

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 PRIDE ENERGY COMPANY FOR) CASE NOS. 13,830
 COMPULSORY POOLING AND AN UNORTHODOX)
 WELL LOCATION, LEA COUNTY, NEW MEXICO)
)
 APPLICATION OF PRIDE ENERGY COMPANY FOR) and 13,831
 COMPULSORY POOLING, LEA COUNTY,)
 NEW MEXICO)
) (Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

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

December 13th, 2006

Santa Fe, New Mexico

ORIGINAL

2006 DEC 27 2 54

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 NOS. 13,830 and 13,831 (Consolidated)

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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

FOR YATES PETROLEUM CORPORATION:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:48 a.m.:

3 EXAMINER JONES: And let's call Case 13,830,
4 Application of Pride Energy Company for compulsory pooling
5 and an unorthodox well location, Lea County, New Mexico.

6 And should we combine these two cases?

7 MR. BRUCE: Yes, for today you can, Mr. Examiner,
8 I just have a brief statement.

9 EXAMINER JONES: Okay, we'll combine that case
10 with Case Number -- and we'll call 13,831, Application of
11 Pride Energy Company for compulsory pooling, Lea County,
12 New Mexico.

13 Call for appearances.

14 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
15 representing the Applicant. I just have a short statement
16 and a request for a continuance.

17 EXAMINER JONES: Other appearances in this case?

18 MR. CARR: William F. Carr with the Santa Fe
19 office of Holland and Hart, L.L.P. I represent Yates
20 Petroleum Corporation.

21 MR. BRUCE: Mr. Examiner, I was going to present
22 these cases today, and when I was upstairs putting my last
23 exhibits together I found out that there was a defect in
24 the publication notice. There's a couple of unlocatable
25 people in each case. So I'd ask that the cases be

1 continued to January 4th so that the defect can be cured.

2 And I also wanted to state on the record that
3 Pride Energy has come to terms with the Yates group in both
4 of these cases, and they -- at the January 4th hearing they
5 will be dismissed.

6 EXAMINER JONES: Okay, thank you. With that,
7 we'll continue Case 13,830 to January 4th and continue Case
8 13,831 to January the 4th.

9 (Thereupon, these proceedings were concluded at
10 8:50 a.m.)

11 * * *

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13
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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. _____,
19 heard by me on _____.

20 _____, Examiner
21 Oil Conservation Division
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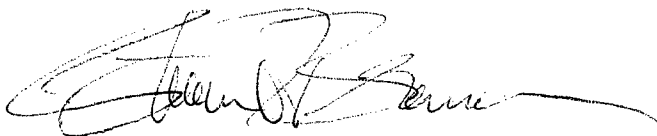
CERTIFICATE OF REPORTER

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 December 16th, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010