

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. 12,604

IN THE MATTER OF THE HEARING CALLED )  
BY THE OIL CONSERVATION DIVISION FOR )  
AN ORDER CREATING AND EXTENDING CERTAIN )  
POOLS IN RIO ARRIBA AND SAN JUAN )  
COUNTIES, NEW MEXICO )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 22nd, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, February 22nd, 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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OIL CONSERVATION DIV.  
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## I N D E X

February 22nd, 2001  
Examiner Hearing  
CASE NO. 12,604

PAGE

## APPLICANT'S WITNESS:

STEVE HAYDEN (Geologist,  
District 3 Aztec Office, NMOCD)  
Examination by Examiner Catanach

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## REPORTER'S CERTIFICATE

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1           WHEREUPON, the following proceedings were had at  
2   2:57 p.m.:

3           EXAMINER CATANACH: All right, at this time I  
4   will call Case 12,604, which is in the matter of the  
5   hearing called by the Oil Conservation Division for an  
6   order creating and extending certain pools in Rio Arriba  
7   and San Juan Counties, New Mexico.

8           This case is styled such that in the absence of  
9   objection it will be taken under advisement.

10          However, we have a special guest here today, Mr.  
11   Steve Hayden, who is the geologist in the District 3 Aztec  
12   Office, and I believe that Mr. Hayden will provide some  
13   additional testimony on this case today.

14          So I will ask Steve Hayden to please stand to be  
15   sworn in at this time.

16          (Thereupon, the witness was sworn.)

17                       STEVE HAYDEN,  
18   the witness herein, after having been first duly sworn upon  
19   his oath, was examined and testified as follows:

20                       DIRECT EXAMINATION

21   BY EXAMINER CATANACH:

22           Q.   Mr. Hayden --

23           A.   Yes, sir.

24           Q.   -- have you ever testified before the New Mexico  
25   Oil Conservation Division previously?

1 A. No, sir, I haven't.

2 Q. Would you briefly state your educational and work  
3 background?

4 A. Well, I was educated at the University of New  
5 Mexico in geology. I have a work background in exploration  
6 with both field things, including drilling and mud  
7 engineering and geology that goes back to 1968. I've been  
8 employed at the OCD in Aztec for 11 months now as the  
9 District Geologist.

10 Q. Okay, thank you, Mr. Hayden. I would qualify Mr.  
11 Hayden as an expert in geological matters.

12 And I believe that you do have a change that you  
13 propose to make to the nomenclature case today, Mr. Hayden?

14 A. Yes, sir. On article (b), the second creation,  
15 was a Bisti-Fruitland Sand-Pictured Cliffs Pool --

16 Q. -- Uh-huh.

17 A. -- I would like to change that to just a Pictured  
18 Cliffs pool.

19 The well that it was based on, the Fruitland  
20 production, was reassigned to the Basin-Fruitland Coal  
21 recently, and so the Fruitland sand is not productive in  
22 this interval.

23 Q. As I now read your proposal, the new gas pool  
24 that would be created in Section 2, comprising the north  
25 half and southwest quarter --

1           A.    Actually, it's the next one down --

2           Q.    I'm sorry.

3           A.    -- in Section 5, northeast quarter, T 24 North,  
4   Range 9 West.

5           Q.    I stand corrected.  The name of that pool would  
6   now be the Bisti-Pictured Cliffs Gas Pool?

7           A.    Right.

8           Q.    Okay.  Mr. Hayden, has Ms. Florene Davidson who  
9   prepares the nomenclature order for signature by the  
10   Director, has she been advised of this change?

11          A.    Yes, I e-mailed her and then actually talked to  
12   her on the phone to make sure we were clear on it, right  
13   after I found out about this, about a week ago.  I'll make  
14   sure that I bring it up again.

15          Q.    Okay.  And is Dugan Production Company aware of  
16   the change that you're proposing?

17          A.    Yeah, Dugan Production Company is the source of  
18   the misunderstanding.

19          Q.    I see, okay.

20                Do you have anything to add to your testimony  
21   today here, Mr. Hayden?

22          A.    I think this pretty much covers it, unless you  
23   need more.

24                EXAMINER CATANACH:  I think that pretty much does  
25   it.

1 All right, there being nothing further in this  
2 case, Case 12,604 will be taken under advisement.

3 And this hearing is adjourned.

4 (Thereupon, these proceedings were concluded at  
5 3:00 p.m.)

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14 I do hereby certify that the foregoing is  
15 a complete record of the proceedings in  
16 the examiner hearing of Case No. 12604,  
17 heard by me on February 22 192001.  
18 Daniel L. Catant, Examiner  
19 Oil Conservation Division  
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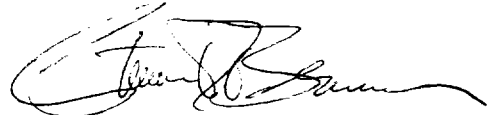
## CERTIFICATE OF REPORTER

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 March 3rd, 2001.



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STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002