

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. 12,630
)
APPLICATION OF OXY USA WTP LIMITED)
PARTNERSHIP FOR COMPULSORY POOLING,)
EDDY COUNTY, NEW MEXICO) ORIGINAL
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

April 5th, 2001

Santa Fe, New Mexico

OIL CONSERVATION DIV
01 APR 19 AM 7:57

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, April 5th, 2001, 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.

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I N D E X

April 5th, 2001
 Examiner Hearing
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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	5	5

* * *

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:33 a.m.:

3 EXAMINER CATANACH: At this time I'll call Case
4 12,630, the Application of OXY USA WTP Limited Partnership
5 for compulsory pooling, Eddy County, New Mexico.

6 Again, this case is styled such that in the
7 absence of objection this matter will be taken under
8 advisement.

9 Call for appearances at this time.

10 MR. KELLAHIN: Mr. Examiner, my name is Tom
11 Kellahin, appearing on behalf of the Applicant in the
12 matter before you today.

13 EXAMINER CATANACH: Okay, any additional
14 appearances?

15 Okay, Mr. Kellahin?

16 MR. KELLAHIN: Mr. Examiner, again as in the
17 previous case, OXY is requesting that you issue a
18 compulsory pooling order pursuant to those provisions of
19 the compulsory pooling rules that allow us to submit by
20 affidavit the witness's testimony.

21 In this case, the circumstances are that the well
22 has been drilled, it's called the Bug State Number 1 well.
23 It is a consolidation of the west half of Section 21 for a
24 deep gas well.

25 The reason we're before you is that Mr. Hurlbut,

1 in circulating a communitization agreement so that we could
2 consolidate two federal leases and a state lease to make
3 the spacing unit, has obtained the approval of the Bureau
4 of Land Management and all working interest owners for the
5 communitization.

6 However, the Commissioner of Public Lands
7 requires the communitization agreement either to be signed
8 or ratified by the record title owner of the state lease.

9 That record title owner is Mr. Walter Granberry.
10 There have been repeated efforts to obtain Mr. Granberry's
11 ratification. He has no working interest, he does maintain
12 an overriding royalty within the spacing unit, and despite
13 OXY's efforts they have not been able to obtain his
14 execution of either the com agreement or the ratification.

15 Because it's limited to those circumstances,
16 there's no need to issue a pooling order with regards to
17 the working interest portion, there's no need to assess a
18 risk factor penalty.

19 We've attached to the affidavit copies of the
20 communitization agreement, documentation concerning the
21 request of Mr. Granberry to sign the documents, a copy of
22 the BLM approval of the com agreement, and a certification
23 of notification that I have served Mr. Granberry and that
24 he received a copy of notification of the hearing for the
25 case today.

1 We would accordingly ask you to take this case
2 under advisement and to admit what we've tabulated in our
3 affidavit with the attachments as Exhibit Number 1.

4 EXAMINER CATANACH: Exhibit Number 1 will be
5 admitted as evidence.

6 Mr. Kellahin, I seem to recall that we have done
7 this before --

8 MR. KELLAHIN: Yes, sir.

9 EXAMINER CATANACH: -- I don't necessarily
10 remember which case it was, but can you find me the
11 previous order, a previous order that we've done this
12 similar thing?

13 MR. KELLAHIN: Yes, sir. I apologize that I
14 don't one with me this morning, but I will provide one for
15 you.

16 EXAMINER CATANACH: That would be most helpful in
17 expediting this order.

18 Is there anything further in this case?

19 MR. KELLAHIN: No, sir.

20 EXAMINER CATANACH: There being nothing further,
21 Case 12,630 will be taken under advisement.

22 (Thereupon, these proceedings were concluded at
23 8:36 a.m.)

24 I do hereby certify that the foregoing is
25 a complete record of the proceedings in
the Examiner hearing of Case No. 12630,
* * * heard by me on Apr 5 1920
David L. Catanach, Examiner
Of Conservation Division

