

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date JANUARY 24, 1990 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Bob Heber	Byram	Santa Fe
William L. Jay	Campbell and Stock, P.A.	Santa Fe
Gary Green	Santa Fe Energy	Midland
Bruce Insalaco	Santa Fe Energy	Midland, TX
James Butler	Huttle Law Firm	Albuquerque
Jeff Holcomb	Bannon Energy	Farmington, N.M.

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
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5
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7 EXAMINER HEARING
8

9 IN THE MATTER OF:
10
11

12 Application of Santa Fe Energy Case 9852
13 Operating Partners, L.P., for compulsory
14 pooling, Eddy County, New Mexico.
15

16 **ORIGINAL**
17

18
19 TRANSCRIPT OF PROCEEDINGS
20

21 BEFORE: MICHAEL E. STOGNER, EXAMINER
22

23 STATE LAND OFFICE BUILDING

24 SANTA FE, NEW MEXICO

25 January 24, 1990

CUMBRE COURT REPORTING
(505) 984-2244

A P P E A R A N C E S

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BY: MR. JAMES BRUCE

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1 EXAMINER: We'll call case number 9852.

2 MR. STOVALL: Application of Santa Fe
3 Energy Operating Partners, L.P., for compulsory
4 pooling, Eddy County, New Mexico.

5 EXAMINER: Call for appearances.

6 MR. BRUCE: My Examiner, my name is Jim
7 Bruce, from the Hinkle law firm in Albuquerque,
8 representing the Applicant, and I have two witnesses
9 to be sworn.

10 HEARING EXAMINER: Are there any other
11 appearances? Will the witnesses please stand to be
12 sworn.

13 (Thereupon, the Witnesses were sworn.)

14 HEARING EXAMINER: Mr. Bruce, you may
15 continue.

16 MR. BRUCE: The first witness is Mr. Green.

17 DIRECT EXAMINATION

18 BY MR. BRUCE:

19 Q. Mr. Green, would you please state your full
20 name and city of residence.

21 A. My name is Gary Green. I live in Midland,
22 Texas.

23 Q. Who are you employed by and in what
24 capacity?

25 A. I am employed by Santa Fe Energy Company as

1 a petroleum landman.

2 Q. Have you previously testified before the
3 OCD as a landman and had your credentials as a landman
4 accepted as a matter of record?

5 A. Yes, I have.

6 Q. Are you familiar the land matters involved
7 in case 9852?

8 A. Yes I am.

9 MR. BRUCE: Mr. Examiner, are the witness'
10 credentials acceptable?

11 HEARING EXAMINER: Mr. Green is so
12 qualified.

13 Q. (BY MR. BRUCE) Mr. Green, would you state
14 briefly what Santa Fe seeks in this application.

15 A. Santa Fe Energy Operating Partners, L.P.,
16 seeks an order approving all of the mineral interests
17 from the surface to the base of the Morrow formation
18 underlying the South 1/2 of Section 24, Township 21
19 South, Range 27 East, in Eddy County, to form the
20 following well units: Southeast 1/4 of the
21 Southwest 1/4 of Section 24 for all pools of
22 formations based on 40 acres. The Southwest 1/4 of
23 Section 24 for all pools or formations based on 160
24 acres, and the South 1/2 of Section 24 for all pools
25 or formations based on 320 acres.

1 The units are to be dedicated to Santa Fe's
2 Lone Tree Fed. Com. 24 No. 1 well which will be
3 drilled at a standard location, 1980 feet from the
4 west line and 660 feet from the south line of
5 Section 24.

6 Santa Fe requests consideration of the cost
7 of drilling and completing the well, allocation of
8 those costs, and approval of the actual operating
9 costs and charges for supervision. Santa Fe asks that
10 it be designated as operator of the well and that the
11 charge for the risk involved in the drilling of the
12 well be assessed.

13 Q. Would you please refer to Exhibit No. 1 and
14 describe its contents and also identify the ownership
15 of the various tracts involved.

