

STATE OF NEW MEXICO OIL CONSERVATION DIV.
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 99 FEB -4 PM 7:36
 OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
 THE OIL CONSERVATION DIVISION FOR THE)
 PURPOSE OF CONSIDERING:) CASE NO. 12,008
)
 APPLICATION OF ROBERT E. LANDRETH FOR A)
 DETERMINATION OF REASONABLE WELL COSTS,)
 LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

January 21st, 1999

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, January 21st, 1999, 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

January 21st, 1999
Examiner Hearing
CASE NO. 12,008

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3 EXAMINER STOGNER: This hearing will come to
4 order for Docket Number 3-99. I'm Michael Stogner,
5 appointed Hearing Examiner for today's case. Please note
6 today's date, January the 21st, 1999. It is snowing.

7 I'll call Case Number 12,008.

8 MR. CARROLL: Application of Robert E. Landreth
9 for a determination of reasonable well costs, Lea County,
10 New Mexico.

11 EXAMINER STOGNER: Call for any appearance in
12 this matter.

13 MR. CARR: May it please the Examiner, my name is
14 William F. Carr with the Santa Fe law firm Campbell, Carr,
15 Berge and Sheridan. We represent Robert E. Landreth in
16 this matter.

17 Mr. Examiner, by Order Number R-10,764 the
18 Division granted the Application of Santa Fe Energy
19 Resources, Inc., pooling certain interests of Mr. Landreth
20 in the south half of Section 29, Township 22 South, Range
21 34 East.

22 Following the drilling of the well, the
23 reasonable well costs were submitted by Santa Fe to Mr.
24 Landreth, and pursuant to the Division's Order Mr. Landreth
25 has requested a hearing and a determination on the

1 reasonableness of these well costs.

2 Santa Fe filed a motion to dismiss the Landreth
3 Application. We have responded and Santa Fe has filed its
4 reply.

5 By agreement with the parties and counsel, we
6 have requested that this hearing be delayed until at least
7 ten days following disposition of the motion to dismiss,
8 the ten days needed to enable the parties to prepare for a
9 hearing following an action by the Division on this motion.

10 The motion has not yet been ruled on, and
11 therefore we would request that this case be continued. We
12 would suggest that the case be continued initially for four
13 weeks, and we will then at that time determine whether or
14 not it's appropriate for the parties to go to hearing.

15 So we request a four-week continuance of this
16 Application.

17 EXAMINER STOGNER: Okay, is there anything else
18 in this matter today?

19 Mr. Carr, your -- yours and Mr. Kellahin's
20 request to continue this matter, I'm assuming Mr. Kellahin
21 is in agreement with this?

22 MR. CARR: Yes, he is.

23 EXAMINER STOGNER: We'll continue this matter
24 until the February 18th hearing.

25 Is there anything further in this matter?

1 MR. CARR: Nothing further, Mr. Examiner.

2 EXAMINER STOGNER: Okay. Is there anything
3 further in today's docket?

4 With that, this hearing is adjourned.

5 (Thereupon, these proceedings were concluded at
6 8:23 a.m.)

7 * * *

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14 (So hereby certified that the
15 a complete and correct transcript
16 the examination was taken
17 heard by me on 21 January 1966
18 *Michael E. Stogner*
19 Off Conservation, U.S. Fish & Wildlife Service
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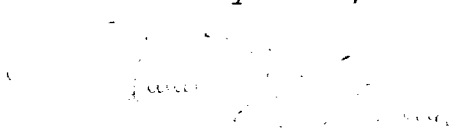
CERTIFICATE OF REPORTER

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 January 21st, 1999.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002