

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

ORIGINAL

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 14196

APPLICATION OF GMT EXPLORATION COMPANY
LLC FOR COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Legal Examiner
RICHARD EZEANYIM, Technical Examiner
TERRY G. WARNELL, Technical Examiner

October 16, 2008

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico
Oil Conservation Division, DAVID K. BROOKS, Legal Examiner,
RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL,
Technical Examiner, on Thursday, October 16, 2008, at the
New Mexico Energy, Minerals and Natural Resources Department,
1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102

A P P E A R A N C E S

FOR THE APPLICANT:

James G. Bruce, Esq.
ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87504

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1 MR. BROOKS: Let's call Case No. 14196, the
2 Application of GMT Exploration Company, LLC for Compulsory
3 Pooling, Lea County, New Mexico.

4 Call for appearances.

5 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
6 representing the applicant. I'm submitting this matter by
7 affidavit.

8 Mr. Examiner, in this case, applicant seeks to
9 force-pool a Morrow well unit consisting of the E/2 of
10 Section 28, 18 South, 34 East to be dedicated to a well located
11 at a standard location 1980 feet from the South Line and
12 860 feet from the East Line of the section.

13 There are two small interest owners being
14 force-pooled. One is the R. E. Harding, Jr. Residuary Trust
15 and the other one is Joan Fontaine, which is the actress Joan
16 Fontaine.

17 MR. BROOKS: You're going for the money this time.

18 MR. BRUCE: I'm going for the money. Although, when
19 I was dealing with a very young landman or woman, and I said,
20 "Oh, this is Joan Fontaine."

21 And she said, "Who?" It made me feel a little old.

22 I also examined title to this property, and there
23 was -- although he no longer owns an interest -- an interest
24 was also owned by Tony Curtis in this property previously.

25 The affidavit of the landman also includes the

1 proposal letters and an AFE. The proposal letters show that
2 one party, the Harding Trust, elects not to participate and
3 wishes to make a term assignment. We are seeking pooling
4 because I think the well is -- if it's not being drilled, it
5 will be shortly. So if they execute a term assignment, we will
6 notify the Division. But we're cleaning up all the loose ends
7 while the well was being drilled.

8 Joan Fontaine has elected to participate but has not
9 yet signed a JOA. When she does, we will notify the Division.
10 And I don't know how old she is, but her handwriting is still
11 better than mine is right now. So I'm guessing she must be in
12 her 90s.

13 And Exhibit 2 is the Affidavit of Notice and all
14 parties did receive actual notice.

15 And I move the admission of Exhibits 1 and 2.

16 MR. BROOKS: Exhibits 1 and 2 are admitted.

17 [Applicant's Exhibits 1 and 2 admitted into
18 evidence.]

19 MR. BROOKS: What overhead rates are you seeking on
20 this one?

21 MR. BRUCE: 8,000 and 800. It is a fairly deep well.
22 I believe it's 13,800 feet, estimated TD.

23 MR. BROOKS: And -- let's see. There were a couple
24 of other parties other than Joan Fontaine. Did you get
25 everybody served here?

1 MR. BRUCE: Well, actually it's Joan -- there's only
2 two parties, the Harding Trust and Joan Fontaine. Joan
3 Fontaine had two separate addresses. I think one was her
4 personal residence and one was her -- actually, her fan club.
5 And the other one, the Harding Trust, has two trustees so we
6 notified both trustees. They had different addresses.

7 MR. BROOKS: But there are no unlocated parties?

8 MR. BRUCE: There are no unlocated parties.

9 MR. BROOKS: And this one is going to be a straight
10 hole?

11 MR. BRUCE: Straight hole.

12 MR. BROOKS: Vertical?

13 MR. BRUCE: Correct.

14 MR. BROOKS: Okay. I don't think I have anything
15 further. Mr. Ezeanyim?

16 MR. EZEANYIM: No.

17 MR. BROOKS: Mr. Warnell?

18 MR. WARNELL: No.

19 MR. BROOKS: Case No. 14196 will be taken under
20 advisement.

21 * * *

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 14196
25 heard by me on 10-16-2008.

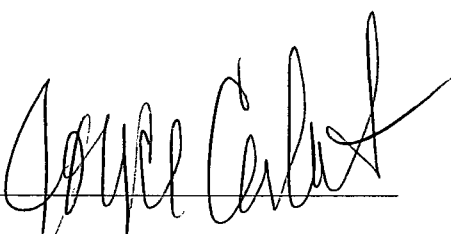
Daniel K. Brooks
Examiner
Oil Conservation Division

1
2 **REPORTER'S CERTIFICATE**
3

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

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

14 DATED this 16th of October, 2008.
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21 JOYCE D. CALVERT
22 New Mexico P-03
23 License Expires: 7/31/09
24
25

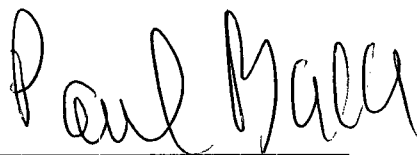
1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

3
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, 16th day of
12 October, 2008.

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15
16 Joyce D. Calvert
17 Provisional License #P-03
18 License Expires: 7/31/09

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22 Paul Baca, RPR
23 Certified Court Reporter #112
24 License Expires: 12/31/08
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