16 A. Exhibit No. 1 is a 1- to 2,000 scale land
17 plat. It shows the proposed spacing unit would be in
18 the South 1/2 of Section 24, with the location of the
19 proposed well 1980 from the west line, 660 from the
20 south line.

21 The ownership of the South 1/2 of this
22 section, Santa Fe owns 205 acres out of the Southeast
23 1/4 and the East 1/2 of the Southwest 1/4.

24 Union Pacific Resources owns 100 percent of
25 the West 1/2 of the Southwest 1/4.

1 Harken Exploration owns an undivided 6.25
2 percent in the East 1/2 of the Southwest 1/4, and a
3 18.75 percent interest in the Southeast 1/4 of
4 Section 24.

5 Q. And Harken Exploration and Union Pacific
6 are the two parties you seek to force pool?

7 A. That's correct.

8 Q. Would you please describe your efforts to
9 get these interest owners to join in the well, and
10 I'll refer you to Exhibits 2A and 2B.

11 A. Exhibits 2A and 2B are letters dated
12 December 28th directed to Union Pacific Resources and
13 to Harken Exploration, proposing a well, requesting
14 that they either join in this well or farm out their
15 interest in the well.

16 I have also made a number of telephone
17 calls, had a number of telephone conversations. We've
18 reviewed geological data with Harken Exploration.

19 Q. And you mentioned Santa Fe's acreage owned
20 in the unit. What percentage of the unit does that
21 constitute?

22 A. That constitutes approximately 65 percent
23 of the unit.

24 Q. Now, would you please refer to Exhibit
25 No. 3 and discuss the cost of the proposed well.

1 A. Exhibit No. 3 is a well cost estimate
2 prepared by Santa Fe Energy Operating Partners
3 drilling department, indicates drilling an 11,950-foot
4 Morrow test. It shows a dry hole cost of \$643,184.
5 Completed well cost of \$947,340.

6 Q. Is this well cost in line with those
7 normally encountered in drilling wells of this depth
8 in this area of the state?

9 A. Yes, it is.

10 Q. Do you have a recommendation as to the
11 amount that Santa Fe should be paid for supervision
12 and administrative expenses?

13 A. Yes. I recommend that Santa Fe should be
14 paid 5,000 per month for drilling the well, \$500 per
15 month allowed for a producing well.

16 Q. Are these costs in line with amounts
17 normally charged by Santa Fe and others in this area?

18 A. Yes, they are.

19 Q. What penalty do you recommended against
20 non-consenting interest owners?

21 A. Santa Fe recommends cost plus 200 percent.

22 Q. Will the geologist further discuss this
23 matter?

24 A. Yes, he will.

25 Q. Were all interested parties notified of

1 this hearing?

2 A. Yes, they were.

3 Q. And are those letters and return receipts,
4 submitted as Exhibits 4A and 4B?

5 A. Yes, they are.

6 Q. Mr. Green, were Exhibits 1 through 4
7 prepared by you or compiled from company records?

8 A. Yes, they were.

9 Q. In your opinion will granting this
10 application be in the interest of conservation and the
11 prevention of waste and the protection of correlative
12 rights?

13 A. Yes.

14 MR. BRUCE: Mr. Examiner, I move for the
15 admission of Exhibits 1 through 4B.

16 EXAMINER: Exhibits 1 through 4B will be
17 admitted into evidence.

18 EXAMINATION

19 BY EXAMINER:

20 Q. Mr. Green, what were the overhead charges
21 again?

22 A. \$5,000 for a drilling well, 500 a month for
23 a producing well.

24 Q. Mr. Green, when did Santa Fe Energy first
25 approach Harken and Union Pacific about joining in

1 this well?

