

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. 12,919

APPLICATION OF THE NEW MEXICO OIL)
CONSERVATION DIVISION FOR A PUBLIC)
HEARING PURSUANT TO RULE 19.G(3) TO)
CONSIDER THE ADEQUACY OF A REVISED)
STAGE 2 ABATEMENT PLAN, LEA COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

RECEIVED

EXAMINER HEARING

SEP 11 2003

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

Oil Conservation Division

September 4th, 2003

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, September 4th, 2003, 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.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

I N D E X

September 4th, 2003
 Examiner Hearing
 CASE NO. 12,919

	PAGE
STATEMENT BY MR. BROOKS	3
STATEMENT BY MR. FELDEWERT	4
REPORTER'S CERTIFICATE	6

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A P P E A R A N C E S

FOR THE DIVISION:

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

FOR RICE OPERATING COMPANY:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:42 a.m.:

3 EXAMINER STOGNER: Since this is fresh in my
4 mind, I'm going to call Case Number 12,919 at this time.

5 MR. BROOKS: Mr. Examiner, I'm David Brooks,
6 Energy, Minerals and Natural Resources Department of the
7 State of New Mexico, as the general counsel, appearing for
8 the New Mexico Oil Conservation Division which is the
9 Applicant in this case.

10 EXAMINER STOGNER: Any other appearances?

11 MR. FELDEWERT: May it please the Examiner,
12 Michael Feldewert with the Santa Fe office of Holland and
13 Hart, and I'm appearing on behalf of Rice Operating
14 Company.

15 EXAMINER STOGNER: Thank you.

16 Mr. Brooks?

17 MR. BROOKS: Mr. Examiner, it is my understanding
18 -- Well, I'll give you a capsule background on this.

19 This involves an abatement plan. Under Rule 19
20 an abatement plan can be approved administratively unless
21 there is an objection. If there are objections, then it's
22 discretionary with the Director whether to set those
23 objections for hearing.

24 In this case there were objections from a surface
25 owner. The case was set for hearing. However, pending the

1 hearing, which has pended for quite a while, the property
2 was transferred and was acquired by an affiliate of OXY
3 USA, and it's my understanding that the new surface owner
4 is withdrawing those objections. The City of Hobbs, which
5 also filed objections, is likewise withdrawing its
6 objections. And it's my understanding also that Rice
7 Operating Company, represented here by Mr. Feldewert, has
8 agreed to accept the conditions imposed upon the plan by
9 the Division.

10 And based on all those understandings, I am
11 requesting -- the Division is requesting that this case be
12 dismissed.

13 EXAMINER STOGNER: Mr. Feldewert?

14 MR. FELDEWERT: Mr. Examiner, what Mr. Brooks
15 laid out is indeed correct. Occidental has acquired the
16 property from the surface owner.

17 I spoke with the attorney for the City of Hobbs
18 yesterday. He has likewise stated that they have no
19 objection to the remediation plan, and Rice is prepared to
20 proceed with the remediation at this site pursuant to the
21 additional conditions that were placed by the Division, I
22 believe by letter dated May 30th, 2000.

23 EXAMINER STOGNER: Mr. Brooks, you've asked that
24 this matter be dismissed. Now, will this be remanded back
25 to the Environmental Bureau for administrative handling?

1 MR. BROOKS: Yes, the approval of the abatement
2 plan from this point on will be handled administratively by
3 the Environmental Bureau of the Division.

4 EXAMINER STOGNER: Okay, so it's this particular
5 case and not the Application that's being essentially
6 dismissed at this time?

7 MR. BROOKS: Well --

8 EXAMINER STOGNER: It will be handled by the
9 administrative process of the --

10 MR. BROOKS: Yeah --

11 EXAMINER STOGNER: -- Environmental --

12 MR. BROOKS: -- the case Application, the
13 Application that I filed, is being dismissed. The
14 abatement plan is not being dismissed, it's going to
15 continue in effect and will be approved administratively.

16 EXAMINER STOGNER: Okay, thank you, Mr. Brooks.
17 If there's nothing further in Case 12,919, then
18 this case will be dismissed at this time.

19 MR. FELDEWERT: Thank you, Mr. Examiner.

20 EXAMINER STOGNER: Thank you.

21 (Thereupon, these proceedings were concluded at
22 8:45 a.m.)

23 * * * do hereby certify that the foregoing
24 proceedings were heard by the
25 Environmental Bureau of the Division of Case No. 12919
heard by me on 24 September 2003

[Signature]
Oil Conservation Division

STEVEN T. BRENNER, CCR
(505) 989-9317

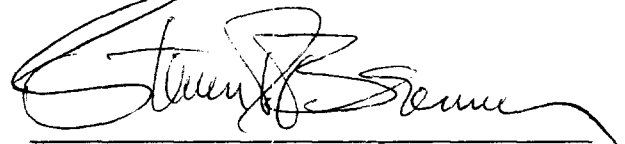
CERTIFICATE OF REPORTER

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 September 4th, 2003.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

Case 12919

CONTINUED AND DISMISSED CASES

RECEIVED
SEP 11 2003
Oil Conservation Division

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

September 4th, 2003

Santa Fe, New Mexico

ORIGINAL

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* * *

I N D E X

September 4th, 2003
Continued and Dismissed Cases

PAGE

REPORTER'S CERTIFICATE

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* * *

1 WHEREUPON, the following proceedings were had at
2 8:35 a.m.:

3 EXAMINER STOGNER: Okay, we'll go over the docket
4 continuances and dismissals at this time.

5 First page, Case 13,137, this is the Application
6 of Richardson Production Company to amend a compulsory
7 pooling order. This matter was advertised in the absence
8 of objection. Unfortunately, the advertisement in the
9 paper in San Juan County missed the most important half of
10 this ad, and it had to be readvertised for October 9th. So
11 Case 13,137 will be continued and readvertised for October
12 the 9th.

