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:

APPLICATION OF YATES PETROLEUM CORPORATION FOR POOL CREATION AND THE ADOPTION OF SPECIAL POOL RULES, LEA COUNTY, NEW MEXICO CASE NO. 13,629

ORIGINAL

2006

MAR

16

AM 11 27

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 2nd, 2006

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, March 2nd, 2006, 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.

* * *

STEVEN T. BRENNER, CCR (505) 989-9317

INDEX

March 2nd, 2006 Examiner Hearing CASE' NO. 13,629

REPORTER'S CERTIFICATE

* * *

APPEARANCES

FOR THE DIVISION:

CHERYL O'CONNOR Assistant Counsel, NMOCD Energy, Minerals and Natural Resources Department 1220 South St. Francis Drive Santa Fe, New Mexico 87505

FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR 110 N. Guadalupe, Suite 1 P.O. Box 2208 Santa Fe, New Mexico 87504-2208 By: WILLIAM F. CARR

* * *

PAGE

4

WHEREUPON, the following proceedings were had at 1 2 8:21 a.m.: I would like to start with EXAMINER EZEANYIM: 3 Case Number 13,629. This is a readvertised case. It was 4 heard on January 19th and taken under advisement. And this 5 is the Application of Yates Petroleum Corporation for pool 6 creation and the adoption of special pool rules, Lea 7 8 County, New Mexico. Call for appearances at this time. 9 10 MR. CARR: May it please the Examiner, my name is William F. Carr with the Santa Fe office of Holland and 11 12 Hart, L.L.P. This case was heard four weeks ago. 13 There was an error in the legal ad, and that has been corrected and that 14 15 case can now be taken under advisement. 16 EXAMINER EZEANYIM: Okay, if there's no 17 opposition, Case Number 13,629 will be taken under advisement at this time. 18 19 (Thereupon, these proceedings were concluded at 20 8:22 a.m.) 21 22 i do heraby certify that the foregoing is a complete record of the proceedings in 23 the Examiner hearing of Case heard by me on 74 24 Examiner 25 Oil Conservation D hinn STEVEN T. BRENNER, CCR (505) 989-9317

3

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, 2006.

IIIAA Jemi

STEVEN T. BRENNER CCR No. 7

My commission expires: October 16th, 2006

STEVEN T. BRENNER, CCR (505) 989-9317 4