

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

CONTINUED AND DISMISSED CASES

REPORTER'S TRANSCRIPT OF PROCEEDINGS

RECEIVED

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

MAY 8 2003

April 24th, 2003

Oil Conservation Division

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER and DAVID K. BROOKS, JR., Hearing Examiners, on Thursday, April 24th, 2003, 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

April 24th, 2003
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

3 EXAMINER STOGNER: This hearing will come to
4 order. Please note today's date, Thursday, April 24th,
5 2003, Docket Number 12-03. I'm Michael Stogner, one of the
6 Hearing Examiners for today. We'll go through the
7 continuances and dismissals.

8 First page, Case Number 13,052, this is the
9 Application of Yates Petroleum Corporation for approval of
10 a unit agreement, Lea County. This case is continued to
11 May 22nd, 2003.

12 Down at the bottom of the page, Case 13,054, this
13 is the Application of Yates Petroleum Corporation for
14 compulsory pooling, Eddy County, New Mexico. This case
15 will be continued to the May 22nd, 2003.

16 Page 2, bottom of the page, Case 13,040, this is
17 the Application of David H. Arrington Oil and Gas, Inc.,
18 for approval of a waterflood project, Lea County, New
19 Mexico. This case will also be continued to May 22nd,
20 2003.

21 Page 3, toward the bottom, Case 13,059, this is
22 the Application of Chi Energy, Inc., for compulsory
23 pooling, Eddy County, New Mexico. This case is to be
24 dismissed. Therefore Case 13,059 is hereby dismissed.

25 Down at the bottom, Case 13,060, this is the

1 Application of Mewbourne Oil Company for compulsory
2 pooling, Eddy County, New Mexico. This case will be
3 continued to May 8th, 2003.

4 Page 4, the first three cases -- this is 13,025,
5 13,026, 13,027 -- these are all Applications of the New
6 Mexico Oil Conservation Division through the Environmental
7 Bureau Chief to revoke permit for an oil treating -- or
8 three oil treating plants. All three of these cases are
9 continued to May 22nd, 2003. Again, that's 13,025, 13,026
10 and 13,027, all continued to May 22nd.

11 Down toward the bottom, Case 13,061, this is the
12 Application of the New Mexico Oil Conservation Division
13 through the Environmental Bureau Chief for an order
14 determining the responsible party or parties and ordering
15 these parties to complete and perform an abatement plan
16 pursuant to Rule 19, Lea County, New Mexico, this case will
17 be continued to May 8th.

18 Are there any other continuances or dismissals at
19 this time?

20 MR. BRUCE: Mr. Examiner, on the first page, the
21 first case, that's Mr. Kellahin's case. He's out of town
22 and I entered an appearance for Arch Petroleum in that
23 case. I believe the parties have come to terms, but Mr.
24 Kellahin isn't around. I don't know if he has mailed
25 anything to you on that.

1 EXAMINER BROOKS: I haven't seen anything.

2 MR. BRUCE: I don't object if it's to be
3 continued.

4 EXAMINER STOGNER: Well, I haven't seen anything.

5 EXAMINER BROOKS: I haven't seen anything. But
6 as you know, Mr. Bruce, I was in a meeting all afternoon.

7 MR. BRUCE: I believe the parties have worked it
8 out, but I'm hesitant to request a dismissal on Mr.
9 Kellahin's behalf.

10 EXAMINER STOGNER: That's a compulsory pooling
11 case --

12 EXAMINER BROOKS: It is.

13 EXAMINER STOGNER: -- so I'll turn it over to
14 you, Mr. Brooks.

15 EXAMINER BROOKS: Okay. Well, in deference to
16 the eminent Mr. Kellahin, in the absence of him being
17 present to make an appearance, we will continue the case.
18 I believe he's not coming back till May 10th; is that
19 correct?

20 MR. BRUCE: I believe that's correct.

21 EXAMINER BROOKS: All right, I'll continue that.

22 Case Number 13,014 will be continued to May 22nd.

23 (Off the record at 8:19 a.m.)

24 (The following proceedings had at 11:15 a.m.)

25 EXAMINER BROOKS: At this time I'll call Case

1 Number 13,006, Application of Chesapeake Operating, Inc.,
2 for compulsory pooling, Lea County, New Mexico.

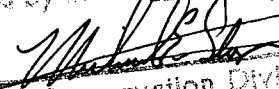
3 MR. CARR: May it please the Examiner, my name is
4 William F. Carr with the Santa Fe office of Holland and
5 Hart, L.L.P. I'm appearing in association with W. Thomas
6 Kellahin of Kellahin and Kellahin, and I can advise the
7 Division that Chesapeake requests that this Application be
8 dismissed.

9 EXAMINER BROOKS: Very good, the Application in
10 Case Number 13,006 will be dismissed.

11 (Thereupon, these proceedings were concluded at
12 11:16 a.m.)

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16 I do hereby certify that the foregoing is
17 a complete record of the proceedings in
18 the Examiner hearing of Case No. 13026
19 heard by me on 24 April 2003

20  Examiner
21 Oil Conservation Division
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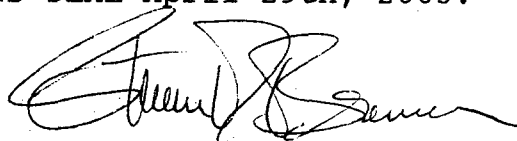
CERTIFICATE OF REPORTER

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 April 29th, 2003.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006