

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: )

CASE NO. 12,157

APPLICATION OF CHI ENERGY, INC., FOR )  
 COMPULSORY POOLING, LEA COUNTY, )  
 NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

June 10th, 1999

Santa Fe, New Mexico

99 JUN 24 AM 7:05

OIL CONSERVATION DIV.

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, June 10th, 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.

\* \* \*

## I N D E X

June 10th, 1999  
 Examiner Hearing  
 CASE NO. 12,157

## PAGE

REPORTER'S CERTIFICATE

5

\* \* \*

## E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 12	3	4

\* \* \*

## 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: PAUL R. OWEN

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   9:03 a.m.:

3           EXAMINER CATANACH: At this time we'll call Case  
4   12,157.

5           MR. CARROLL: Application of Chi Energy, Inc.,  
6   for compulsory pooling, Lea County, New Mexico.

7           EXAMINER CATANACH: Call for appearances in this  
8   case.

9           MR. OWEN: Paul Owen of the Santa Fe law firm of  
10   Campbell, Carr, Berge and Sheridan, on behalf of the  
11   Applicant, Chi Energy, Inc.

12           EXAMINER CATANACH: Any additional appearances?  
13   Okay, Mr. Owen?

14           MR. OWEN: Mr. Examiner, this case was originally  
15   heard by Mr. Stogner on May 13th, and all the evidence, all  
16   the substantive evidence in this case, was taken at that  
17   time.

18           At that hearing it was determined that one  
19   individual, Mr. James Burr, had not been fully notified of  
20   these proceedings. Since that time our office has notified  
21   Mr. Burr of the pending Application and today's hearing  
22   date.

23           And I offer as evidence of that notification Chi  
24   Energy Exhibit Number 12, which is sequentially the next  
25   exhibit following the exhibits that were introduced at the

1 May 13th hearing. That exhibit is an affidavit from Mr.  
 2 Carr of our office, evidencing Mr. James Burr's  
 3 notification of this proceeding.

4 In addition, at the time of the May 13th hearing  
 5 full agreement had not been reached with Santa Fe Energy,  
 6 Inc. Since that time, I can affirmatively state that Santa  
 7 Fe and Chi have reached an understanding, and Santa Fe  
 8 supports Chi's Application at this time.

9 With the evidence of the additional notice and  
 10 Santa Fe's support for Chi's Application in the record, we  
 11 request that Chi's Application be approved at this time,  
 12 Mr. Examiner.

13 EXAMINER CATANACH: Okay, Exhibit 12 will be  
 14 admitted as evidence in this case.

15 And there being nothing further, Case 12,157 will  
 16 be taken under advisement.

17 MR. OWEN: Thank you, Mr. Examiner.

18 (Thereupon, these proceedings were concluded at  
 19 9:07 a.m.)

20 \* \* \*  
 21 I do hereby certify that the foregoing is  
 22 a complete record of the proceedings in  
 23 the Examiner hearing of Case No. 12157,  
 24 heard by me on June 10, 1982.  
 25 David R. Catnach, Examiner

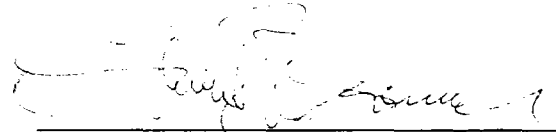
CERTIFICATE OF REPORTER

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 June 11th, 1999.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 2002

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

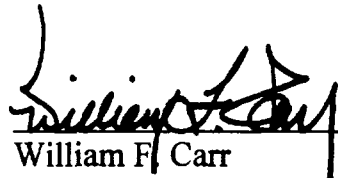
APPLICATION OF CHI ENERGY, INC.  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

CASE NO. 12157

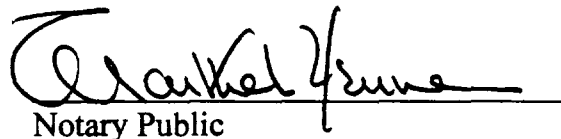
AFFIDAVIT

STATE OF NEW MEXICO       )  
  ) ss.  
COUNTY OF SANTA FE       )

William F. Carr, authorized representative of Chi Energy, Inc., the Applicant herein, being first duly sworn, upon oath, states that in accordance with the notice provisions of Division rules, the Applicant has attempted to find the correct addresses of all interested persons entitled to receive notice of this application and that notice has been given at the addresses shown on Exhibit "A" attached hereto.

