STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT 1 OIL CONSERVATION DIVISION STATE LAND OFFICE BLDG. 2 SANTA FE, NEW MEXICO 3 22 January 1986 4 EXAMINER HEARING 5 6 IN THE MATTER OF: 7 The hearing called by the Oil Con-CASE 8 servation Division on its own motion 8815 for an order creating and extending 9 certain pools in Eddy and Chavez Counties, New Mexico. 10 11 12 13 BEFORE: Michael E. Stogner, Examiner 14 15 TRANSCRIPT OF HEARING 16 APPEARANCES 17 18 For the Division: Jeff Taylor Attorney at Law 19 Legal Counsel to the Division State Land Office Bldg. 20 Santa Fe, New Mexico 87501 21 For the Applicant: 22 23 24 25

2 1 2 MR. STOGNER: We'll call at 3 this time Case Number 8815, which is in the matter of the 4 hearing called by the Oil Conservation Division on its own 5 motion for an order creating and extending certain pools in 6 Eddy and Chavez Counties, New Mexico. 7 Call now for appearances. 8 MR. TAYLOR: May it please the 9 Examiner, my name is Jeff Taylor, counsel for the Oil Con-10 servation Division, and I have one witness to be sworn. 11 MR. STOGNER: Are there any 12 other appearances in this matter? 13 Will the witness please state 14 and raise your right hand? 15 16 (Witness sworn.) 17 18 MR. STOGNER: Please continue, 19 Mr. Taylor. 20 21 ROY JOHNSON, 22 being called as a witness and beng duly sworn upon his oath, 23 testified as follows, to-wit: 24 25

3 ł DIRECT EXAMINATION 2 BY MR. TAYLOR: 3 0 Would you please state your name, place 4 of residence and position? 5 Α My name is Roy Johnson. I'm a geologist 6 for the Oil Conservation Division, in Santa Fe. 7 Q And have you testified before the Commis-8 sion or its examiners before and had your credentials accep-9 ted? 10 Α Yes. 11 MR. TAYLOR: Mr. Examiner, I 12 tender the witness as an expert witness in this matter. 13 MR. STOGNER: Mr. Johnson is so 14 qualified. 15 Q Mr. Johnson, have you prepared -- are you 16 prepared to make recomendations to the Commissioin concern-17 ing the nomenclature of the pools in Eddy and Chavez Coun-18 ties, New Mexico? 19 Α Yes, I am. 20 0 Are your recommendations prepared in the 21 form of an exhibit? 22 They are. Α 23 0 Will you please refer to the exhibit you 24 prepared and to the docket that's been prepared and distri-25 buted at the hearing and point out any differences between

4 1 the two? 2 There are no differences between the two; А 3 however, we request that paragraph (c) be dismissed. 4 We have additions to paragraph (d) and 5 (e). 6 Q Okay, would you please read those for us? 7 In paragraph (d) we would like the addi-Α 8 in Section 26 of the north half of the southwest quartion 9 ter and the southeast of the southeast quarter. 10 Okay, just so we'll have this clearly in 0 11 the record, it should now read: 12 Sub-paragraph (d), Township 26 South, 13 Range 30 East, Section 26, the southwest guarter of the 14 southwest quarter, the north half of the southwest quarter, 15 and the southeast quarter of the southeast quarter. 16 А That is correct. 17 Okay, what other changes -- what other 0 18 additions do you wish to make? 19 Α In paragraph (e), Section 4, it should 20 read the north half southeast quarter and the southwest 21 quarter of the southeast quarter. 22 0 Okay, just so we have it correct, again, 23 for the record: 24 Sub-paragraph (e), Township 18 South, 31 25 East, should include Section 4, the southeast quarter of the

5 1 southeast quarter, north half of the southeast quarter, and 2 the southwst quarter of the southeast quarter. 3 Α That is correct, or to state it more 4 simply, just the southeast quarter. 5 It's the whole southeast quarter? 0 6 Α That's correct. 7 Well, why don't we state that Q Okay. 8 again: 9 Sub-paragraph (e) should now read Town-10 ship 18 South, Range 31 East, Section 4, the southeast quar-11 ter. 12 Correct? 13 Α Correct. 14 Q Okay, any other additions? 15 А No, sir. 16 Do you have anything further to add to Ο 17 your testimony? 18 Α I do not. 19 MR. TAYLOR: We have nothing 20 further to add. 21 We would move the admission of 22 Exhibit A. 23 MR. STOGNER: If there are no 24 objections Exhibit A will be admitted into evidence. 25 MR. TAYLOR: And we have

nothing further in this case. MR. STOGNER: Does anybody else ahve anything further in Case Number 8815? If not, this case will be taken under advisement. This hearing stands adjourned. (Hearing concluded.) 

CERTIFICATE I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability. Sacly les . Toya I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8815. heard by me on 22 former 1986. Examiner OII Conservation Division