

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. 12,314

APPLICATION OF CROSS TIMBERS OIL AND)
 GAS COMPANY FOR AN UNORTHODOX GAS WELL)
 LOCATION, SAN JUAN COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

December 16th, 1999

Santa Fe, New Mexico

OIL CONSERVATION DIV.
 00 JAN - 6 PM 9:49

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, December 16th, 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

December 16th, 1999
 Examiner Hearing
 CASE NO. 12,314

PAGE

REPORTER'S CERTIFICATE

7

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E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	5	-
Exhibit 2	5	-

* * *

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:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 11:20 a.m.:

3 EXAMINER CATANACH: At this time we'll call Case
4 12,314.

5 MR. CARROLL: Application of Cross Timbers Oil
6 and Gas Company for an unorthodox gas well location, San
7 Juan County, New Mexico.

8 EXAMINER CATANACH: Call for appearances in this
9 case?

10 MR. BRUCE: Mr. Examiner, my name is Jim Bruce of
11 Santa Fe, representing the Applicant. If necessary, I have
12 one witness.

13 EXAMINER CATANACH: Call for additional
14 appearances.

15 MR. CARROLL: Mr. Bruce, who is the objecting
16 party in this case?

17 MR. BRUCE: Mr. Carroll, this case involves a
18 well that was drilled to test the Fruitland Coal formation.
19 After it was drilled, Cross Timbers decided to try to
20 attempt a completion or to drill deeper to the Pictured
21 Cliffs formation. The well was at a previously approved
22 unorthodox location in the Fruitland Coal, administrative
23 approval. They sought administrative approval for the
24 Pictured Cliffs location, and the filed that application.

25 When that application was filed, the Jensen,

1 J-e-n-s-e-n, Brothers Partnership of Fort Collins,
2 Colorado, objected, and this matter was set for hearing.
3 At this time it appears that the partnership has not shown
4 up to object.

5 If we could just refer back the matter to Mr.
6 Stogner for a decision, that would be acceptable.

7 MR. CARROLL: The Jensen brothers have received
8 notice of this hearing?

9 MR. BRUCE: Yes, they've received -- We don't
10 have the green cards here, we can submit that later. But
11 they received notice of this hearing directly from Mr.
12 Stogner, and that should be in the Division's file.

13 Mr. Stogner sent a letter to Cross Timbers dated
14 November 22nd, and Jensen Brothers were copied with that
15 letter, and that letter does give the date of hearing.

16 EXAMINER CATANACH: Mr. Bruce, do you know who a
17 Luther Harris is in regards to this case?

18 MR. BRUCE: A landman for Cross timbers is here,
19 his name is Edwin S. Ryan, Jr., and he can tell you who
20 that is.

21 EXAMINER CATANACH: Mr. Ryan, is it?

22 MR. RYAN: Yes, sir.

23 EXAMINER CATANACH: Could you please identify who
24 Luther Harris is?

25 MR. RYAN: I believe he's the father-in-law or

1 father of one of -- John Jensen. I think it's the father-
2 in-law of John Jensen.

3 MR. BRUCE: Mr. Examiner, if I could, in that
4 administrative file there's a notice list of the interest
5 owners given to the offset interest owners, and Luther -- I
6 forget his last name -- is not listed --

7 MR. RYAN: Luther Harris.

8 MR. BRUCE: Luther Harris is not listed because
9 his interest is owned by Jensen Brothers.

10 Mr. Examiner, if I could, we had marked two
11 exhibits. Maybe this will help you understand the location
12 and the interests of the parties.

13 The unorthodox location we're talking about is
14 the well in the northeast quarter of the section.

15 Down in the southwest quarter of the section,
16 there is an existing Fruitland Coal gas well operated by
17 Cross Timbers.

18 On Exhibit 1, the yellow is the Jensen -- the
19 approximate location of the Jensen Brothers mineral
20 interest.

21 If you would go to Exhibit 2, again, it's the
22 same plat showing the well we're talking about, the
23 approximate location of the mineral interests we're talking
24 about. And Exhibit 2 also shows that the location is
25 further away than a standard location could be from the

1 Jensen brothers' interest.

2 EXAMINER CATANACH: All right, Mr. Bruce, at your
3 request we will forward this Application back to Mike
4 Stogner for administrative processing, and I assume --
5 Would you like to dismiss the case, or would you like to
6 wait?

7 MR. BRUCE: Why don't we wait until the
8 administrative order is issued?

9 EXAMINER CATANACH: Let's do that.

10 So we'll continue the case to January 6th, at
11 which time you can check on the status of that order.

12 (Thereupon, these proceedings were concluded at
13 11:28 a.m.)

14 * * *

15
16
17 I do hereby certify that the foregoing is
18 a complete record of the proceedings in
the Examiner hearing of Case No. 12316,
19 heard by me on December 16, 1985.

