 to having them released from a pooling order, at this point  
13 we will need a pooling order that applies to OXY, Arco,  
14 Marathon, I believe Mewbourne and Amoco.

15 The -- Exxon no longer appears on that display, I  
16 believe, Mr. Examiner. I don't have one in front of me.

17 EXAMINER STOGNER: Okay.

18 MR. KELLAHIN: Exxon was the party we thought  
19 held that interest, and they transferred it to Arco -- to  
20 Amoco.

21 So we served Exxon, and we should have served  
22 Amoco.

23 EXAMINER STOGNER: Well, with that, and Amoco's  
24 stating their appearance today on the record and no  
25 objection, does anybody else have anything further in Case

1 11,684?

2 If not, then this case will be taken under  
3 advisement.

4 (Thereupon, these proceedings were concluded at  
5 9:18 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. 11684,  
heard by me on 6 February 1997.  
*Michael E. Steg*, Examiner  
Oil Conservation Division

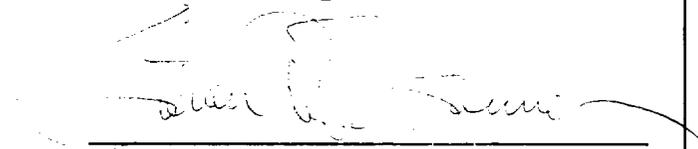
## CERTIFICATE OF REPORTER

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 February 7th, 1997.




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STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 1998