

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. 13,875

APPLICATION OF RANGE OPERATING)
NEW MEXICO, INC., TO AMEND DIVISION)
ORDER R-12,601, EDDY COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

March 1st, 2007

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, March 1st, 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.

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I N D E X

March 1st, 2007
Examiner Hearing
CASE NO. 13,875

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T S

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

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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:

KELLAHIN & KELLAHIN
117 N. Guadalupe
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
By: W. THOMAS KELLAHIN

* * *

1 WHEREUPON, the following proceedings were had at
2 10:12 a.m.:

3 EXAMINER EZEANYIM: Go to page 2 of this docket,
4 and call Case Number 13,875. This is the Application of
5 Range Operating New Mexico, Inc., to amend Division Order
6 R-12,601, Eddy County, New Mexico.

7 Call for appearances.

8 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
9 the Santa Fe law firm of Kellahin and Kellahin, appearing
10 on behalf of the Applicant this morning.

11 EXAMINER EZEANYIM: Any other appearances?

12 Any witnesses?

13 MR. KELLAHIN: I'm presenting this by affidavit,
14 Mr. Examiner.

15 EXAMINER EZEANYIM: Okay, you may go ahead.

16 MR. KELLAHIN: If I may approach, this is the
17 original sets of affidavits. On top of that is the
18 original order.

19 EXAMINER EZEANYIM: Okay.

20 MR. KELLAHIN: Mr. Examiner, Range obtained
21 approval of the Division for a small leasehold waterflood
22 project that included six injection wells. And we have
23 before you a copy of Order R-12,601.

24 Subsequent to the entry of the order, the
25 operator determined that there were three of the six

1 injection wells that required to be moved. So if you look
2 at Exhibit Number 1, that's the affidavit from the landman,
3 and Mr. William Frey is the geologist. If you turn to page
4 2 of the affidavit, they've listed the three wells.

5 The first well is the Number 18. That well is
6 being moved at the request of the surface owner.

7 Wells 20 and 21 need to be moved slightly because
8 of a pipeline.

9 To help you understand the tabulation, if you'll
10 turn past the affidavit and look at the first display,
11 there is a colored locator map. When you look at the
12 colored map, on the back you see a spider web of injection
13 lines in red, with well locations in red.

14 If you look in the southeast quarter you'll see a
15 Well Number 21. The red dot is the currently approved
16 location. The revised location is slightly south and to
17 the east. It's a distance of probably 80 feet. That's
18 being moved because of a pipeline that they've discovered.

19 If you go west of the Number 21 and look at the
20 20, again, the red circle is the approved location.
21 They're moving it slightly south to the blue location to
22 avoid a pipeline.

23 And then if you go over into the northeast
24 quarter of the section you'll see another combination where
25 there's a surface location in red, moving north to a

1 bottomhole location. And then you'll see the replacement
2 location we're seeking approval. I was told that's blue,
3 it looks almost purple. It's slightly over to the west and
4 south. That's to accommodate the surface owner. He wanted
5 that moved. The bottomhole location remains the same.

6 The affidavit indicates that there is no change
7 in the C-108 area of review. There's no other wells
8 involved in the change, there's no additional parties to be
9 notified. We've notified 110, I believe, interest owners
10 in the project, including the surface owner, and we
11 received no objection. And there is no administrative
12 procedure in the existing order to change the locations,
13 and so we're asking you at this time to take this
14 information in consideration and approve our changed
15 location.

16 Exhibit Number 2 is our certificate of
17 notification where we've mailed notice to all 110 interest
18 owners. There's -- Attached to the affidavit is the notice
19 letter itself. They all included an Application itself,
20 and we sent the plats to everybody and at this time we have
21 no objection.

22 With your permission, we'd move the introduction
23 of Exhibits 1 and 2.

24 EXAMINER EZEANYIM: Exhibits 1 and 2 will be
25 admitted into evidence.

1 You mentioned that there is no provision in the
2 current order for administrative amendment. Are you asking
3 for it now or just to approve the new locations?

4 MR. KELLAHIN: If you just approve the changes
5 that we've asked in the location, we're done.

6 EXAMINER EZEANYIM: And there is no additional
7 area-of-review wells by moving these wells?

8 MR. KELLAHIN: That's true, there's no change.
9 And the geologist attests to the fact that there is no
10 material difference in where these things will be relocated
11 in terms of the efficiency of his proposed project.

12 EXAMINER EZEANYIM: Would this affect the
13 injection parting of this pilot waterflood, the --

14 MR. KELLAHIN: I'm sorry?

15 EXAMINER EZEANYIM: By moving these location,
16 would this affect the injection parting -- the parting of
17 injection, what --

18 MR. KELLAHIN: The -- the geologist testifies in
19 his affidavit that it does not.

20 EXAMINER EZEANYIM: This -- I know you notified
21 -- this current move, you notified everybody that should
22 be --

23 MR. KELLAHIN: Yes, sir.

24 EXAMINER EZEANYIM: -- should have notice?

25 And there are no objections?

1 MR. KELLAHIN: Including the operators and the
2 surface owners.

3 EXAMINER EZEANYIM: Do you have any questions?

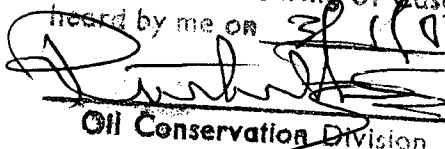
4 MR. BROOKS: No questions.

5 EXAMINER EZEANYIM: At this point, Case Number
6 13,875 will be taken under advisement.

7 MR. KELLAHIN: Thank you, Mr. Examiner.

8 (Thereupon, these proceedings were concluded at
9 10:19 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. 138.75
19 heard by me on 3/1/87
20  , Examiner
21 Oil Conservation Division
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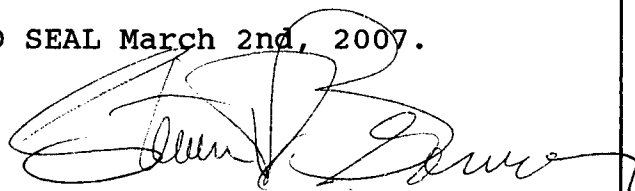
CERTIFICATE OF REPORTER

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 March 2nd, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010