20 David P. Catanach, Examiner
21 Oil Conservation Division
22
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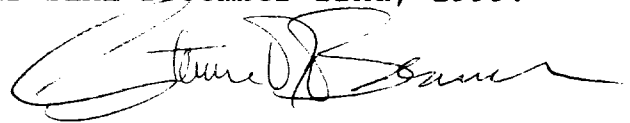
CERTIFICATE OF REPORTER

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 December 22nd, 1999.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002



STATE: NEW MEXICO COUNTY: SAN JUAN
PROSPECT: FEDERAL GAS COM H#2 DATE: 12/13/99
SECTIONS: 31 BLOCK: _____ SURVEY: _____
ACRES: _____ TOWNSHIP: 30N RANGE: 12W PRINCIPAL MERIDIAN: _____

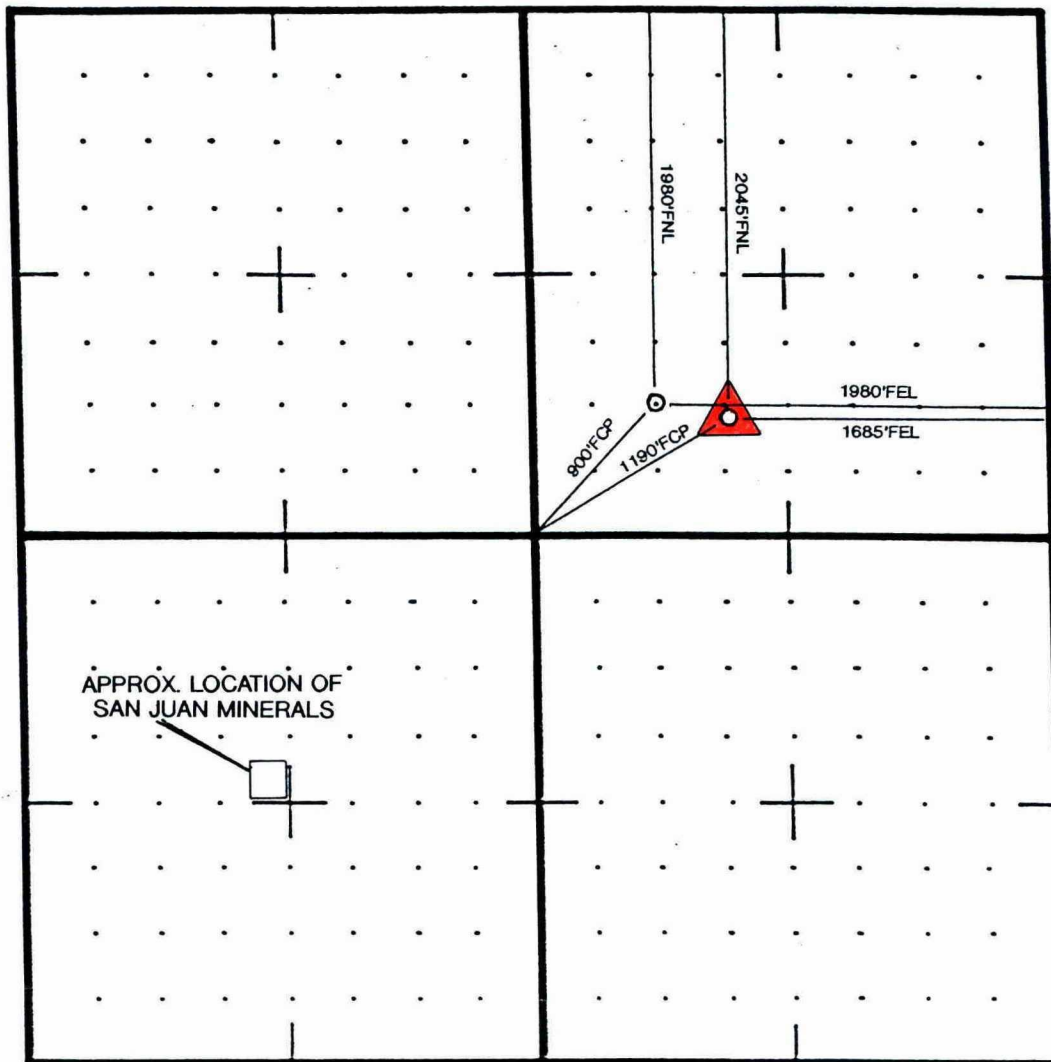
NMOCD
Exhibit #
Case No. 12314



SECTION PLAT OF 1 SQUARE MILE

STATE: NEW MEXICO COUNTY: SAN JUAN
PROSPECT: FEDERAL GAS COM H#2 DATE: 12/13/99
SECTIONS: 31 BLOCK: _____ SURVEY: _____
ACRES: _____ TOWNSHIP: 30N RANGE: 12W PRINCIPAL MERIDIAN: _____

SCALE: 1"=1000'



FEDERAL GAS COM H#2 -UNORTHDOX LOCATION



LEGAL LOCATION