

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

CASE 10,670

EXAMINER HEARING

IN THE MATTER OF:

In the matter of Case 10,670 being reopened upon
the application of Maralo, Inc., to set an
effective date for the temporary special rules and
regulations for the Northeast Jenkins-Devonian
Pool promulgated by Division Order No. R-9912

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

July 15, 1993

ORIGINAL

A P P E A R A N C E S

FOR THE DIVISION:

ROBERT G. STOVALL
Attorney at Law
Legal Counsel to the Division
State Land Office Building
Santa Fe, New Mexico 87504

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.
Attorneys at Law
By: WILLIAM F. CARR
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208

* * *

1 WHEREUPON, the following proceedings were had
2 at 11:02 a.m.:

3 EXAMINER CATANACH: Okay, at this time we'll
4 call Case 10,670.

5 MR. STOVALL: In the matter of Case 10,670
6 being reopened upon the application of Maralo, Inc., to
7 set an effective date for the temporary special rules
8 and regulations for the Northeast Jenkins-Devonian Pool
9 promulgated by Division Order No. R-9912.

10 EXAMINER CATANACH: Are there appearances in
11 this case?

12 MR. CARR: May it please the Examiner, my
13 name is William F. Carr with the Santa Fe law firm,
14 Campbell, Carr, Berge and Sheridan.

15 I represent Maralo, Inc., and I have a
16 statement to make.

17 EXAMINER CATANACH: Any additional
18 appearances?

19 You may proceed, Mr. Carr.

20 MR. CARR: Mr. Catanach, in February of this
21 year Maralo appeared before the Division and requested
22 special pool rules for the Northeast Jenkins-Devonian
23 Pool, including an application for 80-acre spacing.

24 An order was entered in June of this year
25 granting the Application. And although the status of

1 leases within the pool was discussed, there was never a
2 formal request in the record for an effective date of
3 March 1, 1993.

4 When the Order was entered, it was silent on
5 this point.

6 To avoid lease expirations and a shuffling of
7 equities within the pool, after meetings with the
8 Division, it was agreed that the case would be
9 reopened, placed on this docket and, in the absence of
10 objection, would be taken under advisement, provided in
11 the meantime we gave notice -- it would be taken under
12 advisement, based on a request that in fact an
13 effective date be established and that an order be
14 entered that set the effective date.

15 We followed the recommended provisions, and
16 we were instructed that if there was no objection, that
17 the matter would simply be taken under advisement based
18 on what we submitted.

19 (Off the record)

20 MR. STOVALL: Was a record made, Mr. Carr, to
21 show why this particular date should be an effective
22 date?

23 MR. CARR: It was discussed in the -- at the
24 March -- I mean, I'm sorry, at the February hearing,
25 and it was explained that certain leases would be

1 expiring.

2 But there was never at any point in the
3 transcript of that case a formal request for this
4 particular effective date, only that the matter be
5 expedited. But no date was formally requested.

6 And for that reason, it was just omitted in
7 the Order. But it really doesn't rise to the level of
8 a *nunc pro tunc* situation because it isn't that. It
9 isn't a mistake. It was just not -- There was never
10 the formal request and it was never addressed in the
11 Order.

12 MR. STOVALL: Secretary didn't do it, huh?

13 MR. CARR: This was not a secretarial error;
14 this was an attorney error.

15 MR. STOVALL: And the March 1st date is after
16 the case was heard?

17 MR. CARR: It was after the case was heard,
18 after the Application was filed and prior to the
19 expiration of certain leases that have owners in them
20 who participated in the well, and it will prevent just
21 a reshuffling of the equities in these properties.

22 MR. STOVALL: Has the pool been operated as
23 if these rules were in effect --

24 MR. CARR: Yes, sir, it has been.

25 MR. STOVALL: -- since that period?

1 MR. CARR: It has been. And interests have
2 been accounted as if they were in effect.

3 MR. STOVALL: So in other words, it would be
4 not granting this Application that would affect
5 rights --

6 MR. CARR: That is correct.

7 MR. STOVALL: -- not the granting of it?

8 MR. CARR: That is correct. Interest owners
9 who've been involved in the property, who've paid their
10 share, who've been paid, would suddenly be in a
11 situation where leases had expired.

12 EXAMINER CATANACH: Okay, anything else, Mr.
13 Carr?

14 MR. CARR: We'll be happy to submit a
15 proposed order on this, as the Examiner has indicated
16 he would like one.

17 EXAMINER CATANACH: Please.

18 MR. CARR: Okay.

19 EXAMINER CATANACH: Okay, there being nothing
20 further, Case 10,670 will be taken under advisement.

21 (Thereupon, these proceedings were concluded
22 at 11:08 a.m.)

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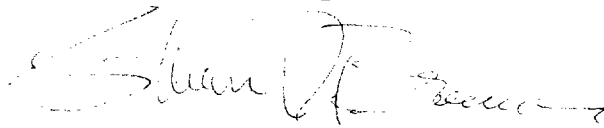
CERTIFICATE OF REPORTER

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 July 19th, 1993.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1994

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 10670, heard by me on July 15, 1993.


 David R. Catant, Examiner
 Oil Conservation Division