

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. 13,855

APPLICATION OF MYCO INDUSTRIES, INC.,)
FOR COMPULSORY POOLING, CHAVES COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Jr., Hearing Examiner

January 18th, 2007

Santa Fe, New Mexico

2007 FEB 1 AM 9 27

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Jr., Hearing Examiner, on Thursday, January 18th, 2007, 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

January 18th, 2007
Examiner Hearing
CASE NO. 13,855

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|------------------------|------|
| APPEARANCES | 3 |
| REPORTER'S CERTIFICATE | 7 |

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E X H I B I T S

| Applicant's | Identified | Admitted |
|-------------|------------|----------|
| Exhibit 1 | - | 6 |
| Exhibit A | - | 6 |
| Exhibit B | 5 | 6 |
| Exhibit C | - | 6 |
| Exhibit D | - | 6 |
| Exhibit 2 | 5 | 6 |
| Exhibit 3 | 5 | 6 |

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

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

FOR SPIRAL, INCORPORATED:

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 3:00 p.m.:

3 EXAMINER BROOKS: Call Case Number 13,855, the
4 Application of Myco Industries, Inc., for compulsory
5 pooling, Chaves County, New Mexico.

6 Call for appearances.

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

10 MS. MUNDS-DRY: Mr. Examiner, Ocean Munds-Dry
11 with the law firm of Holland and Hart, again representing
12 Spiral, Incorporated.

13 MR. BRUCE: I did sign this affidavit.

14 EXAMINER BROOKS: Okay, good. Appreciate it.

15 MR. BRUCE: Mr. Examiner, this is a similar case
16 to the last one. It's in an adjoining section of land.
17 Myco seeks to force pool the south half of Section 33, 15
18 South, 25 East, in the Wolfcamp formation for a horizontal
19 well.

20 Everything is pretty much similar to the last
21 case. There are fewer working interest owners in this
22 particular well unit. Two of them are locatable, NRLL,
23 Inc., and the Trustee of the Estate of Elaine B. Flint, and
24 then there are a few unlocatables.

25 In this particular case you can see maybe three-

1 quarters -- less than a percent of the working interest is
2 being pooled.

3 EXAMINER BROOKS: Now these -- you said some of
4 these are unlocatable?

5 MR. BRUCE: If you look at Exhibit B, attached to
6 Exhibit Number 1 -- I think I'm going to have to start
7 using "attachment" rather than "exhibit" -- it lists five
8 people, or five couples, I guess --

9 EXAMINER BROOKS: Yeah.

10 MR. BRUCE: -- who own extremely small interests,
11 who are being force pooled.

12 EXAMINER BROOKS: And which -- the ones that say
13 "address unknown" are the ones that are unlocatable?

14 MR. BRUCE: Unlocatable.

15 Submitted as Exhibit 2 is my affidavit of notice,
16 and NRLL and Elaine B. Flint, Trustee, did receive notice.
17 I also notified Timothy Bayer, but they have come to terms,
18 Myco has come to terms with them.

19 And then again, Exhibit 3 is the affidavit of
20 publication in the Roswell newspaper, and the unlocatables
21 are listed in there. And again, I overpublished.

22 EXAMINER BROOKS: Okay. And again, you're asking
23 to pool only the Wolfcamp formation?

24 MR. BRUCE: Only the Wolfcamp formation.

25 EXAMINER BROOKS: Very good.

1 MR. BRUCE: And I would move the admission of
2 Exhibits 1 through 3.

3 EXAMINER BROOKS: Exhibits Number 1 through 3 are
4 admitted, and Case Number 13,855 will be taken under
5 advisement.

6 And we do not have a nomenclature application
7 today, so Docket Number 03-07 is adjourned.

8 (Thereupon, these proceedings were concluded at
9 3:03 p.m.)

10 * * *

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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. 13855,
19 heard by me on Jan 18 2007.
20 David K. Brooks, Examiner
21 Oil Conservation Division
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23
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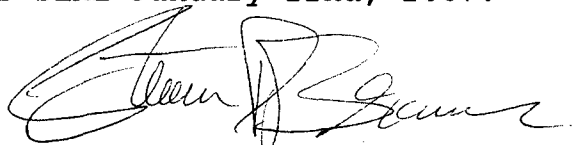
CERTIFICATE OF REPORTER

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 January 22nd, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010