

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

CASE NOS. 13,274 *de novo* (Continued); 13,531 (Continued);
13,695 (Continued); and 13,817 *de novo* (Continued)

CONTINUED CASES
TRANSCRIPT OF PROCEEDINGS

BEFORE: MARK E. FESMIRE, CHAIRMAN
JAMI BAILEY, COMMISSIONER
WILLIAM C. OLSON, COMMISSIONER

March 16th, 2007

Santa Fe, New Mexico

2007 MAR 29 AM 8 12

These matters were continued to future hearing dates by MARK E. FESMIRE, Chairman, New Mexico Oil Conservation Commission, on Friday, March 16th, 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.

* * *

STEVEN T. BRENNER, CCR
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I N D E X

March 16th, 2007
Commission Hearing
Continued Cases

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1 WHEREUPON, the following proceedings were had at
2 9:04 a.m.:

3 CHAIRMAN FESMIRE: Good morning. Let the record
4 reflect that this is the March 16th, 2007, meeting of the
5 New Mexico Oil Conservation Commission. Also let the
6 record reflect that Commissioner Jami Bailey, the designee
7 of the Land Commissioner, Mr. Patrick Lyons, Commissioner
8 William Olson and Commissioner Mark Fesmire are all three
9 present. We therefore have a quorum.

10 The first order of business before the Commission
11 is the adoption of the minutes from the February 8th, 2007,
12 Commission meeting. Have the Commissioners had a chance to
13 examine the minutes?

14 COMMISSIONER BAILEY: Yes, I have, and I move we
15 adopt them.

16 CHAIRMAN FESMIRE: Is there a second?

17 COMMISSIONER OLSON: Second.

18 CHAIRMAN FESMIRE: All those in favor?

19 COMMISSIONER BAILEY: Aye.

20 COMMISSIONER OLSON: Aye.

21 CHAIRMAN FESMIRE: Let the record reflect that
22 the adoption of the minutes was unanimously approved by the
23 Commission. The minutes will be signed and transmitted to
24 the secretary.

25 * * *

1 CHAIRMAN FESMIRE: The next matter of business
2 before the Commission is Case Number 13,274, a *de novo* case
3 continued from the February 8th, 2007, Commission meeting.
4 The case will be continued to the April 19th, 2007,
5 Commission meeting. It's the Application of Pogo Producing
6 Company as a successor to Arch, Inc., for approval of two
7 nonstandard gas spacing and proration units in the Jalmat
8 Gas Pool, Lea County, New Mexico.

9 The next case before the Commission is Case
10 Number 13,531, the Application of Yates Petroleum
11 Corporation for an order directing, first, Pride Energy to
12 reimburse Yates for the well costs incurred by Yates in its
13 attempt to re-enter the State "X" Well Number 1 located in
14 Section 12, Township 12 South, Range 34 East, NMPM, prior
15 to the time Pride Energy assumed operations of the well,
16 and number two, directing Pride Energy to account for and
17 pay all sums it is now improperly holding pursuant to the
18 expired orders of the Division and the Commission, and
19 three, requiring Pride Energy to plug and abandon the State
20 "X" Well Number 1, Lea County, New Mexico. This case has
21 been continued from the February 8th, 2007, Commission
22 meeting, and will be continued to the April 19th, 2007,
23 Commission meeting.

24 The next cause before the Commission is Case
25 Number 13,695, the Application of Chaparral Energy, L.L.C.,

1 for approval of a saltwater disposal well in Lea County,
2 New Mexico. This is a *de novo* continued from the February
3 8th, 2007, Commission meeting, and the case will be
4 continued to the May 17th, 2007, Commission meeting.

5 Also before the Commission today is Case Number
6 13,817, the Application of Harvey E. Yates Company for an
7 exemption from the Oil Conservation Commission Rule
8 19.15.2.50.(A). Applicant has requested that the case be
9 continued from the February 8th, 2007, Commission meeting
10 and continued to the May 17th, 2007, Commission meeting.

11 Also before the Commission --

12 COMMISSIONER OLSON: Well --

13 CHAIRMAN FESMIRE: Commissioner?

14 COMMISSIONER OLSON: -- I guess we had a motion
15 on that. Is that -- we just take that up at the next
16 meeting, I guess?

17 CHAIRMAN FESMIRE: It was the Chair's intention
18 to rule on that at the next Commission meeting.

19 COMMISSIONER OLSON: Okay.

20 (Thereupon, these proceedings were concluded at
21 9:07 a.m.)

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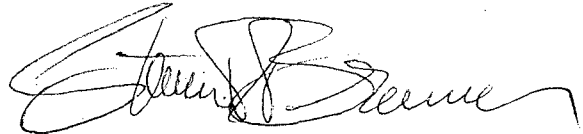
CERTIFICATE OF REPORTER

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 Commission 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 22nd, 2007.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2010