

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

RECEIVED

JAN 8 2004

Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

CONTINUED AND DISMISSED CASES

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

December 4th, 2003

Santa Fe, New Mexico

These matters came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, December 4th, 2003, 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

December 4th, 2003
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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1 WHEREUPON, the following proceedings were had at
2 8:15 a.m.:

3 EXAMINER STOGNER: This hearing will come to
4 order. Please note today's docket is Docket Number 39-03,
5 and today's date is Thursday, December the 4th, 2003. I'm
6 Michael Stogner, appointed Hearing Officer for today's
7 cases.

8 At this point I'll go through the known
9 continuances and dismissals.

10 Let's go to the second page, Case Numbers 8287
11 and 8288. Both of these are the Application of Bass
12 Enterprises Production Company. Well, let's see, they
13 concern -- both concern the potash. 8287 is for the
14 amendment of Division Order Number R-111-A, Eddy and Lea
15 County, New Mexico; and 8288, was approval of drilling
16 islands and special rules for potash-oil area, Eddy County,
17 New Mexico.

18 These cases were originally heard and docketed
19 back in the late 1980s, early 1990s, and were continued
20 indefinitely. And in preparing our case files for imaging
21 it was time we did something with these, so I readvertised
22 them and reopened them and notified the parties that this
23 case -- both cases would be dismissed unless the Applicant
24 appeared to show cause why these matters should not be
25 heard. I did get a letter from Bass Enterprises last week.

1 Both of these matters will be dismissed. So 8287 and 8288
2 are dismissed.

3 Third one, Case Number 13,144, this is the
4 Application of Permian Resources, Inc., for special pool
5 rules or, alternatively, for an unorthodox well location,
6 Lea County, New Mexico. This case will be continued to the
7 January 8th, 2004, hearing.

8 Case 13,180 is the Application of Kaiser-Francis
9 Oil Company for pool creation and adoption of special rules
10 and regulations for the new pool -- for a new pool in the
11 Paddock oil, Lea County, New Mexico. This case will be
12 dismissed.

13 Case 13,179, this is the Application of
14 Chesapeake Operating, Inc., for compulsory pooling, Lea
15 County, New Mexico. This case will also be dismissed.

16 Page 3, third one down, Case Number 12,681, this
17 is the matter reopened pursuant to Order Number R-11,680.
18 This case will be continued also to January 8th, 2004.

19 Are there any other continuances or dismissals at
20 this time?

21 MR. BRUCE: Mr. Examiner, the first page, the
22 fourth case down, 13,184, we request that that case be
23 dismissed.

24 EXAMINER STOGNER: 13,184, this is the
25 Application of Mewbourne Oil Company for an unorthodox gas

1 well location --

2 MR. BRUCE: Yes, sir.

3 EXAMINER STOGNER: -- Case 13,184 is dismissed
4 pursuant to Mr. Bruce's request.

5 MR. OWEN: Mr. Examiner --

6 EXAMINER STOGNER: Yes.

7 ~~MR. OWEN: -- on the third page, second case~~
8 ~~down, 13,177, I'm appearing on behalf of Crossland~~
9 ~~Operating, L.L.C.~~

10 This case was originally heard a month ago, and
11 it has been continued to today's date. It's my
12 understanding that the parties have reached verbal
13 agreement, they're waiting on a written confirmation of
14 those agreements, and I request that it be continued for
15 two weeks accordingly.

16 In addition, I've had discussions -- a number of
17 discussions about this advertisement. It seeks -- The
18 advertisement seeks pooling of the southeast quarter,
19 northeast quarter. Both the Application and my notice
20 letters accurately reflect that it's the entire east half
21 being pooled in this case, and for the readvertisement for
22 the next hearing, I request that it reflect the accurate --
23 I'll make the request on the record and follow up with
24 another letter that it reflect what the accurate --

25 EXAMINER STOGNER: Okay, I believe, if this is to

1 be readvertised, you've missed the deadline for the
2 December 18th docket.

3 MR. OWEN: And -- I understand that, and it's
4 been a problem that's been ongoing. I've asked that the
5 advertisement be amended a couple of times, and if it
6 hasn't been done so, I'll follow up with another letter.

7 EXAMINER STOGNER: Okay, I will look into that.

8 MR. OWEN: I'm not sure exactly where the problem
9 is. I think it's just a matter of miscommunication between
10 my office and the Division.

11 EXAMINER STOGNER: If you would, once you're
12 through today, if you would collect any mailings or
13 whatever you have mailed to us for that readvertisement, if
14 you would send that directly to me I'll look into this
15 matter.

16 ~~Okay, so at this point Case Number 13,177 will be~~
17 ~~continued to December 18th.~~ I don't know, or I don't have
18 anything in the record here that shows me that the
19 advertisement has been corrected, but if you're going to be
20 here for the rest of the day we can run upstairs and check
21 that out. And at that time, if we need to, we can continue
22 it again for the January 8th, 2004, hearing. So we'll need
23 to check on the readvertisement of this case.

24 MR. OWEN: I hadn't planned to be here for the
25 rest of the day --

1 EXAMINER STOGNER: Oh, okay --

2 MR. OWEN: -- since I don't have any other cases
3 on the docket, Mr. Examiner, but perhaps I'll check with
4 you at --

5 EXAMINER STOGNER: I'll check with you on the
6 phone, then, before the day's over.

7 MR. OWEN: That'll be fine. And with any luck,
8 the case will be simply dismissed if the written commitment
9 to the well is received by my client.

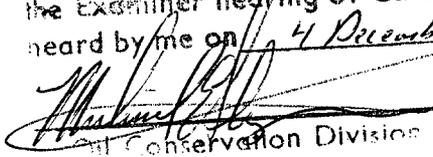
10 Thank you, Mr. Examiner.

11 EXAMINER STOGNER: Thank you, sir.

12 Any other continuances or dismissals at this
13 time?

14 (Thereupon, these proceedings were concluded at
15 8:24 a.m.)

16 * * *

17
18 I do hereby certify that the foregoing is
19 a complete record of the proceedings in
20 the Examiner hearing of Case No. 13177,
21 heard by me on 4 December 2003.
22  , Examiner
23 of Conservation Division

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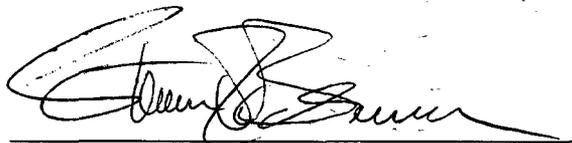
CERTIFICATE OF REPORTER

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 December 4th, 2003.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006