

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. 13,776

APPLICATION OF XTO ENERGY, INC., FOR )  
COMPULSORY POOLING, SAN JUAN COUNTY, )  
NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

September 28th, 2006

Santa Fe, New Mexico

2006 OCT 12 AM 10:45

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, September 28th, 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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## I N D E X

September 28th, 2006  
Examiner Hearing  
CASE NO. 13,776

PAGE

REPORTER'S CERTIFICATE

7

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## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	5
Exhibit 2	4	5
Exhibit 3	-	5

\* \* \*

## 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:

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

\* \* \*

1 WHEREUPON, the following proceedings were had at  
2 9:10 a.m.:

3 EXAMINER CATANACH: Okay, call Case 13,776,  
4 Application of XTO Energy, Inc., for compulsory pooling,  
5 San Juan County, New Mexico.

6 Call for appearances.

7 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe  
8 representing the Applicant. I'm just submitting this by  
9 affidavit.

10 EXAMINER CATANACH: Okay, any additional  
11 appearances? Let the record show there are no additional  
12 parties present in this case.

13 MR. BRUCE: Mr. Examiner, submitted as Exhibit 1  
14 is an affidavit of Christopher Spencer, who's a landman for  
15 XTO. XTO seeks to pool the north half of Section 10, 30  
16 North, 11 West, in San Juan County for the Blanco-Mesaverde  
17 only. The unit will be dedicated to the Hampton Well  
18 Number 2, to be drilled at an orthodox location in the  
19 northeast quarter, northeast quarter of Section 10.

20 On pages 1 and 2 of the affidavit the interest  
21 owners are listed. You can see that combined they only own  
22 a couple, three-tenths of a percent interest.

23 These people were locatable, and attached as  
24 Exhibit B is the correspondence to these people, and they  
25 just simply haven't responded. They are all unleased

1 mineral interest owners.

2 Attached is an affidavit -- or attached as  
3 Exhibit C to the affidavit is the AFE for the well, which  
4 the landman says is normal for wells of this depth in this  
5 area of this state.

6 The overhead charges are \$5100 and \$510 per  
7 month.

8 Submitted as Exhibit 2 is the affidavit of -- my  
9 affidavit of notice. Notice was given to all these people.  
10 If you'll look at Exhibit 2, if you'll look at the mailing  
11 list, there was one additional person or entity, First  
12 Baptist Church of Aztec. They are not being pooled, they  
13 have actually signed a JOA and are participating in the  
14 well.

15 The other people were given written notice.  
16 Several of them did not claim their certified mail. You  
17 can see on each one of these persons toward the end of this  
18 exhibit, they were notified three times of the certified  
19 mailing and they just never picked up their mail.

20 So to be safe, I did publish a notice in the  
21 Farmington newspaper, which is marked Exhibit 2. But they  
22 were locatable and they simply did not pick up their mail.

23 (Off the record)

24 EXAMINER CATANACH: This was published on  
25 September 19th?

1 MR. BRUCE: I thought it was published the  
2 eight- -- Where was it? Oh yeah, it was today. I thought  
3 they told me they were publishing it the 18th.

4 Mr. Examiner, if I could move the admission of  
5 these three exhibits, if you'd continue the hearing I'll  
6 re-publish notice just to satisfy the -- if you need that.

7 MS. MacQUESTEN: Would we need to re-publish, or  
8 would we just need a continuance to allow any response?

9 MR. BRUCE: Just to continue.

10 EXAMINER CATANACH: Ten days? Okay, all right.

11 MR. BRUCE: That would be fine.

12 EXAMINER CATANACH: Okay, let's just do that,  
13 continue for two weeks and check to see if anybody shows  
14 up --

15 MR. BRUCE: Okay.

16 EXAMINER CATANACH: -- in two weeks. If not,  
17 we'll just take it under advisement.

18 MR. BRUCE: Okay. And I'd move the admission of  
19 Exhibits 1 through 3.

20 EXAMINER CATANACH: Okay, Exhibits 1 through 3  
21 will be admitted.

22 And in this package of exhibits is, I presume --  
23 I hope there's correspondence with regards to their trying  
24 to secure the voluntary participation of these interest  
25 owners?

1 MR. BRUCE: Yeah, Exhibit B to Exhibit 1 is the  
2 correspondence.

3 EXAMINER CATANACH: Okay. Anything further, Mr.  
4 Bruce?

5 MR. BRUCE: That's it.

6 EXAMINER CATANACH: There being nothing further,  
7 this case, 13,776, will be continued to the October 12th,  
8 2006, docket.

9 Let's take a short break.

10 (Thereupon, these proceedings were concluded at  
11 9:16 a.m.)

12 \* \* \*

13  
14  
15 I do hereby certify that the foregoing is  
16 a complete record of the proceedings in  
17 the Examiner hearing of Case No. 13776,  
18 heard by me on September 28, 2006  
19 David R. Catnach, Examiner  
20 Oil Conservation Division  
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24  
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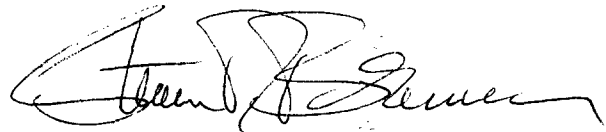
## CERTIFICATE OF REPORTER

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 September 28th, 2006.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 16th, 2006