  
\_\_\_\_\_  
William F. Carr

SUBSCRIBED AND SWORN to before me this 8th day of June, 1999 by William F. Carr.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: August 19, 1999

BEFORE THE  
OIL CONSERVATION DIVISION  
Santa Fe, New Mexico

Case No. 12157 Exhibit No. 12

Submitted by: Chi Energy, Inc.

Hearing Date: April 15, 1999

**EXHIBIT A**

James E. Burr  
Post Office Box 8050  
Midland, TX 79708

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN  
MICHAEL H. FELDEWERT  
PAUL R. OWEN  
KATHERINE M. MOSS  
  
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
FACSIMILE: (505) 983-6043  
E-MAIL: ccbspa@ix.netcom.com

May 11, 1999

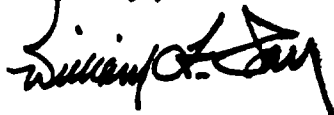
**CERTIFIED MAIL  
RETURN RECEIPT REQUESTED**

James E. Burr  
Post Office Box 8050  
Midland, TX 79708

Dear Mr. Burr:

Enclosed is a copy of an application for compulsory pooling, filed with the New Mexico Oil Conservation Division by Chi Energy, Inc., regarding the E/2 of Section 19, Township 20 South, Range 34 East, N.M.P.M., Lea County, New Mexico. Chi's records indicate that you own an interest in the proposed well unit. This matter will be heard at 8:15 a.m. on Thursday, June 10, 1999 at the Division's offices at 2040 South Pacheco Street, Santa Fe, New Mexico 87505. As an interest owner in the well unit, you have the right to enter an appearance and participate in the hearing. Failure to appear at that time will preclude you from contesting this matter at a later date.

Very truly yours,



WILLIAM F. CARR

WFC:mlh  
Enc.



2 559 541 864

US Postal Service  
**Receipt for Certified Mail**

James E. Burr  
Post Office Box 8050  
Midland, TX 79708

Postage	\$ 33
Certified Fee	140
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to Whom & Date Delivered	1.25
Return Receipt Showing to Whom & Addressee's Address	
<b>TOTAL Postage &amp; Fees</b>	<b>\$ 2.98</b>
Postmark for Date	1 1999

PS Form 3800 April 1995

Is your **RETURN ADDRESS** completed on the reverse side?

<p><b>SENDER:</b></p> <ul style="list-style-type: none"> <li>Complete items 1 and/or 2 for additional services.</li> <li>Complete items 3, 4a, and 4b.</li> <li>Print your name and address on the reverse of this form so that we can return this card to you.</li> <li>Attach this form to the front of the mailpiece, or on the back if space does not permit.</li> <li>Write "Return Receipt Requested" on the mailpiece below the article number.</li> <li>The Return Receipt will show to whom the article was delivered and the date delivered.</li> </ul>		<p>I also wish to receive the following services (for an extra fee):</p> <p>1. <input type="checkbox"/> Addressee's Address</p> <p>2. <input type="checkbox"/> Restricted Delivery</p> <p>Consult postmaster for fee.</p>	
<p>3. Article Addressed to:</p> <p>James E. Burr Post Office Box 8050 Midland, TX 79708</p>		<p>4a. Article Number Z 559 541 864</p>	
<p>5. Received By: (Print Name) JIM BURR</p>		<p>4b. Service Type</p> <p><input type="checkbox"/> Registered <input checked="" type="checkbox"/> Certified</p> <p><input type="checkbox"/> Express Mail <input type="checkbox"/> Insured</p> <p><input checked="" type="checkbox"/> Return Receipt Requested <input type="checkbox"/> COD</p>	
<p>6. Signature: (Addressee or Agent) X [Signature]</p>		<p>7. Restricted Delivery</p> <p>8. Addressee's Address (Only if requested)</p>	

PS Form 3801, December 1994

102595-00-00-0228

Domestic Return Receipt

Thank you for using Return Receipt Service.