

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. 13,839

APPLICATION OF JTD RESOURCES, LLC, FOR)
COMPULSORY POOLING, LEA COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

December 13th, 2006

Santa Fe, New Mexico

2006 DEC 27 PM 2 52

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Wednesday, December 13th, 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.

* * *

I N D E X

December 13th, 2006
Examiner Hearing
CASE NO. 13,839

PAGE

REPORTER'S CERTIFICATE

5

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	3	4
Attachment A	3	4
Attachment B	3	4
Attachment C	4	4
Exhibit 2	4	4

* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID K. BROOKS, JR.
Assistant 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 9:51 a.m.:

3 EXAMINER JONES: And at this time let's call Case
4 13,839, Application of JTD Resources, LLC, for compulsory
5 pooling, Lea County, New Mexico.

6 Call for appearances.

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

10 EXAMINER JONES: And there being no other
11 appearances...

12 MR. BRUCE: Mr. Examiner, I've submitted to you
13 Exhibits 1 and 2. Exhibit is the [sic] verified statement
14 of Dan Leonard who is the manager of JTD Resources. JTD
15 seeks to force pool the east half of Section 23, 21 South,
16 32 East, for a Morrow well test.

17 The only party being pooled -- if you turn to
18 Exhibit A attached to Exhibit 1, the east half is comprised
19 of two federal leases. ConocoPhillips owns the northeast
20 quarter, JTD owns the southeast quarter. The only party
21 being pooled is ConocoPhillips, and the well will be
22 drilled in the northeast quarter, northeast quarter, on
23 ConocoPhillips' acreage.

24 If you move to Exhibit B attached to this
25 exhibit, there are several letters and some handwritten

1 notes. Basically you will see that since November, 2004,
2 JTD has been trying to -- I've got the letters in reverse
3 order, but the very last letter of Exhibit B is dated
4 November 11th, 2004, which was the first proposal to
5 ConocoPhillips, and so over the last two years JTD has been
6 trying to make a deal with ConocoPhillips and has simply
7 never received a response.

8 Attached as Exhibit C is the AFE for the well,
9 and it is a \$3.7 million well cost. This is on the fringes
10 of the potash area and there's a bunch of surface
11 stipulations, so JTD does have an APD for the well, so it
12 was a long, drawn-out process getting that APD approved.

13 And submitted as Exhibit 2 is the notice letter
14 to ConocoPhillips. They did receive actual notice, and
15 again they just haven't responded.

16 So I'd move the admission of Exhibits 1 and 2 and
17 ask that the matter be taken under advisement.

18 EXAMINER JONES: Do you have any questions?

19 MR. BROOKS: No questions.

20 EXAMINER JONES: We'll admit Exhibits 1 and 2 and
21 take Case 13,839 under advisement.

22 (Thereupon, these proceedings were concluded at
23 9:55 a.m.)

24 * * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____

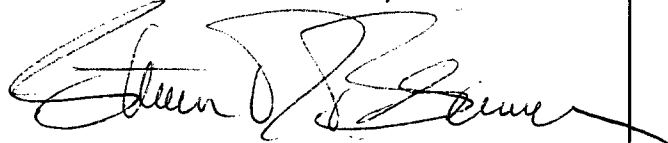
CERTIFICATE OF REPORTER

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 December 17th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010