2 A. Probably about December 26th. Telephone
3 request.

4 Q. That was the first contact that Santa Fe
5 had made?

6 A. Yes, it is.

7 Q. What kind of correspondence have you gotten
8 back from either party?

9 A. I have not received any correspondence back
10 from Union Pacific. I have spoken to them on the
11 telephone. Harken has come to our office. We
12 reviewed geological data with them and the well
13 proposal with Harken. That's the only contact I've
14 had with Union Pacific.

15 Q. As far as the meeting with Harken in your
16 office, what transpired from that conversation and
17 meeting?

18 A. We proposed the well, reviewed the
19 geological data with them and asked him to consider
20 either joining in the well or farming out their
21 acreage to us.

22 Q. What was their response?

23 A. It was under consideration. We have not
24 heard back from them.

25 Q. How about Union Pacific? Did you have a

1 meeting with them?

2 A. No, we did not. I have made approximately
3 ten calls to Union Pacific over a period of time, and
4 I've talked to them one time. Their indication was
5 they would -- you know, it was under consideration.

6 The short fuse there, we have expiring
7 acreage. We had acreage that was expiring
8 February 2nd. That acreage has been extended. We
9 have acreage expiring in April again. To preserve
10 those leases we need to drill the wells, is why we're
11 in there.

12 Q. Since you knew you had a short fuse, why
13 didn't you try to get something put together prior to
14 December 26? That's a pretty short fuse, trying to
15 get voluntary agreement, which I'm sure you're
16 familiar with the compulsory pooling statutes that say
17 voluntary agreements should, by all means, be
18 attempted.

19 A. The short fuse, the prospect was brought in
20 by an outside party and proposed on our acreage.

21 MR. STOVALL: When did that happen,
22 Mr. Green?

23 THE WITNESS: That happened about the
24 middle of December, about the 15th of December.

25 Q. (BY THE EXAMINER) Do you still have a

1 February 2nd lease expiring?

2 A. No, sir. My next expiration is April the
3 2nd.

4 EXAMINER: Are there any other questions of
5 Mr. Green?

6 MR. BRUCE: I have one, Mr. Examiner.

7 REDIRECT EXAMINATION

8 BY MR. BRUCE:

9 Q. Mr. Green, in your opinion, is a month a
10 reasonable time to respond to a well proposal?

11 A. Yes, it is.

12 MR. BRUCE: Thank you.

13 MR. STOVALL: Let me follow up on that if I
14 may, Mr. Bruce.

15 EXAMINATION

16 BY MR. STOVALL:

17 Q. How big an operation is Santa Fe,
18 Mr. Green, in terms of how many people are involved in
19 a decision to drill a well or participate in a well?

20 A. Probably six or seven people.

21 Q. And where are they all located?

22 A. They are located in Midland and in Houston.

23 Q. But you have to communicate with both
24 Houston and Midland in order to get permission?

25 A. Yes. That's correct.

1 Q. The context of my question is with a large
2 company -- and I don't know where Santa Fe fits into
3 that picture -- it sometimes takes them a month to
4 even tell each other they've got a prospect, much less
5 evaluate it. And I'm wondering if, in fact, a month
6 is a reasonable time to expect Union Pacific to have
7 responded with a decision?

8 A. In my opinion, it's a reasonable time for
9 Union to say, yes, we would be willing to join in the
10 well, or we would be willing to farm out if you will
11 show us your data, your geological data, which they
12 have not even responded to that. They have not even
13 asked for, you know, to see, or any interest at all.

14 MR. STOVALL: Let's take a couple of
15 minutes' break here before we go on, Mr. Bruce, if you
16 don't mind.

17 MR. BRUCE: Sure.

18 (Thereupon, a recess was held.)

19 EXAMINER: We have no further questions of
20 Mr. Green at this time, but we may recall him after we
21 hear from your geological witness.

