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. 12,737

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR AN ORDER CREATING AND EXTENDING CERTAIN POOLS IN CHAVES AND EDDY COUNTIES, NEW MEXICO

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

October 4th, 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, October 4th, 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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October 4th, 2001 Examiner Hearing CASE NO. 12,737

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REPORTER'S CERTIFICATE

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APPEARANCES

FOR THE DIVISION:

DAVID BROOKS
Attorney at Law
Energy, Minerals and Natural Resources Department
Assistant General Counsel
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

* * *

WHEREUPON, the following proceedings were had at 1 2 11:14 a.m.: EXAMINER CATANACH: At this time I'll call Case 3 12,737, which is in the matter of the hearing called by the 4 5 Oil Conservation Division for an order creating and extending certain pools in Chaves and Eddy Counties, New 6 Mexico. 7 I believe this case is styled such that in the 8 absence of objection this case will be taken under 9 10 advisement. Call for appearances at this time. 11 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of 12 13 the Santa Fe law firm of Kellahin and Kellahin, appearing this morning on behalf of OXY Permian Company. 14 EXAMINER CATANACH: Any additional appearances? 15 16 Okay, Mr. Kellahin? MR. KELLAHIN: Mr. Examiner, if you'll turn to 17 the docket page that shows Case 12,737, and if you'll turn 18 19 to the very last page of the docket, it's page 12, and if you'll read up two entries from the bottom and find the 20 request to extend the White City-Pennsylvanian Gas Pool in 21 Eddy County to include all of Section 9, Township 25 South, 22 Range 26 East, we believe that extension is in error. 23 There is a specific order issued by the Division 24 in Case 12,391, it's Order Number R-11,377. I will give 25

you a copy of that order. It arises within the context of 1 a compulsory pooling case involving Section 9 where OXY 2 sought alternatively to pool various configurations, one of 3 4 which was the White City-Pennsylvanian Gas Pool on 640 5 acres. Your order issued in May of last year, Mr. 6 7 Catanach, specifically finds that the White City-Pennsylvanian Gas Pool has boundaries which are frozen, and 8 so it's not to be extended to include Section 9. 9 10 EXAMINER CATANACH: Anything further, Mr. 11 Kellahin? 12 MR. KELLAHIN: No, sir. 13 EXAMINER CATANACH: Okay, the Division will take administrative notice of Division Order Number R-11,377 and 14 15 act accordingly in this nomenclature case. There being nothing further, Case 12,737 will be 16 taken under advisement. 17 And this hearing is adjourned. 18 (Thereupon, these proceedings were concluded at 19 20 11:17 a.m.) 21 22 23 24 25

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, 2001.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 2002