

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. 13,682

APPLICATION OF HUNTINGTON ENERGY, LLC,)
 FOR COMPULSORY POOLING, RIO ARRIBA)
 COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

March 30th, 2006

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, March 30th, 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.

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Marc 30th, 2006
Examiner Hearing
CASE NO. 13,682

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

| Applicant's | Identified | Admitted |
|-------------|------------|----------|
| Exhibit 1 | 5 | - |
| Exhibit 2 | 6 | - |

* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
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: OCEAN MUNDS-DRY

* * *

1 WHEREUPON, the following proceedings were had at
2 8:21 a.m.:

3
4 EXAMINER CATANACH: Next case is Case 13,682, the
5 Application of Huntington Energy, LLC, for compulsory
6 pooling, Rio Arriba County, New Mexico.

7 Call for appearances.

8 MS. MUNDS-DRY: Good morning, Mr. Hearing
9 Examiner. My name is Ocean Munds-Dry with the law firm of
10 Holland and Hart. I'm here representing Huntington Energy,
11 LLC, this morning.

12 EXAMINER CATANACH: Okay, additional appearances
13 in this case?

14 There are none.

15 MS. MUNDS-DRY: Mr. Hearing Examiner, this case
16 along with another case was consolidated for hearing
17 originally on April 7th of 2005. Both of the cases sought
18 the pooling of 320-acre units in Section 2, Township 25
19 North, Range 7 West, in Rio Arriba County, New Mexico.
20 They both sought interests to be pooled from the base of
21 the Mesaverde formation to the base of the Dakota
22 formation, within the Basin-Dakota Gas Pool, and that was
23 the primary objective.

24 Separate orders were entered for both the cases.
25 In Case Number 13,417, which pooled the east half of the

1 section, that was Order Number R-12,361. And Huntington
2 has since drilled the well in the east half, and that order
3 remains in place.

4 However, in Case Number 13,418, which sought to
5 pool the west half of the section, Huntington has not yet
6 drilled the well in the west half. And it is now
7 undergoing plans to drill that well but discovered that the
8 order was expired, so we are here before you today seeking
9 to re-pool that acreage in the west half of the section.

10 For your information, that order that was
11 originally entered for the west half of the section, the
12 number was R-12,362.

13 Huntington seeks exactly the same thing as it did
14 in the last case, except for that this time Huntington has
15 since acquired the interests of ConocoPhillips, Burlington
16 and Dugan, so it only seeks to pool interest owners that
17 have not been found, which are Leland Production Petroleum,
18 Incorporated, and William G. Mennen.

19 When the case was originally heard, Carl E.
20 Sherrill was the witness for Huntington, and he testified
21 as to the efforts to locate both of those interest owners.

22 And I brought a copy of the transcript, if you're
23 interested, Mr. Hearing Examiner, in seeing it, what he
24 discussed.

25 Basically, he searched the county records, State

1 Land Office records, conducted an Internet search, he
2 attempted to interview people who might know these interest
3 owners, and the bottom line was that they were not found.

4 And again in this case, I submitted to you
5 Exhibit Number 1, which is my notice affidavit, and the
6 notice that went out to the interest owners, including the
7 two interest owners that haven't been found to again try to
8 notify and locate them, and unfortunately they're still not
9 locatable.

10 No objection has been received from any of these
11 parties, and the case today is identical to the case
12 presented last April 7th.

13 We would request, in addition to Exhibit Number
14 1, that you take administrative notice of the record in the
15 case in number -- which -- Case Number 13,418 for your
16 consideration in this case.

17 And unless you have any questions, Mr. Hearing
18 Examiner, we would offer this notice affidavit, and we
19 request that you take this case under advisement.

20 EXAMINER CATANACH: Okay, the order just expired
21 without having any extension or anything?

22 MS. MUNDS-DRY: Yes.

23 EXAMINER CATANACH: And is everything the same?
24 Are they proposing the same overhead rates and everything
25 else?

1 MS. MUNDS-DRY: Everything remains the same.

2 EXAMINER CATANACH: And they acquired the
3 interest of Burlington and who else?

4 MS. MUNDS-DRY: And ConocoPhillips and Dugan.
5 And then all the other interest owners are voluntarily
6 committing their interests. It's just these two interest
7 owners that can't be found.

8 EXAMINER CATANACH: Ms. Munds-Dry, do you know
9 what percentage interest these unlocatable interest owners
10 own, by any chance?

11 MS. MUNDS-DRY: Let me see if I can find it for
12 you.

13 EXAMINER CATANACH: If you don't have it, you can
14 -- If you can get it to me after the hearing, that would be
15 find.

16 MS. MUNDS-DRY: Let me find that for you, and
17 I'll let you know.

18 EXAMINER CATANACH: Okay. And you guys did do a
19 publication notice as I see.

20 MS. MUNDS-DRY: Yes, Mr. Hearing Examiner, you'll
21 see the affidavit of publication in the back of this
22 packet, that I submitted as Exhibit Number 1 [sic].

23 EXAMINER CATANACH: Okay, I don't think I have
24 anything else in this case.

25 Do you have anything else, Ms. Munds-Dry?

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MS. MUNDS-DRY: Nothing further.

EXAMINER CATANACH: Okay, there being nothing further, Case 13,682 will be taken under advisement.

MS. MUNDS-DRY: Thank you, Mr. Hearing Examiner.

(Thereupon, these proceedings were concluded at 8:28 a.m.)

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 13682,
heard by me on March 30, 2006.
David R. Catnach, Examiner
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 31st, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006