22 MR. STOVALL: Excuse me, Mr. Examiner, I
23 have one thing I did overlook when we got into the
24 other discussion.

25 Q. (BY MR. STOVALL) Referring back to your

1 Exhibits 2A and 2B, Mr. Green, it appears that we have
2 photocopies of return receipt cards; is that correct?

3 A. Yes, sir.

4 Q. Do you have originals of those cards?

5 A. I do not have them with me. I can furnish
6 them to you.

7 Q. Do these memorandum constitute the notice
8 to Union Pacific and Harken of this hearing?

9 MR. BRUCE: That would be Exhibits 4A and
10 4B.

11 MR. STOVALL: Oh, I'm sorry. I've got my
12 stack turned upside down. Do we have original cards
13 on those?

14 EXAMINER: No.

15 MR. BRUCE: Mr. Stovall, if you want the
16 original cards, we will be glad to furnish them to
17 you.

18 MR. STOVALL: I think, for the purpose of
19 establishing notice of the hearing, I would like the
20 originals produced.

21 Now I have nothing further.

22 EXAMINER: Mr. Bruce, do you want to call
23 your next witness.

24 MR. BRUCE: Yes, sir.

25 DIRECT EXAMINATION

1 BY MR. BRUCE:

2 Q. Would you please state your full name and
3 city of residence.

4 A. Yes. My name is Bruce Insalaco. I live in
5 Midland, Texas.

6 Q. Who are you employed by and in what
7 capacity?

8 A. I'm employed by Santa Fe Energy as a senior
9 geologist.

10 Q. Have you previously testified before the
11 OCD as a geologist and been accepted, as a matter of
12 record, as an expert geologist?

13 A. Yes, I have.

14 Q. Are you familiar with the geology involved
15 in case 9852?

16 A. Yes, I am.

17 MR. BRUCE: Mr. Examiner, is the witness
18 acceptable?

19 EXAMINER: His qualifications are
20 acceptable.

21 Q. (BY MR. BRUCE) Mr. Insalaco, will you
22 please, first, refer to Exhibit No. 5 and discuss the
23 prospective zones in this area.

24 A. Exhibit No. 5 is a production map with
25 production cumulatives through 7/1 of 89. Down on the

1 base in the left-hand corner you can see the different
2 colors representing different formations that the
3 production is attributed to in the area of our
4 proposed well. And beside each well symbol of the
5 producing well you will note -- down at the bottom
6 there's a key.

7 The first numbers in smaller print is a
8 completion date of those wells. The next line in the
9 bolder type is the cumulative production with MBOs
10 first, million cubic feet of gas, second, and
11 thousands barrels of water, third. And below that in
12 smaller print, again, is current daily rates of these
13 wells.

14 As you can see on this production plat, the
15 two main producing horizons in the area -- the red
16 being the Morrow production and the green being
17 Wolfcamp production -- and those are our primary and
18 secondary objectives. Just moving south of the
19 proposed location in Section 26, the Southeast 1/4, is
20 a Morrow well that had made 275 million cubic feet.
21 It's now inactive.

22 Another Morrow well due south in the North
23 1/2 of Section 36 had made 0.6 of bcf and is now
24 inactive. There are several wells with cumulatives
25 over bcf out of the Morrow, down in Southwestern

1 Section 36, over in the Northwest of Section 35. And
2 what we see as a real upside potential is a well over
3 in Section 29 that's made 7.7 bcf, so far out of the
4 Morrow.

5 Q. What about the Atoka in this area?

6 A. The Atoka, we feel we have a chance of
7 encountering it, but there are just two wells that
8 have any type of production from the Atoka, and both
9 of these wells appear uneconomic out of this horizon.

10 The well in the northwest of Section 31, it
11 only made 4 million cubic feet out of the Atoka before
12 that zone was abandoned. And the well in the
13 Northwest 1/4 of 23, it made 152 million cubic feet
14 out the Atoka zone before it was abandoned.

15 Q. And is the same pretty much true of the
16 Strawn in this area?

17 A. There are five Strawn producers on this
18 plat. The closest to the proposed location, being
19 over in Section 19, only cumed 1,000 barrels of oil
20 before it was P & A'd out of the Strawn.

