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:

IN THE MATTER OF THE HEARING OF THE OIL CONSERVATION DIVISION FOR AN ORDER CREATING AND EXTENDING CERTAIN POOLS IN CHAVES AND EDDY COUNTIES, NEW MEXICO CASE NO. 12,504

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REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MARK ASHLEY, Hearing Examiner

October 5th, 2000

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MARK ASHLEY, Hearing Examiner on Thursday, October 5th, 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.

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STEVEN T. BRENNER, CCR (505) 989-9317

INDEX October 5th, 2000 Examiner Hearing CASE NO. 12,504 PAGE **APPLICANT'S WITNESS:** BRYAN G. ARRANT (District Geologist, NMOCD, Artesia District Office - District 2) Direct Examination by Ms. Hebert 3 Examination by Examiner Ashley **REPORTER'S CERTIFICATE** 7 * * * APPEARANCES FOR THE DIVISION: LYN S. HEBERT Attorney at Law Legal Counsel to the Division 2040 South Pacheco Santa Fe, New Mexico 87505 * * *

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WHEREUPON, the following proceedings were had at 1 2 10:01 a.m.: EXAMINER ASHLEY: At this time the Division calls 3 Case 12,504. 4 5 Mr. Examiner, Lyn Hebert appearing MS. HEBERT: on behalf of the Oil Conservation Division, and I have one 6 7 witness in this case. EXAMINER ASHLEY: Any additional appearances? 8 9 Will the witness please rise to be sworn in? (Thereupon, the witness was sworn.) 10 EXAMINER ASHLEY: Mr. Arrant, could you take the 11 witness stand, please? 12 13 BRYAN G. ARRANT, the witness herein, after having been first duly sworn upon 14 his oath, was examined and testified as follows: 15 16 DIRECT EXAMINATION 17 BY MS. HEBERT: Would you please state your name for the 18 ο. Examiner? 19 20 Α. My name is Bryan Arrant, and the last name is 21 spelled A-r-r-a-n-t. 22 Mr. Arrant, where are you employed? Q. 23 Α. With the New Mexico Oil Conservation Division in Artesia, New Mexico. 24 25 And what is your position with the Division? Q.

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| 1 | A. Yes, ma'am, I have. Roughly on a monthly basis, |
| 2 | part of duties is to prepare a nomenclature for exhibit, |
| 3 | for the creation and extension of oil and gas pools. |
| 4 | Q. And are these exhibits individually marked? I |
| 5 | don't see any indication Mr. Hearing Examiner, do you |
| 6 | have markings for these exhibits, or are they just a |
| 7 | package that you would accept? |
| 8 | EXAMINER ASHLEY: We'll just accept them as a |
| 9 | package. |
| 10 | Q. (By Ms. Hebert) Mr. Arrant, would you go through |
| 11 | the exhibits and describe what you want the Hearing |
| 12 | Examiner to do as far as the nomenclature and the creation |
| 13 | of the pools? |
| 14 | A. Sure. Would you like this done individually |
| 15 | through all the ones, (a) through |
| 16 | EXAMINER ASHLEY: I don't think that's necessary. |
| 17 | MS. HEBERT: Okay, I guess not. |
| 18 | THE WITNESS: But after my review of each |
| 19 | individual exhibit, there's roughly six oil and gas |
| 20 | creations, and the rest being extensions of oil and gas |
| 21 | creations after my review, and I've determined that they |
| 22 | adhere to the rules and regulations of the New Mexico Oil |
| 23 | Conservation Division. I determine if these pools should |
| 24 | be created or extended. |
| 25 | Q. (By Ms. Hebert) And would the creation and |

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1 extension of these pools be in the best interest of 2 preventing waste in the State of New Mexico? 3 Α. Yes, ma'am, they would. MS. HEBERT: Mr. Hearing Examiner, we have 4 5 nothing further. EXAMINER ASHLEY: That sounds good to me, I have 6 7 nothing further as well. 8 Thank you, Mr. Arrant. 9 THE WITNESS: Thank you. EXAMINER ASHLEY: There being nothing further in 10 11 this case, Case 12,504 will be taken under advisement. And that concludes today's hearing. 12 13 (Thereupon, these proceedings were concluded at 14 10:08 a.m.) 15 * * * 16 I do haven't certify that the foregoing is 17 e complete record of the proceedings in the Examiner hearing of Case No. 1250 18 heard by me on , 10-5-00 19 Errminer Off Conservation/Division 20 21 22 23 24 25

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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 October 11th, 2000.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 2002