13 The next case, 13,138, Application of Apache
14 Corporation for compulsory pooling, Lea County, this case
15 will be continued to September the 18th.

16 The third case on this page, Case 13,126,
17 Application of (The) Wiser Oil Company for three unorthodox
18 locations, Lea County, this case will be continued to
19 October the 9th.

20 Page 2, second case, 13,087, Ocean Energy,
21 compulsory pooling, Lea County, this case will be
22 dismissed.

23 Case 13,139, Application of Gruy Petroleum
24 Management Company to expand the White City-Pennsylvanian
25 Gas Pool, Eddy County, New Mexico, this case will be

1 continued to September 18th.

2 Case 13,140 is another Application of Gruy
3 Petroleum Management Company. After a prehearing meeting
4 with the parties involved in this matter yesterday, this
5 case will be dismissed.

6 Case 13,133, this is the Application of Devon
7 Energy Production Company, L.P., for compulsory pooling,
8 Eddy County, this case will be continued to September the
9 18th.

10 Moving to the third page, Case 13,141, this is
11 the Application of EOG Resources, Inc., for the
12 reinstatement of a particular order that has to do with
13 special pool rules of the Diamond-Strawn Pool, and this is
14 in Lea County. This case will be continued to September
15 the 4th.

16 Case 13,142, down at the bottom, this is the
17 Application of the Oil Conservation Division.

18 MR. BROOKS: I'm sorry, Mr. Examiner, you said on
19 13,141 that it will be continued to September the 4th.
20 This is September the 4th.

21 EXAMINER STOGNER: That is September the 4th,
22 pardon me. This case will be -- I'm sorry, let's go back.
23 Case 13,141 -- that's the Application of EOG Resources --
24 this case will be dismissed. I apologize.

25 Okay, down at the bottom 13,142, this is the

1 Application of the Oil Conservation Division for an order
2 requiring Maralo, LLC, to remediate a hydrocarbon
3 contamination at an abandoned well and battery site in Lea
4 County. This case will be continued to October the 9th.

5 Okay, I believe there's -- Are there any other
6 continuances or dismissals?

7 MR. FELDEWERT: May it please the Examiner, on
8 page 3, Case Number 13,103 which is the Application of V-F
9 Petroleum, I believe that case has been continued. I don't
10 recall the date, but it's my understanding that case has
11 been continued.

12 EXAMINER STOGNER: Okay, let me see if the case
13 file has anything. Okay, the last thing I have in the file
14 is a continuance from August the 7th to the 4th, and I see
15 that that's Mr. Bill Carr with Holland and Hart. I don't
16 have any other continuing notice in front of me. Shall I
17 just assume that this is continued to the 18th of
18 September?

19 MR. BRUCE: Mr. Examiner, I did enter an
20 appearance in that case on behalf of BP America Production
21 Company, and I know the parties are attempting to work out
22 their differences with respect to compulsory pooling. So
23 the last I heard, it was going to be continued. And I
24 would request on behalf of my client that it be continued
25 to the 18th.

1 EXAMINER STOGNER: I'm sorry, to the 18th of
2 September?

3 MR. FELDEWERT: September 18th would be fine.

4 EXAMINER STOGNER: Okay. And that's the only
5 thing I have on it. So for Mr. Bruce and Mr. Feldewert,
6 Case 13,103 will be continued to September the 18th.

7 MR. BROOKS: Mr. Examiner --

8 EXAMINER STOGNER: Yes.

9 MR. BROOKS: -- Case Number 12,919, the
10 Application of the New Mexico Oil Conservation Division for
11 a public hearing pursuant to Rule 19.G(3) to consider the
12 adequacy of a revised State 2 abatement plan, that case is
13 to be dismissed. But since Mr. Feldewert and I are both
14 here, we would appreciate if you would call that case and
15 let us enter our appearances, and then we'll stipulate to
16 dismiss it.

17 EXAMINER STOGNER: And again, that's Case --

18 MR. BROOKS: -- 12,919, it's the second case on
19 page 4.

20 EXAMINER STOGNER: Okay. First of all, are there
21 any other continuances and dismissals before I do that?

22 Case 13,085, this is the amended Application of
23 EGL Resources, Inc., and Robert Landreth for pool extension
24 or an alternative pool creation. This is in Lea County,
25 New Mexico. As I understand from Mr. Catanach, there's a

1 tentative -- this case is tentatively scheduled to be heard
2 at a special docket within the next two weeks. That date
3 has not been set at this time. Please check either by
4 calling Mr. Catanach, Ms. Florene Davidson, or check the
5 website.

6 So this matter is continued to a tentative
7 special hearing within the next two weeks.

8 (Off the record)

9 EXAMINER STOGNER: We're going to come back to
10 13,085.

11 (Off the record at 8:41 a.m.)

12 (The following proceedings had at 9:09 a.m.):

13 EXAMINER STOGNER: Let's go back on the record.
14 Returning to Case 13,085, this is the EGL-Robert Landreth
15 matter. This case will be continued to a special hearing
16 to be set for Tuesday, September the 16th, here in Porter
17 Hall.

18 With that, then Docket Number 28-03 is adjourned.

19 (Thereupon, these proceedings were concluded at
20 9:10 a.m.)

21 * * *

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 12919,
25 heard by me on 11 September 2003.

 Examiner
Oil Conservation 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 September 4th, 2003.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006