21 Another well over in Section 31, it
22 produced 0.3 of a B and 16,000 barrels out of the
23 Strawn. And another well down in Section 1, 2 1/2
24 miles south of the proposed location, had produced 4
25 million cubic feet before it was plugged. So, again,

1 we feel that we have a chance of encountering Strawn
2 production but that the Strawn production in the
3 immediate area is not economic to pursue.

4 Q. What about the Delaware in this area? Is
5 it a potential?

6 A. Yes. The Delaware is produced 2 1/2 miles
7 to the north of our proposed location in the northwest
8 Fenton Draw Delaware field, but it is 2 1/2 miles
9 away. And that is the nearest Delaware production.

10 We feel, again, that we'll encounter a very
11 large section of Delaware sands, and there is always
12 that potential for Delaware production to exist.

13 Q. As to the Morrow, your primary objective,
14 the nearest good well is about a mile away; is that
15 correct?

16 A. A little over a mile.

17 Q. Would you please now refer to Exhibit No. 6
18 and describe its contents briefly.

19 A. Exhibit No. 6 is a structure map on top of
20 the Middle Morrow Horizon. Its contoured at 50 foot
21 increments. The wells colored red are Middle Morrow
22 producers. And the open-circled wells are wells that
23 penetrate the Morrow that do not have Morrow
24 production.

25 And, as you can see, regionally, the

1 structure is dipping from the northwest down towards
2 the southeast.

3 Q. Would you please now move on to the
4 cross-section marked Exhibit No. 7 and describe it for
5 the Examiner.

6 A. The cross-section that I've constructed
7 here includes both the primary and secondary
8 objective, the Morrow horizon at the base of the
9 cross-section and the Wolfcamp towards the top of the
10 cross-section.

11 As you can see, I broke out the top of the
12 Lower Morrow clastics at the base of the Lower Morrow.
13 There is quite a thick sand package in there, but
14 these wells in the vicinity of our proposed location,
15 several have tested it but have never found it
16 productive. It usually tests water. It is productive
17 three or four miles off to the west, but, again, in
18 the vicinity of this proposed location, it is not
19 productive.

20 The Middle Morrow clastics, however, is the
21 main Morrow producing horizon in the vicinity of where
22 we proposed to drill. And what I have done is broken
23 it up into several sands, and you can see the Middle
24 Morrow "C" sand being the thickest of the sand
25 packages in this Middle Morrow clastic.

1 You can see several wells have tested it.
2 Champlin Toothman Com. No. 1 Well in Section 25
3 tested these sands. They were not found to be
4 producing commercially productive quantities, and they
5 came up to the Wolfcamp.

6 Santa Fe Energy, in 1985, drilled a Vernon
7 Federal 1-Y, encountered a very thick section of sand,
8 but, again, the well tested less than 100 mcf a day
9 out of this Middle Morrow "C" in the E package, and
10 that well -- that zone was plugged and abandoned.

11 And I put one other major well, Perry Bass
12 Big Eddy 39, the well on the right side of
13 cross-section, as the two sands open, and, again, that
14 is the well that has made 7.7 bcf, and that's what we
15 see as upside to our prospect.

16 Q. Thank you. Would you please now refer to
17 Exhibits 8A and 8B and discuss them.

18 A. Exhibit 8A is a Net Clean Sand Isopach of
19 Middle Morrow "C" Sand. Again, that was a main
20 producing sand in that Middle Morrow clastic package.
21 What I have here is two values for each of the well
22 bores. The first value, as I've noted down in the
23 key, is a clean sand value, with sand having a gamma
24 ray registered less than 60 units. The other value is
25 within that clean sand, that portion of it that has

1 porosity greater than 7 percent. And I believe that
2 that value would represent a net pay value. The
3 porosities lower than 7 percent usually do not
4 produce.

