#### 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. 13,424

APPLICATION OF POGO PRODUCING COMPANY FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

ORIGINAL

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

### **EXAMINER HEARING**

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 3rd, 2005

Santa Fe, New Mexico

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This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, March 3rd, 2005, 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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REPORTER'S CERTIFICATE

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EXHIBIT

Applicant's Identified Admitted

Exhibit 1 3 3

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APPEARANCES

FOR THE APPLICANT:

JAMES G. BRUCE Attorney at Law P.O. Box 1056 Santa Fe, New Mexico 87504

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WHEREUPON, the following proceedings were had at 1 8:45 a.m.: 2 EXAMINER EZEANYIM: At this time I call Case 3 Number 13,424. This is the Application of Pogo Producing 4 5 Company for compulsory pooling, Lea County, New Mexico. 6 Call for appearances. 7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe, representing the Applicant. I have no witnesses, just a 8 short statement. 9 EXAMINER EZEANYIM: Any other appearances? 10 MR. BRUCE: Mr. Examiner, this case was already 11 heard, I believe by Examiner Catanach. It was submitted by 12 affidavit as provided by Division Rules. 13 At the time of the hearing, neither I nor the 14 U.S. Post Office could locate a certified return receipt 15 16 from the only party being pooled, which was ConocoPhillips 17 Company. As a result, I renotified ConocoPhillips, and 18 since then both green cards have come back so that 19 ConocoPhillips has been notified twice of this Application. And the only reason this hearing was continued 20 was to submit notice, a notice affidavit, and that is 21 marked as Exhibit 1. And I'd ask that Exhibit 1 be 22 admitted into the record. 23

EXAMINER EZEANYIM: Exhibit 1 will be admitted

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into the record.

I have a couple of questions on this. This is the third time you are coming before the Division to ask for this unit. The first one was -- an order was issued. And later the Applicant changed his mind and changed the location of the well and came in for a second one, and we issued you an order in that case, and the Applicant allowed the order to expire.

Ordering paragraph 5 of that order suggests that you could ask for an extension if you committed the land to drill the well.

So I was wondering, Mr. Bruce, why the Applicant didn't ask for an extension and still go through the trouble of going through the hearing again?

MR. BRUCE: Because the landman let that time deadline slip by without giving me a call. And that was it.

EXAMINER EZEANYIM: Now, the next question I'm going to ask is that I don't want this thing to come in a fourth time. I don't know what your agreements are, you know, in that unit. I will prefer to give you more than three months so that you can drill this well, so you don't come in here for a fourth time, you know.

MR. BRUCE: Actually --

EXAMINER EZEANYIM: So I don't know what you think about that, but --

1	MR. BRUCE: Accidents happen, Mr. Examiner.	
2	That's it. That's it.	
3	EXAMINER EZEANYIM: So what do you think, what I	
4	just said? Can I give you more than three months? Is that	
5	possible?	
6	MR. BRUCE: Oh, I think they'll probably commence	
7	drilling here within the next 45 days.	
8	EXAMINER EZEANYIM: So because the order lapsed	
9	our Order 12,195-A lapsed, that's why in that case you	
10	just decided to make it a different case	
11	MR. BRUCE: Yes	
12	EXAMINER EZEANYIM: as if nothing has happened	
13	in that?	
14	MR. BRUCE: Under Division Rules I had to.	
15	EXAMINER EZEANYIM: Anything further?	
16	MR. BRUCE: No, sir.	
17	EXAMINER EZEANYIM: At this time Case Number	
18	13,424 will be taken under advisement.	
19	(Thereupon, these proceedings were concluded at	
20	8:49 a.m.)	
21	* * *	
22	t do hereby certify that the foregoing is a complete record of the proceedings in	10
23	the Examiner hearing of Case No. 13 4	7
24	Examiner	
25	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 March 4th, 2005.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 16th, 2006