

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

APPLICATION OF PURVIS OPERATING
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 14091

FEBRUARY 21, 2008

1220 South St. Francis Drive
Santa Fe, New Mexico

EXAMINER: WILLIAM L. JONES

LEGAL ADVISOR: David Brooks

ATTORNEY FOR APPLICANT:

JAMES BRUCE, ESQ.
P O Box 1056
Santa Fe, New Mexico 87545

EXHIBITS 1 - 2

REPORTED BY: JOYCE D. CALVERT, P-03
Paul Baca Court Reporters
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Albuquerque, New Mexico 87102

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W. Jones

1 EXAMINER JONES: Okay. Let's call Case No. 14091,
2 Application for Purvis compulsory pooling, Lea County, New
3 Mexico. Call for appearances.

4 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
5 representing the applicant. I am submitting this one by
6 affidavit, also.

7 Mr. Examiner, if I may -- just to start off with, I'm
8 handing you a transcript of Case No. 13392. This well -- there
9 was prior forced pooling on this well fairly recently, and I'm
10 just giving you the transcript so you have that handy to look
11 at.

12 The well in this matter, applicant seeks an order
13 pooling all mineral interests in the Devonian formation only
14 underlying the east half, northeast quarter of Section 34, 12S,
15 37E. It is an 80-acre spacing unit in the Southwest
16 Gladiola-Devonian Pool.

17 I believe -- I think you've heard this case -- no.
18 Yes. It was by both of you previously. Applicant is going to
19 re-enter this well, which is currently producing from the
20 Wolfcamp, and make a completion attempt in the Devonian.
21 Evidence was submitted by a landman in the prior case. There
22 are -- I forget exactly how many, but there are -- there is a
23 listing. There are dozens and dozens and dozens of interest
24 owners. We force pooled a number of them, originally. Certain
25 parties had indicated that they would join in the well. There

1 were a lots of leases with a few clauses in them, so the
2 Devonian became unleased as to a number of mineral interests.
3 And so applicant had as set forth in the landman's testimony,
4 attempted to either have people ratify their leases or join as
5 working interest owners. And we thought we had force pooled
6 everyone, but there were certain people who said they were
7 going to join in the well, but then have not committed their
8 interest to JOA or signed any ratifications. And today we're
9 cleaning out. There were eight parties who we had to do
10 cleanup after they failed to sign or send in their money for
11 forced pooling.

12 Exhibit 1 is an affidavit from the landman. Again,
13 with the -- showing the Exhibit A as simply the well location
14 plat. Exhibit B lists the eight people being force pooled. As
15 part of Exhibit B there is a listing of all interest owners.
16 The last two pages of Attachment B is a listing of all interest
17 owners in this well giving their interest; and that is from
18 Division order files.

19 And Exhibit C, the proposal letters. And Exhibit D
20 is AFE that were previously submitted in the prior case. As I
21 said, this was simply to clean up certain interest owners who
22 failed to follow through on their ratifications. Notice was
23 given to the eighth interest owner -- I think it's the eight --
24 interest owners at their addresses and the green cards are
25 attached. Yes. There are eight interest owners.

1 And so everybody did receive notice of the
2 application -- actual notice of the application. One thing I
3 would ask is that since we had the re-pool it, the current
4 order, which is R-5372A, requires that the operations be
5 commenced by March 31. Just because a little additional time
6 may be needed because of this pool, we ask that the
7 commencement deadline be extended somewhat. I don't think it
8 needs a lengthy extension, but -- and with that I move the
9 admission of Exhibits 1 and 2.

10 EXAMINER JONES: Okay. Exhibits 1 and 2 will be
11 admitted. Okay. Mr. Brooks probably understands all this, but
12 it sounds like the committed parties, that they thought were
13 committed before, were not specifically included in the listing
14 of the people that were being pooled; is that correct? And
15 then they didn't follow through with their commitments?

16 MR. BRUCE: Correct.

17 EXAMINER JONES: But doesn't our -- doesn't our
18 Compulsory Pooling Order take care of those parties?

19 MR. BRUCE: Well, we didn't notify them the first
20 go-around.

21 EXAMINER JONES: Okay.

22 MR. BRUCE: And I think we specifically listed the
23 parties who were being pooled. And these eight owners were not
24 in that prior listing.

25 MR. BROOKS: The notice requirement is anybody who is

1 not committed to the well and who has an interest of record.
2 Ordered pools everybody, but --

3 MR. BRUCE: You have to go to the transcript to see
4 who's actually pooled.

5 MR. BROOKS: Pardon me?

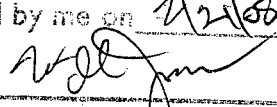
6 MR. BRUCE: You have to go the exhibits or the
7 transcript to see who's actually pooled.

8 EXAMINER JONES: Because we don't put it in the
9 order.

10 MR. BROOKS: Well, the purpose of that is to bring in
11 anybody who is either not of record and actually owns an
12 interest, to the extent that we can constitutionally -- anybody
13 who was inadvertently omitted.

14 EXAMINER JONES: Okay. I guess that's it, then.
15 We'll take Case No. 14091 under advisement.

16 [Hearing concluded.]
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21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
23 the Examiner hearing of Case No. 14091
24 heard by me on 2/2/68
25  , Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this proceeding.



JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/08

1 STATE OF NEW MEXICO)
 2 COUNTY OF BERNALILLO)

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4 I, JOYCE D. CALVERT, a New Mexico Provisional
 5 Reporter, working under the direction and direct supervision of
 6 Paul Baca, New Mexico CCR License Number 112, hereby certify
 7 that I reported the attached proceedings; that pages numbered
 8 1-5 inclusive, are a true and correct transcript of my
 9 stenographic notes. On the date I reported these proceedings,
 10 I was the holder of Provisional License Number P-03.

11 Dated at Albuquerque, New Mexico, this 27th day of
 12 February, 2008.

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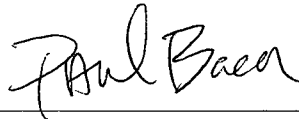
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