5 And as you can see, there is a thick
6 fairway of this one sand body running from northwest
7 to southeast through our proposed location. But as
8 this isopach, I think, shows, there is the risk, as we
9 encountered in our well in the Southeast of 25. It
10 had a very thick sand package, but it did not produce
11 commercially. That's what we see as a risk for this
12 Middle Morrow clastics package.

13 But, again, the upside, or what we see as
14 possible potential, is this well over in Section 29
15 that had produced the 7.7 bcf out of this sand
16 package.

17 Q. What about the Wolfcamp?

18 A. The Wolfcamp plat is a Net Porosity Isopach
19 of the lower Wolfcamp Carbonate. Again, this is the
20 same carbonate interval denoted on the cross-section.
21 These values beside each well that I contoured on here
22 are values representing a clean carbonate with a gamma
23 ray less than 30 units and porosity greater than 4
24 percent.

25 And I've color coded, again, the Wolfcamp

1 producers on here in green to demonstrate the trend
2 that's running from south towards the north. Here
3 again, if you take a look back at the production map,
4 the Wolfcamp cumulatives seem to be spotty. There's
5 some very good wells, and there's, also, some
6 uneconomic wells that have produced out of this
7 horizon. It is not necessarily tied in with the net
8 pay values that each well has.

9 For instance, there are wells such as the
10 well in 25 that is an economic Wolfcamp well that does
11 not have but one-third to a quarter of the net pay
12 footage that the well does in the Southwest 1/4 of 35,
13 yet their cumulatives are substantially different.

14 Q. Mr. Insalaco, do you have an opinion
15 regarding the penalty which should be assessed against
16 non-consenting interest owners?

17 A. Yes. I believe cost plus 200 percent.

18 Q. What do you base that on?

19 A. This is based on the distance from other
20 producing wells in both the Morrow and the Wolfcamp
21 horizons. The potential that mechanical problems may
22 develop with the drilling of a deeper well, and the
23 risk or the unproductive nature of Morrow sands as we
24 have tested them down in the Southeast 1/4 of 25 and
25 the spotty or inconsistent cumulative production that

1 exist in the Wolfcamp.

2 Q. And, in your opinion, is the granting of
3 this application in the interest of conservation, the
4 prevention of waste, and the protection of correlative
5 rights?

6 A. Yes.

7 Q. Were Exhibits 5 through 8B prepared by you?

8 A. Yes, they were.

9 MR. BRUCE: Mr. Examiner, I move the
10 admission of Exhibits 5 through 8B.

11 EXAMINER: Exhibits 5 through 8B will be
12 admitted into evidence.

13 EXAMINATION

14 BY EXAMINER:

15 Q. There is a well that keeps cropping up as a
16 plugged and abandoned well in the South 1/2 of Section
17 24. It's just to the north and east. Would you
18 explain that well a little bit?

19 A. Yes, sir. That is a well that TD'd at a
20 depth of, I believe, 1,061 feet. So it did not test
21 at any of these deeper horizons.

22 Q. Was it a shallow test, or did they have
23 problems?

24 A. Yes. It was a Yates test. There is some
25 Yates production that is just off this plat over in

1 Section 15. In 14 you can see three dry holes and one
2 plugged producer, up to the northwest of our proposed
3 location. That is the edge of some shallow Yates
4 production. It looks like they were spaced on 5-10
5 acre spacing. There's two or three dry hole symbols
6 in a row.

7 Q. Mr. Insalaco, what is your proposed spud
8 date for this well?

9 A. Initially, it was prior to February 2nd,
10 and now I believe we're looking at a date prior to
11 April 2nd, before our leases in the area start falling
12 apart.

13 MR. STOVALL: Question. To follow up on
14 that, what is the earliest you would expect to spud
15 this location? Do you have a target date, or do we
16 need to get Mr. Green back to answer that question?

17 THE WITNESS: I believe it would probably
18 be based on permitting, but Mr. Green could answer it
19 much better than I can.

20 MR. STOVALL: Let's finish with this
21 witness, then let's get that answer. I neglected to
22 ask that before. I apologize.

