

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:)

APPLICATION OF SAGA PETROLEUM, L.L.C.,)
FOR STATUTORY UNITIZATION, LEA COUNTY,)
NEW MEXICO)

CASE NOS. 12,417

APPLICATION OF SAGA PETROLEUM, L.L.C.,)
FOR APPROVAL OF A WATERFLOOD PROJECT)
FOR ITS CROSSROADS SILURO-DEVONIAN UNIT)
AREA AND QUALIFICATION OF SAID PROJECT)
FOR THE RECOVERED OIL TAX RATE PURSUANT)
TO THE ENHANCED OIL RECOVERY ACT, LEA)
COUNTY, NEW MEXICO)

JUL 26 AM 7:45

(Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

ORIGINAL

BEFORE: DAVID R. CATANACH, Hearing Examiner

July 12th, 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, July 12th, 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.

* * *

I N D E X

July 12th, 2001
Examiner Hearing
CASE NOS. 12,417 and 12,418 (Consolidated)

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E X H I B I T S

Applicant's	Identified	Admitted
Case 12,417		
Exhibit A	5	6
Exhibit B	5	6
Case 12,418		
Exhibit A	6	6

* * *

A P P E A R A N C E S

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

FOR THE APPLICANT:

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

ALSO PRESENT:

RICHARD EZEANYIM
Chief Engineer
New Mexico Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, NM 87501

* * *

1 WHEREUPON, the following proceedings were had at
2 12:29 p.m.:

3 EXAMINER CATANACH: At this time I will call Case
4 Number 12,417, which is the Application of Saga Petroleum,
5 L.L.C., for statutory unitization, Lea County, New Mexico.
6 Call for appearances in this case.

7 MR. CARR: May it please the Examiner, my name is
8 William F. Carr with the Santa Fe Law Firm Holland and
9 Hart, L.L.P. We represent Saga Petroleum in this matter,
10 and I would also request at this time that you call Case
11 12,418, which is a companion Application for the waterflood
12 project in the unit which is the subject of the original
13 case.

14 EXAMINER CATANACH: Okay, at this time I'll call
15 Case 12,418, which is the Application of Saga Petroleum,
16 L.L.C., for approval of a waterflood project for its
17 Crossroads Siluro-Devonian Unit area and qualification of
18 said project for the Recovered Oil Tax Rate pursuant to the
19 Enhanced Oil Recovery Act, Lea County, New Mexico.

20 Call for additional appearances in either of
21 these cases.

22 There being none, Mr. Carr, you may proceed.

23 MR. CARR: Mr. Catanach, these cases were
24 originally presented to a Division Examiner in September of
25 the year 2000. At the time of the hearing the Examiner

1 requested additional data be provided. The data has been
2 provided.

3 There was also a question concerning the notice
4 that was provided in the case. Certain parties were not
5 notified of the original application. All parties have now
6 been renotified, with the exception of Alpha Resources,
7 Inc., and we've previously provided to the Division a copy
8 of the assignment of the interests which are at issue from
9 Alpha Resources, Inc., to Saga Petroleum.

10 We therefore would request that we be given
11 permission to present notice affidavits, which are marked
12 as Exhibit A in each of these cases, and would request that
13 the cases be taken under advisement based on the September
14 record.

15 EXAMINER CATANACH: Okay, and you do have
16 additional -- I'm sorry, you're doing the affidavit of
17 notice. Do you have additional evidence to submit at this
18 time?

19 MR. CARR: We presented and delivered to the
20 Division yesterday by letter dated July the 11th the
21 additional information. I have additional copies if you'd
22 like them marked to include in the record of the hearing
23 today.

24 EXAMINER CATANACH: Are we going to enter that as
25 an additional exhibit, or --

1 MR. CARR: We can mark the letter with the
2 attachments as Exhibit B if you desire.

3 EXAMINER CATANACH: Okay, I guess we can go ahead
4 and do that.

5 MR. CARR: So we would also -- We would then move
6 the admission of Exhibits A and B in Case 12,417, and move
7 the admission of Exhibit A, which is the notice affidavit
8 in Case 12,418.

9 EXAMINER CATANACH: Okay, Exhibit A and B in
10 Cases 12,417 and 12,418 will be admitted as evidence.

11 MR. CARR: And that concludes our presentation.

12 EXAMINER CATANACH: Okay. There being nothing
13 further, Mr. Carr, Case 12,417 and 12,418 will be taken
14 under advisement.

15 MR. CARR: Thank you, Mr. Catanach.

16 EXAMINER CATANACH: Thank you.

17 (Thereupon, these proceedings were concluded at
18 12:32 p.m.)

19 * * *

20
21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
the Examiner hearing of Case No. _____
23 heard by me on _____ 19 ____

24 _____, Examiner
25 _____
Division

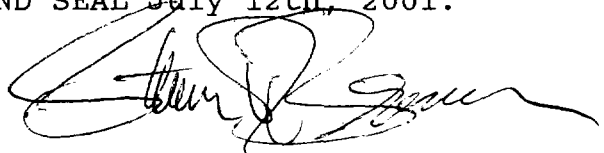
CERTIFICATE OF REPORTER

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 12th, 2001.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002