

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

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
APPLICATION OF JOHN H. HENDRIX)
CORPORATION FOR COMPULSORY POOLING AND)
AN UNORTHODOX WELL LOCATION, LEA COUNTY,)
NEW MEXICO)

CASE NO. 11,993

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

August 6th, 1998

Santa Fe, New Mexico

RECEIVED

SEP 11 1998

Oil Conservation Division

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, August 6, 1998, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, 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

August 6th, 1998
Examiner Hearing
CASE NO. 11,993

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

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

FOR ANN YEAGER HANSEN and HENRY YEAGER:

JAMES G. BRUCE, Attorney at Law
612 Old Santa Fe Trail, Suite B
Santa Fe, New Mexico 87501
P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at

2 8:27 a.m.:

3 EXAMINER STOGNER: Call Case Number 11,993.

4 MR. CARROLL: Application of John H. Hendrix
5 Corporation for compulsory pooling and an unorthodox well
6 location, Lea County, New Mexico.

7 EXAMINER STOGNER: Are there any appearances in
8 this matter?

9 MR. CARR: May it please the Examiner, my name is
10 William F. Carr with the Santa Fe law firm Campbell, Carr,
11 Berge and Sheridan.

12 We represent John H. Hendrix Corporation in this
13 matter.

14 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe.

15 I represent Ann Yeager Hansen and Henry Yeager,
16 Y-e-a-g-e-r.

17 Just a brief statement, Mr. Examiner.

18 This was heard four weeks ago, and because the
19 Applicant was -- had two alternate proposals at that time,
20 either to drill a new well or to re-enter an existing well,
21 a new proposal was sent out, the matter was readvertised
22 for this docket.

23 Further negotiations ensued among the parties.
24 They haven't been able to come to terms. My clients would
25 prefer to just have their interests pooled under the

1 pooling order.

2 Of course, at the last hearing I did argue for a
3 reduced penalty, and I would like the opportunity to submit
4 a short proposed order regarding the penalty.

5 EXAMINER STOGNER: Mr. Carr?

6 MR. CARR: May it please the Examiner, as Mr.
7 Bruce indicated, and as you may recall, several days before
8 the hearing, John H. Hendrix Corporation was able to reach
9 an agreement with Conoco for the acquisition of an existing
10 wellbore on the tract. This would substantially reduce the
11 cost of developing the property and also would reduce risk
12 associated with drilling the well, because there had been
13 drilling problems in the area with some water flows, I
14 believe it was.

15 But in any event, they were requesting they be
16 permitted, in the alternative to drilling a new well, to
17 use existing wellbores. That required amendment of the
18 Application, and we have done that.

19 We've provided notice to all the parties of the
20 amended Application seeking the alternative, being the use
21 of the old wellbore, and I have an affidavit which confirms
22 that notice has now been provided to all affected parties,
23 which now accurately reflects what was, in fact, presented
24 at the hearing four weeks ago, and I'd like to offer that
25 notice affidavit and request the case be taken under

1 advisement.

2 We'd also be happy to provide a proposed order.

3 EXAMINER STOGNER: Is there anything else?

4 Mr. Bruce?

5 MR. BRUCE: I have nothing further.

6 EXAMINER STOGNER: Well, why don't you submit
7 those at this time? Do you have the proposed order, or are
8 you going to submit one later?

9 MR. BRUCE: Could I submit one in a couple of
10 days?

11 EXAMINER STOGNER: Okay.

12 Is there anything else further in this matter?

13 MR. CARR: No, sir.

14 EXAMINER STOGNER: With that, I'll take this
15 under advisement at this time, and when both of you get
16 ready to submit a rough draft it will be accepted at that
17 time.

18 This matter will be taken under advisement, then.

19 (Thereupon, these proceedings were concluded at
20 8:30 a.m.)

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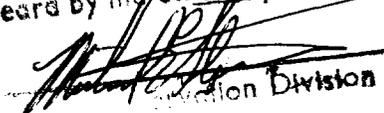
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 11993,
heard by me on 6 August 1988.

23

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 , Examiner
Division 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 August 25th, 1998.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998