23 EXAMINER: I have no further questions of
24 this witness at this time.

25 MR. STOVALL: I have nothing further of

1 this witness.

2 EXAMINER: You may be excused.

3 THE WITNESS: Thank you.

4 EXAMINER: Mr. Bruce, we would like to call
5 Mr. Green at this time.

6 FURTHER EXAMINATION

7 BY MR. STOVALL:

8 Q. Mr. Green, I will just ask you the question
9 that you heard but were unable to answer because you
10 weren't on the stand.

11 What's the earliest -- what's your window
12 for drilling this well?

13 A. The well has been permitted last week. It
14 will take 30 days, because of the federal lease
15 involved in it, before we get approval on permit.
16 Santa Fe would like to spud this well somewhere around
17 the middle of March to insure that we get on and we
18 are drilling before expiration of our leases.

19 Q. Is one of the leases you're concerned with
20 the federal lease? Is that one of the expiring
21 leases?

22 A. No. The federal lease is Union Pacific's
23 lease. It is HBP, Held By Production. The leases we
24 are concerned about are the leases that Santa Fe
25 Energy owns.

1 Q. What type of lease are they?

2 A. Fee leases.

3 MR. STOVALL: Mr. Green and Mr. Bruce,
4 before we take this case under advisement, I would
5 advise you of the concern that the Examiner and I have
6 got at the moment. It appears that the timing between
7 the time you've attempted to negotiate with Union and
8 Harken -- I believe it is -- and the time you filed
9 the application, is rather short. Now, you don't need
10 an explanation at the moment.

11 I understand that you only acquired the
12 property and that you appeared to have a window in
13 there which was relatively short. I think Santa Fe
14 has been on the other side of forced pooling
15 applications in which there was not a large amount of
16 time to conduct negotiations and evaluate prospects.

17 Recognizing the circumstances, I would
18 recommend the Examiner go ahead and take the case
19 under advisement, but given the nature of the
20 circumstances, would appreciate in the future more
21 detailed discussion with respect to verbal
22 communications between parties that they've sought to
23 be force pooled. Something establishing that there
24 really was some good faith attempts at negotiations
25 and either can't come to terms, or the other parties

1 are unwilling to respond, but a more specific and
2 detailed record of that with perhaps some more written
3 communication and a little bit more time in the
4 future.

5 I'm just stating that on the record to make
6 you aware -- this is not the only case of this nature.
7 We've had numerous cases where the application is
8 filed almost the day negotiations have begun. And
9 that does raise the question of good faith
10 negotiations to attempt to reach an agreement.

11 With that comment, and that's all it is at
12 this point, is a comment representing the concerns of
13 the Division, I recommend that the Examiner take this
14 case under advisement.

15 EXAMINER: Thank you, Mr. Stovall. There
16 are no further questions of Mr. Green. Mr. Bruce, do
17 you have anything further?


18 MR. BRUCE: Nothing further.

19 EXAMINER: Does anybody else have anything
20 further in Case No. 9852?

21 This case will be taken under advisement.

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 9852,
25 heard by me on 24 January 1990.


Examiner
Oil Conservation Division

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3 CERTIFICATE OF REPORTER4 STATE OF NEW MEXICO)
5) ss.
6 COUNTY OF SANTA FE)7 I, Diana Abeyta, Certified Shorthand
8 Reporter and Notary Public, HEREBY CERTIFY that the
9 foregoing transcript of proceedings before the Oil
10 Conservation Division was reported by me; that I
11 caused my notes to be transcribed under my personal
12 supervision; and that the foregoing is a true and
13 accurate record of the proceedings.14 I FURTHER CERTIFY that I am not a relative
15 or employee of any of the parties or attorneys
16 involved in this matter and that I have no personal
17 interest in the final disposition of this matter.18 WITNESS MY HAND AND SEAL January 31, 1990.
19
2021 
22 DIANA ABEYTA
23 CSR No. 26724 My commission expires: May 7, 1993
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