

NEW MEXICO OIL CONSERVATION DIVISION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 3, 2000 Time 8:15 A.M.

| NAME            | REPRESENTING                     | LOCATION       |
|-----------------|----------------------------------|----------------|
| Bill Pierce     | Penwell Energy                   | Midland, Tx,   |
| Bill Owen       | David Pet.                       | Roswell        |
| Celia McMill    | McMillan Prod. Inc               | Roswell        |
| Kurt E McCarney | David Pet.                       | Roswell        |
| Reed Meek       | Yates Petroleum Corp.            | Artesia        |
| William J. Tom  | Temple, Tex, Edge Under Santa Fe | Midland        |
| Jerry Eger      | Nearburg                         | Midland        |
| Bob [unclear]   | "                                | "              |
| Scott Hall      | Muller [unclear]                 | SF             |
| Jim [unclear]   | —                                | SF             |
| Mark [unclear]  | Nearburg                         | Midland        |
| W. Killebrew    | Killebrew [unclear]              | Santa Fe       |
| Gayle Pigg      | Devon Energy Corp                | OKla. City, OK |

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 POGO PRODUCING COMPANY )  
FOR COMPULSORY POOLING, EDDY COUNTY, )  
NEW MEXICO )

CASE NO. 12,308

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 3rd, 2000

Santa Fe, New Mexico

00 FEB 17 AM 9:00

OIL CONSERVATION DIV.

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, February 3rd, 2000, 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

February 3rd, 2000  
Examiner Hearing  
CASE NO. 12,308

|                        |      |
|------------------------|------|
|                        | PAGE |
| APPEARANCES            | 3    |
| REPORTER'S CERTIFICATE | 6    |

\* \* \*

E X H I B I T

|             |            |          |
|-------------|------------|----------|
| Applicant's | Identified | Admitted |
| Exhibit A   | 5          | -        |

\* \* \*

## A P P E A R A N C E S

## FOR THE DIVISION:

LYN S. HEBERT  
Legal Counsel to the Division  
Energy, Minerals and Natural Resources Department  
2040 South Pacheco  
Santa Fe, New Mexico 87505

## FOR THE APPLICANT:

JAMES G. BRUCE, Attorney at Law  
3304 Camino Lisa  
Santa Fe, New Mexico 87501  
P.O. Box 1056  
Santa Fe, New Mexico 87504

## NEARBURG EXPLORATION COMPANY:

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 CATANACH: Call the hearing to order  
4           this morning for Docket Number 04-00.

5           At this time I'll call the dismissals and  
6           continuances.

7           (Off the record)

8           EXAMINER CATANACH: Okay, at this time we'll call  
9           Case 12,308

10          MS. HEBERT: This is the Application of Pogo  
11          Producing Company for compulsory pooling, Eddy County, New  
12          Mexico.

13          EXAMINER CATANACH: Call for appearances in this  
14          case.

15          MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
16          representing the Applicant. I just have an affidavit and a  
17          short statement.

18          MR. CARR: May it please the Examiner, I'd like  
19          the record to show the appearance of Nearburg Exploration  
20          Company in this matter.

21          MR. BRUCE: Mr. Examiner, this case was heard six  
22          weeks ago, and due to some short notice it was continued to  
23          the January 6th hearing. Since then, Pogo has continued it  
24          again twice to this hearing, since you were the original  
25          Hearing Examiner on it.

1 I've submitted as Exhibit A, which I ask to be  
 2 introduced into evidence, an affidavit from the landman  
 3 stating the current status of negotiations with the parties  
 4 and the parties they seek to pool at this time. They have  
 5 come to terms with most of them, but there is currently no  
 6 operating agreement signed.

7 They would like the matter to be taken under  
 8 advisement and order issued, and at such time as operating  
 9 agreements or leases or other arrangements are made with  
 10 the parties, they will notify the Division if those parties  
 11 are no longer subject to the order.

12 EXAMINER CATANACH: Mr. Carr, do you have  
 13 anything in this case?

14 MR. CARR: No, I do not.

15 EXAMINER CATANACH: Okay. Any additional  
 16 appearances?

17 There being nothing additional in this case, Case  
 18 12,308 will be taken under advisement.

19 (Thereupon, these proceedings were concluded at  
 20 8:23 a.m.)

21 \* \* \*

22 I do hereby certify that the foregoing is  
 23 a complete record of the proceedings in  
 the Examiner hearing of Case No. 12308,  
 24 heard by me on February 3 1900-2000  
David R. Catanch, Examiner  
 25 Oil Conservation Division

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 February 4th, 2000.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002

BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION

APPLICATION OF POGO PRODUCING  
COMPANY FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

Case No. 12,308

AFFIDAVIT

STATE OF TEXAS )  
 ) ss.  
COUNTY OF MIDLAND )

Garland H. Lang III, being duly sworn upon his oath, deposes and states:

1. I am over the age of 18, and have personal knowledge of the matters stated herein.

2. I am a landman for applicant, and I testified in this case at the hearing on December 16, 1999.

3. The interest owners in the proposed well, other than applicant, are as follows:

- Nearburg Exploration Company, L.L.C.
- Mr. and Mrs. James T. Jennings
- Leona Curtis Living Trust
- Ralph Nix
- Devon Energy Corporation (Nevada)
- Roberts & Koch
- Jack C. Cartwright
- Wayman W. Buchanan
- Gene F. Lang & Co.
- David T. Holt
- Kirby Minerals, LLC

4. I have called or written each interest owner, and the status of each party is as follows:

- Still in negotiations with Nearburg (last contact 2/1/00)
- Jennings desires to participate, but has not signed an AFE (last contact 1/14/00)
- Curtis Trust wants to lease to Pogo, but negotiations are still being conducted over lease terms
- Nix leased to Pogo
- Devon, Roberts & Koch, Cartwright, Buchanan, and Lang have agreed to participate, and have signed AFEs
- Holt desires to participate, but has not signed an AFE

NEW MEXICO  
OIL CONSERVATION DIVISION  
Pogo EXHIBIT A  
CASE NO. 12308

Kirby still has not responded to any letter or phone call

The parties who have signed AFEs have not yet signed an operating agreement.

5. As a result, applicant requests an order pooling all interest owners except Ralph Nix. Applicant will notify the Division when parties sign an operating agreement or otherwise commit their interests to the well, so that they are not subject to a pooling order.

*Garland H. Lang III*  
Garland H. Lang III

SUBSCRIBED AND SWORN TO before me this 2nd day of February, 2000, by Garland H. Lang III.

*Linda K. Fieseler*  
Notary Public

My Commission Expires:

9-30-00

