

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 PATINA SAN JUAN, INC.,)
 FOR AN UNORTHODOX GAS WELL LOCATION,)
 SAN JUAN COUNTY, NEW MEXICO)
)

CASE NO. 13,683

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

March 30th, 2006

Santa Fe, New Mexico

2006 APR 13 PM 3 26

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, March 30th, 2006, 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.

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I N D E X

Marc 30th, 2006
Examiner Hearing
CASE NO. 13,683

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

MILLER, STRATVERT P.A.
150 Washington
Suite 300
Santa Fe, New Mexico 87501
By: J. SCOTT HALL

* * *

1 WHEREUPON, the following proceedings were had at
2 9:01 a.m.:

3
4 EXAMINER CATANACH: Okay, at this time I'll call
5 Case 13,683, which is the Application of Patina San Juan
6 for an unorthodox gas well location, San Juan County, New
7 Mexico.

8 Call for appearances.

9 MR. HALL: Mr. Examiner, Scott Hall, Miller
10 Stratvert P.A., Santa Fe, appearing on behalf of Patina San
11 Juan, Incorporated. No witnesses.

12 EXAMINER CATANACH: Any additional appearances?
13 Okay, there being none, Mr. Hall, you may proceed.

14 MR. HALL: Mr. Examiner, this case began as an
15 administrative application for approval of an unorthodox
16 well location for the Valence 33 Number 2 well to be
17 completed in the Fruitland Coal and Dakota formations at a
18 surface location 320 feet from the north line and 2145 feet
19 from the east line, Section 33, 31 North, 13 West. The
20 reasons for the request were, topographic conditions on the
21 surface precluded a standard location due to the existence
22 of river and wetlands, nearby wetlands.

23 The well is the first Fruitland Coal well in the
24 east half of the section and will be the second infill
25 Dakota formation well.

1 The Application was filed on January 24th, 2006.
2 Notice was provided to offset operators in accordance with
3 the Rule. After the 20-day period for stating objections
4 had run, the Division received an objection letter from a
5 surface owner. We filed an objection to that and moved to
6 dismiss the surface owner's objection and challenge the
7 surface owner's standing to assert an objection.

8 Since that time, the surface owner has provided
9 us and the Division with a letter waiving their objection,
10 and so that issue is now mooted.

11 We accordingly request that the Application now
12 be processed pursuant to a Hearing Examiner order, and we
13 understand that the Division would like to see additional
14 evidence with respect to the location of the wetlands and
15 how they infringe on the -- a standard surface location.
16 We'll certainly provide that to you after the hearing.

17 EXAMINER CATANACH: Okay. I can confirm also
18 that we did receive a letter in which the surface owners
19 have withdrawn their objection to this Application, and
20 therefore I believe it can be processed at this time.

21 If you will provide the Division that additional
22 information after the hearing, Mr. Hall, we will process
23 the Application.

24 And do you have anything further?

25 MR. HALL: That's it.

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EXAMINER CATANACH: Okay, there being nothing further, Case Number 13,683 will be taken under advisement. (Thereupon, these proceedings were concluded at 9:05 a.m.)

* * *

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 13683, heard by me on March 30, 2006.
David R. Catanach, Examiner
Oil Conservation Division

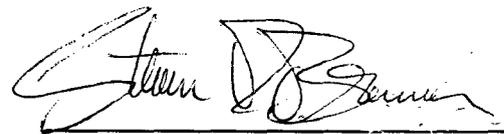
CERTIFICATE OF REPORTER

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 March 31st, 2006.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006