

NEW MEXICO OIL CONSERVATION COMMISSION

COMMISSION HEARING

SANTA FE, NEW MEXICOHearing Date JANUARY 17, 1991 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
William A. San Robert H. Gell	Campbell + Black HEICO	Santa Fe Roswell
Vernon D. Dyer	Santa Fe Energy Resources, Inc.	Midland, Texas
W. T. Kellahan	Kellahan, Kellahan & Associates	Santa Fe
James Burr	Hinkle Law Firm	ABQ
Larry Murphy	SANTA FE Energy Resources Inc	Midland, TX
Pam Pearson	Montgomery & Andrews	Santa Fe
Michael Esteban	NMOC	Santa Fe
John H. Hines	Byram	872

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

IN THE MATTER OF:)
THE HEARING CALLED BY THE)
OIL CONSERVATION COMMISSION)
TO CONSIDER:)

CASE NO. 9949

APPLICATION OF CHEVRON U.S.A., INC. FOR)
A NONSTANDARD GAS PRORATION UNIT,)
UNORTHODOX GAS WELL LOCATIONS, AND)
SIMULTANEOUS DEDICATION, LEA COUNTY,)
NEW MEXICO.)

APPLICATION OF DOYLE HARTMAN FOR)
COMPULSORY POOLING, A NONSTANDARD GAS)
PRORATION UNIT AND SIMULTANEOUS)
DEDICATION, LEA COUNTY, NEW MEXICO.)

CASE NO. 9994

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSION HEARING

BEFORE: WILLIAM J. LeMAY, Chairman
WILLIAM WEISS, Commissioner
JAMI BAILEY, Commissioner

January 17, 1991
9:00 a.m.
Santa Fe, New Mexico

This matter came on for hearing before the Oil
Conservation Commission on January 17, 1991, at 9:00 a.m.
at Morgan Hall, State Land Office Building, 310 Old Santa
Fe Trail, Santa Fe, New Mexico, before Susan G. Ptacek, a
Certified Shorthand Reporter No. 124, State of New Mexico.

FOR: OIL CONSERVATION BY: SUSAN G. PTACEK
DIVISION Certified Shorthand Reporter
CSR No. 1224

I N D E X

January 17, 1991
Commissioner Hearing
Case Nos. 9949 and 9994

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A P P E A R A N C E S

FOR THE COMMISSION: ROBERT G. STOVALL, ESQ.
General Counsel
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexicc 87504

FOR CHEVRON U.S.A., CAMPBELL & BLACK, P.A.
INC. Attorneys at Law
BY: WILLIAM F. CARE, ESQ.
110 N. Guadalupe
Santa Fe, New Mexicc 87501

* * *

1 CHAIRMAN LeMAY: Good morning. This is the Oil
2 Conservation Commission. It's our first meeting of the
3 year. There is one case today.

4 I would like to introduce our commissioners. My
5 name is Bill LeMay presiding today. To my left is
6 Commissioner Bill Weiss, many of you know because he was
7 commissioner for the past commission. To my right is Jami
8 Bailey. Commissioner Bailey is a designate of the
9 commission by Jim Baca, and so we have a three-party
10 commission again. The Secretary of Energy and the
11 Commissioner of Public Lands under the recently passed
12 legislation provides that both parties can designate
13 someone to take their place as commissioner. Secretary of
14 Energy Lockwood has designated Bill Weiss, and Commissioner
15 Jim Baca has designated for these hearings Miss Jami
16 Bailey. We are your Oil Conservation Commission for today.

17 Certainly the events in the Middle East
18 overshadow a lot of what we're doing these days in the way
19 of business. But I think you have our attention. We will
20 do the best job certainly that we can in this case.

21 I call case No. 9949.

22 MR. STOVALL: The application of Chevron U.S.A., Inc.,
23 for a nonstandard gas proration unit, unorthodox gas well
24 locations and simultaneous dedication Lea County, New
25 Mexico. I believe this case is being continued or

1 dismissed. Quite frankly, I don't which one it is.

2 CHAIRMAN LeMAY: Continued I think. Yes, Mr. Carr.

3 MR. CARR: May it please the Commission, this case and
4 the following case, which is an application of Doyle
5 Hartman for compulsory pooling are not interrelated in
6 terms of the acreage involved, but there has been extensive
7 negotiations between Hartman and Chevron. I can advise the
8 division that we have reached an agreement. They're hoping
9 to close a deal late this week that involves a substantial
10 property exchange and will render both of these cases mute.
11 The parties agree to request a continuance to the February
12 commission hearing in lieu of dismissing just in case
13 something goes wrong, but I can tell you at this time the
14 negotiations only have one outstanding issue, and that is
15 just who owns the net profits interest and we're doing a
16 title search in the matter. So we are very, very close and
17 we anticipate that we will be advising you within two weeks
18 that both the cases can be dismissed. At this time,
19 however, we request that both be continued.

20 CHAIRMAN LeMAY: Without objection Case Nos. 9949 and
21 9994 will be continued to the February 28 hearing.

22 (Whereupon, the hearing was adjourned to February 28,
23 1991, at the approximate hour of 9:05 a.m.)

24 * * *

25

1 STATE OF NEW MEXICO)
) ss.
2 COUNTY OF SANTA FE)

3 REPORTER'S CERTIFICATE
4

5 I, Susan G. Ptacek, a Certified Shorthand Reporter and
6 Notary Public, do HEREBY CERTIFY that I stenographically
7 reported the proceedings before the Oil Conservation
8 Division, and that the foregoing is a true, complete and
9 accurate transcript of the proceedings of said hearing as
10 appears from my stenographic notes so taken and transcribed
11 under my personal supervision.

12 I FURTHER CERTIFY that I am not related to nor
13 employed by any of the parties hereto, and have no interest
14 in the outcome thereof.

15 DATED at Santa Fe, New Mexico, this 11th day of
16 February, 1991.

17
18
19 My Commission Expires:
December 10, 1993


SUSAN G. PTACEK
Certified Shorthand Reporter
Notary Public

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 9949 (DE NOVO)
Order No. R-9329-A

APPLICATION OF CHEVRON U.S.A. INC.
FOR A NON-STANDARD GAS PRORATION
UNIT, UNORTHODOX GAS WELL LOCATIONS,
AND SIMULTANEOUS DEDICATION, LEA
COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on February 28, 1991, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 22nd day of March, 1991, the Commission, a quorum being present, having considered the record and being fully advised in the premises,

FINDS THAT:

Doyle Hartman, as applicant for hearing *De Novo* in this case, has requested dismissal thereof. Chevron U.S.A. Inc. concurs in such request and, therefore, it should be granted.

IT IS THEREFORE ORDERED THAT:

Case 9949 *De Novo* is hereby dismissed and Division Order No. R-9329 is hereby continued in full force and effect until further notice.

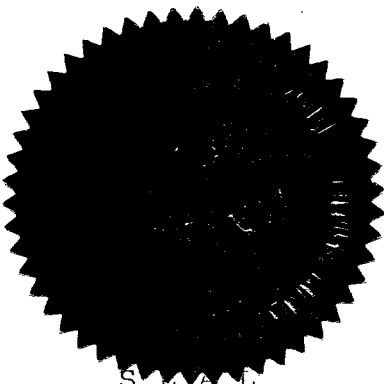
DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION


GARY CARLSON, Member


WILLIAM W. WEISS, Member


WILLIAM J. LEMAY, Chairman



S E A L
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