STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION

CASE NO. 12,571

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 8th, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 8th, 2001, at the New Mexico Energy, Minerals and Natural Resources

Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

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February 8th, 2001 Examiner Hearing CASE NO. 12,571

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REPORTER'S CERTIFICATE

6

EXHIBIT

Applicant's

Identified Admitted

Exhibit 14

4

4

APPEARANCES

FOR THE APPLICANT:

KELLAHIN & KELLAHIN 117 N. Guadalupe P.O. Box 2265 Santa Fe, New Mexico 87504-2265 By: W. THOMAS KELLAHIN

FOR BTA OIL PRODUCERS, INC.:

HOLLAND & HART, LLP, and CAMPBELL & CARR 110 N. Guadalupe, Suite 1 P.O. Box 2208 Santa Fe, New Mexico 87504-2208 By: WILLIAM F. CARR

* * *

WHEREUPON, the following proceedings were had at 1 9:58 a.m.: 2 EXAMINER STOGNER: So at this time I'll call Case 3 Number 12,571, which is the Application of BWB Partners I 4 for compulsory pooling, Lea County, New Mexico. 5 Call for appearances. 6 7 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of the Santa Fe law firm of Kellahin and Kellahin, appearing 8 on behalf of the Applicant. MR. CARR: May it please the Examiner, William F. 10 Carr with the Santa Fe office of the law firm Holland and 11 Hart, L.L.P. 12 We represent BTA Oil Producers, Inc. 13 EXAMINER STOGNER: Any other appearances? 14 Okay, I believe this case was heard on January 15 the 11th, and it was continued for some reason to today? 16 MR. KELLAHIN: Yes, Mr. Examiner. Examiner 17 Catanach heard this case on January 11th. The land 18 testimony and the geologic opinions were presented then. 19 It was continued to this docket for two reasons. 20 One, there was additional notifications to make. 21 I have accomplished that, and I am going to submit to you 22 in a moment Exhibit Number 14, which is a certificate of 23 notification of two parties that I could not prove had been 24 served at the time of the original hearing. 25 That has been

taken care of.

The other matter that Mr. Catanach asked us to address was whether or not it was necessary for him to enter a compulsory pooling for any of the shallow gas on 160-acre spacing in the northeast quarter.

Mr. Carr and I have reviewed an operating agreement that affects that interval, and I'm here to advise you that he and I both agree that you can dismiss from the compulsory pooling the northeast quarter on 160-acre spacing.

We have been told by Mr. Catanach to provide him a draft order, and I will do that.

EXAMINER STOGNER: Do you have that today, or will that be later?

MR. KELLAHIN: I'll have to do that later.

EXAMINER STOGNER: Anything further?

Let's see, I've been handed an Exhibit Number 14 by Mr. Kellahin, and this is the certificate of mailing; is that correct?

MR. KELLAHIN: It's the supplemental notification to show that we served Hayes Land Corporation and M. Brad Bennett and that service took place more than 20 days before today's date.

EXAMINER STOGNER: Okay, Exhibit Number 14 will be accepted and made a part of the record.

1	Mr. Carr, do you have anything?
2	MR. CARR: Nothing, Mr. Stogner. I concur in Mr.
3	Kellahin's comments.
4	EXAMINER STOGNER: With that, then, Case Number
5	12,571 will now be taken under advisement.
6	(Thereupon, these proceedings were concluded at
7	10:00 a.m.)
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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 February 10th, 2001.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 2002

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

APPLICATION OF BWB PARTNERS I FOR COMPULSORY POOLING LEA COUNTY, NEW MEXICO.

CASE NO. 12571

SUPPLEMENTAL CERTIFICATE OF MAILING AND COMPLIANCE WITH ORDER R-8054

STATE OF NEW MEXICO)

(COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on January 12, 2001, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing and a copy of the first amended application for the above referenced case, at least twenty days prior to the hearing of this case heard on January 11, 20001 and continued to February 8, 2001, to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 7th day of February, 2001, by W. Thomas Kellahin.

Lynda Kellahin, Notary Public

BEFORE THE
OIL CONSERVATION DIVISION

Case No.12571 Exhibit No.__ /4

Submitted By:

BWB Partners Febr 200

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

POST OFFICE BOX 2255

SANTA FE. NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285 TELEFAX (505) 982-2047

W THOMAS KELLAHIN"

NEW MEXICO BOARD OF LEGAL SPEC:ALIZATION RECOGNIZED SPECIALIST IN THE AREA OF MATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

January 12, 2001

FEDERAL EXPRESS and CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO: SUPPLEMENTAL NOTICE OF THE HEARING OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION CASE:

Re: Application of BWB Partners I for an compulsory pooling, Lea County, New Mexico

On behalf of BWB Partners I. please find enclosed a copy of our referenced application which was heard by the New Mexico Oil Conservation Division Examiner on January 11, 2001 and was continued to a hearing scheduled for February 8, 2001. The hearing will be held at the Division hearing room located in the Pinon Building, 1220 South St. Francis Drive, Santa Fe, New Mexico. 87502 (phone 505-827-7132 or 476-3440).

As an interest owner who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. You are not required to attend this hearing, but failure to appear at the hearing and become a party of record will preclude you from challenging the matter at a later date.

Pursuant to Division Rule 1208.B. you are further notified that if you desire to appear in this case, then you are required to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday. February 2, 2001, with a copy delivered to the undersigned. This statement must include: the names of the parties and attorneys: a concise statement of your position in this case: the names of all witnesses you will call to testify at the hearing; the approximate time you will need to present your case and identification of any procedural matters that area to be resolve prior to the hearing.

W. Thomas Kellahin

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
 Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse 	A Received by (Please Print Clearly) B. Days of Delivery
so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits.	C. Signature Agent Addressee
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Hayes Land Corp.	74
PO Box 51510	
Midland, TX	
Attn: M. Brad Bennett	3. Service Typ.
	BWB Partners
	February 8, 2001
	1/17/01
2. Article Number (Copy from service label)	Z 274 518 193
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 Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	C. Signature Agent Addressee
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