

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

IN THE MATTER OF THE HEARING)
CALLED BY THE OIL CONSERVATION)
COMMISSION FOR THE PURPOSE OF)
CONSIDERING:) CASE NO. 11,048
)
APPLICATION OF BASS ENTERPRISES)
PRODUCTION COMPANY)
_____)

REPORTER'S TRANSCRIPT OF PROCEEDINGS
COMMISSION HEARING

ORIGINAL

BEFORE: WILLIAM J. LEMAY, CHAIRMAN
WILLIAM WEISS, COMMISSIONER
GARY CARLSON, COMMISSIONER

RECEIVED

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Oil Conservation Division

February 23rd, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission on Thursday, February 23rd, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, before Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

February 23rd, 1995
Commission Hearing
CASE NO. 11,048

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE COMMISSION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
State Land Office Building
Santa Fe, New Mexico 87504

FOR THE APPLICANT:

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

FOR MARALO, INC.:

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

FOR SANTA FE ENERGY RESOURCES, INC.:

HINKLE, COX, EATON, COFFIELD & HENSLEY
218 Montezuma
P.O. Box 2068
Santa Fe, New Mexico 87504-2068
By: JAMES G. BRUCE

* * *

1 WHEREUPON, the following proceedings were had at
2 9:05 a.m.:

3 CHAIRMAN LEMAY: Well, good morning. This is our
4 first meeting here of the Oil Conservation Commission, and
5 you're actually seeing a new Commission, since we were
6 reappointed. It's the old Commission, but it's also a new
7 Commission. So I'll introduce it for those of you that
8 didn't know the old Commission.

9 On my left is Commissioner Bill Weiss, the
10 appointee of the Secretary of Energy, Minerals and Natural
11 Resources, a long-standing, highly respected petroleum
12 engineer.

13 And on my right is Commissioner Gary Carlson, the
14 representative of the Commissioner of Public Lands, State
15 of New Mexico, who is the appointee of the Commissioner,
16 and Gary holds a law degree as well as an engineering
17 degree and has had many years' experience in the oil and
18 gas industry.

19 If you don't know me, my name is Bill LeMay. I'm
20 the Director of the Oil Conservation Division and have been
21 recently reappointed as that Director. And according to
22 statute, the Director sits on the Oil Conservation
23 Commission.

24 So we are the three comprising the Oil
25 Conservation Commission.

1 This is our first meeting of the year, and to
2 give you a schedule of what we plan in the next day and a
3 half, the way that will go is, this morning we're going to
4 hold our proration hearing, which is held twice a year.
5 I'm assuming that will go till 11:00, 11:30, whatever.

6 And depending on when that breaks we'll have
7 lunch in the afternoon, reconvening at either 1:00 or 1:30,
8 to engage in what will be our first meeting where we as
9 Commissioners will listen to an agenda that's really
10 presented by you all, the public and the industry. And
11 you'll bring to us -- I call it industry, public, talks;
12 Commission listens. You'll bring to us the concerns that
13 you have on changes you'd like to see made in the rules and
14 policy, procedures, some way that we can better serve the
15 industry and the public and the State in our capacity as
16 engineers.

17 The Oil Conservation Commission is required -- or
18 it's our duty to enact the laws -- or not the laws but the
19 rules and regulations that govern activities in the oil
20 patch, and the Division implements those rules and
21 regulations. So we are the body that would like to hear
22 your concerns.

23 And then those of you that are here for a case,
24 Case 11,048 will be dismissed, but Case 10,994 will be
25 heard tomorrow morning.

1 So that is basically our schedule.

2 We might as well start by calling Case 11,048,
3 which is the Application of Bass Enterprises Production
4 Company for compulsory pooling.

5 MR. CARR: May it please the Commission, my name
6 is William F. Carr with the Santa Fe law firm Campbell,
7 Carr, Berge and Sheridan.

8 This case is before you on the *de novo*
9 Application filed by Maralo, Inc. On behalf of Maralo, I
10 would request that the *de novo* appeal be dismissed.

11 CHAIRMAN LEMAY: Mr. Kellahin?

12 MR. KELLAHIN: Mr. Chairman, I'm Tom Kellahin of
13 the Santa Fe law firm of Kellahin and Kellahin, appearing
14 on behalf of Bass Enterprises.

15 We concur in the dismissal of the *de novo* case.

16 CHAIRMAN LEMAY: Thank you. Mr. Bruce?

17 MR. BRUCE: Mr. Chairman, Jim Bruce from the
18 Hinkle law firm, representing Santa Fe Energy Resources,
19 Inc., which is the successor to Santa Fe Energy Operating
20 Partners, and we concur.

21 CHAIRMAN LEMAY: Thank you.

22 Is there any objection to the dismissal of Case
23 11,048?

24 If not, Case 11,048 will be dismissed without
25 prejudice, and we will call case -- Or is it with

1 prejudice, or is that --

2 MR. CARR: Well, the appeal is with prejudice;
3 the prior order would stand.

4 CHAIRMAN LEMAY: Thank you. Case will be
5 dismissed.

6 (Thereupon, these proceedings were concluded at
7 9:10 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 February 26th, 1995.


 STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998