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 SOUTHLAND ROYALTY

COMPANY

)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

December 15th, 1994

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Santa Fe, New Mexico

This matter came on for hearing before the Oil
Conservation Division on Thursday, December 15th, 1994, 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.

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December 15th, 1994 Examiner Hearing CASE NO. 11,092

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STATEMENT BY MR. KELLAHIN

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REPORTER'S CERTIFICATE

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APPEARANCES

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
State Land Office Building
Santa Fe, New Mexico 87504

FOR THE APPLICANT:

KELLAHIN & KELLAHIN
117 N. Guadalupe
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
By: W. THOMAS KELLAHIN

* * *

WHEREUPON, the following proceedings were had at 1 2 8:20 a.m.: EXAMINER STOGNER: This hearing will come to 3 Please note today's date, December 15th, 1994, order. 4 Docket Number 35-94. 5 First thing I'll take into consideration will be 6 Case Number 11,092. 7 MR. CARROLL: Application of Southland Royalty 8 9 Company for downhole commingling and an unorthodox coal gas well location, San Juan County, New Mexico. 10 EXAMINER STOGNER: This case involves downhole 11 commingling on an unorthodox location of the Kutz-Pictured 12 13 Cliffs gas production and the Basin-Fruitland Coal gas 14 production. 15 The case was originally heard, I believe, in 16 October, and due to some reapportionments of proration units in existing areas this case had to be readvertised 17 18 today. 19 And at this time I'll call for any appearances. MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of 20 the Santa Fe law firm of Kellahin and Kellahin, appearing 21 22 on behalf of the Applicant. 23 EXAMINER STOGNER: Do you have anything further, Mr. Kellahin? 24 25 MR. KELLAHIN: Mr. Examiner, we are not -- we are

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aware of no opposition to having you take this matter under
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     advisement and to decide the case based upon the record
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     presented.
               EXAMINER STOGNER: Okay, then Case 11,092 will be
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     taken under advisement at this time.
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                (Thereupon, these proceedings were concluded at
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     8:21 a.m.)
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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 December 16th, 1994.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 1998

I do hereov certify that the foregoing is

the proceedings in

caraby me and 15 Member 1984

≥, Examinar

Oil Conservation Division