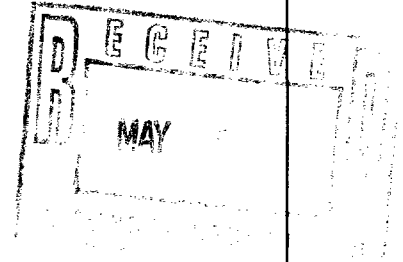


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING)
CALLED BY THE OIL CONSERVATION)
DIVISION FOR THE PURPOSE OF)
CONSIDERING:)
APPLICATION OF EXXON CORPORATION)
_____)

CASE NO. 11,279



ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

May 4th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, May 4th, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, before 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

May 4th, 1995
Examiner Hearing
CASE NO. 11,279

PAGE

REPORTER'S CERTIFICATE

7

* * *

A P P E A R A N C E S

FOR EXXON CORPORATION AND
SANTA FE EXPLORATION COMPANY:

HINKLE, COX, EATON, COFFIELD & HENSLEY
218 Montezuma
P.O. Box 2068
Santa Fe, New Mexico 87504-2068
By: JAMES G. BRUCE

FOR THORNTON OPERATING CORPORATION:

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

* * *

1 WHEREUPON, the following proceedings were had at
2 9:36 a.m.:

3 EXAMINER CATANACH: Call next case, 11,279,
4 Application of Exxon Corporation, pursuant to the
5 provisions of Division Order Number R-9035, to relax the
6 conditions governing the North King Camp-Devonian Pool and
7 to acknowledge a recently approved Federal Unit Area in
8 Chaves County, New Mexico.

9 Are there appearances in this case?

10 MR. BRUCE: Mr. Examiner, Jim Bruce from the
11 Hinkle law firm in Santa Fe, representing Exxon Corporation
12 and Santa Fe Exploration Company.

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

16 We represent Thornton Operating Corporation, who
17 will be the operator of the federal unit.

18 EXAMINER CATANACH: Any additional appearances?

19 Okay. Mr. Bruce, would you like to make a
20 statement in this case?

21 MR. BRUCE: Mr. Examiner, this hearing, we hope,
22 ends five years of effort among various parties. I think
23 there were several Division hearings, a Commission hearing,
24 a district court decision and a Supreme Court decision in
25 this case. Fortunately, this is the first time I've had to

1 be involved in any of it.

2 I think you're aware of this pool; most people in
3 the Division are. The Order restricted production on the
4 two wells in the pool to 235 barrels per day, until and
5 unless the parties voluntarily unitized their interests in
6 the pool.

7 Along with the Application I submitted to the
8 Division, I also submitted an original and a copy of a
9 fully-executed unit agreement. This unit agreement covers
10 all of Section 9, which is all federal land. It is fully
11 executed by all interest owners -- working-interests,
12 royalty interests, and overriding royalty interest owners
13 -- in Section 9.

14 We request that it be approved.

15 Two things: The order is -- Excuse me, the unit
16 agreement is dated effective April 1, 1995, and we request
17 that the Division Order approving this case be made
18 effective on that date.

19 The second item is, we would request that any
20 Division order entered in this case be entered before May
21 15, 1995, because of the agreements among the parties.

22 MR. CARR: In addition to that, I would just
23 point out that even though at the moment we have, I think,
24 finally put the matter to rest, we have all interest owners
25 in the unit area committed.

1 But the agreement that they have signed does
2 expire on the 15th of May unless we have been able to
3 obtain Division approval, and that is why we are requesting
4 an expedited order.

5 And to be certain that we don't have a
6 discrepancy between the date in the unit agreement and the
7 effective date of the order, it is essential that it be
8 effective April the 1st.

9 If we can achieve that, this matter is finally at
10 rest. And as someone who has been before the Division on
11 numerous occasions, and to the district court and to the
12 Supreme Court, I want to ask you if at all possible to
13 please expedite the order, have an effective date of April
14 the 1st.

15 EXAMINER CATANACH: Okay, to make sure we get it
16 all right, can you guys collaborate on a rough order for
17 me --

18 MR. CARR: Yes, we can.

19 MR. BRUCE: Sure.

20 EXAMINER CATANACH: -- within the next couple of
21 days?

22 MR. CARR: Yes, we'll have it to you the first of
23 the week.

24 EXAMINER CATANACH: Okay. Is there anything
25 further?

1 There being nothing further in this case, Case
2 11,279 will be taken under advisement.

3 (Thereupon, these proceedings were concluded at
4 9:45 a.m.)

5 * * *

21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
23 the Examiners' hearing of Case No. 11279,
 heard by me on May 4 1998.

24 David R. Catant, Examiner
25 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 May 13th, 1995.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998