

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. 11,101
)	
HEARING CALLED BY THE OIL)	
CONSERVATION DIVISION)	
)	

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

September 15th, 1994

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, September 15th, 1994, at Morgan Hall, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico, before Deborah O'Bine, RPR, Certified Court Reporter No. 63, for the State of New Mexico.

ORIGINAL

* * *

I N D E X

September 15th, 1994
 Examiner Hearing
 CASE NO. 11,101

	PAGE
APPEARANCES	3
APPLICANT'S WITNESSES:	
<u>DAVID R. CATANACH</u>	
Examination by Mr. Carroll	5
Voir Dire Examination by Mr. Kellahin	6
Voir Dire Examination by Mr. Carr	9
REPORTER'S CERTIFICATE	12

* * *

E X H I B I T S

	Identified	Admitted
Exhibit 1	6	-

* * *

A P P E A R A N C E S

FOR THE DIVISION:

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

ADDITIONAL APPEARANCES:

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

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

* * *

1 EXAMINER STOGNER: The hearing will come to
2 order. I'll call Case 11,101, which is in the matter of
3 the hearing called by the oil conservation Division upon
4 its own motion for an order creating and extending certain
5 pools in Rio Arriba, San Juan and Sandoval Counties, New
6 Mexico, affectionately called District 3.

7 At this time I'll call for appearances.

8 MR. CARROLL: Yes, Mr. Examiner, Rand Carroll on
9 behalf of the Division. I have one witness to be sworn.

10 EXAMINER STOGNER: Will that witness please stand
11 to be sworn at this time.

12 (Thereupon, the witness was sworn.)

13 EXAMINER STOGNER: Mr. Carroll?

14 MR. KELLAHIN: Mr. Examiner, there are some
15 additional appearances I believe in this case.

16 EXAMINER STOGNER: Oh, yes, I'm sorry. Any
17 additional appearances?

18 MR. KELLAHIN: Yes, sir. I am Tom Kellahin of
19 Santa Fe, New Mexico, appearing as a concerned citizen in
20 association with Mr. William F. Carr, another concerned
21 citizen.

22 EXAMINER STOGNER: Are you representing Mr. Carr?

23 MR. KELLAHIN: I'm representing Mr. Carr, and Mr.
24 Carr is representing me.

25 EXAMINER STOGNER: Okay.

1 MR. KELLAHIN: We're both appearing...

2 MR. CARR: We're concerned about Rio Arriba, San
3 Juan and Sandoval County production.

4 EXAMINER STOGNER: Affectionately known as
5 District 3? Thank you.

6 Okay, let the record show that Mr. Kellahin and
7 Mr. Carr have entered an appearance in this case.

8 Mr. Carroll?

9 DAVID R. CATANACH,
10 the witness herein, after having been first duly sworn upon
11 his oath, was examined and testified as follows:

12 DIRECT EXAMINATION

13 BY MR. CARROLL:

14 Q. Mr. Catanach, will you please state your name,
15 the place of your employment and your position?

16 A. David Catanach, employed by the Oil Conservation
17 Division in Santa Fe as a petroleum engineer.

18 Q. Have you testified before this Division before
19 and had your qualifications accepted as an expert witness?

20 A. Many times.

21 Q. And today are you prepared to make
22 recommendations concerning the nomenclature concerning
23 certain pools in Rio Arriba, Sandoval, and San Juan
24 Counties, New Mexico?

25 A. Yes, I am.

1 Q. And how are these recommendations set forth?

2 A. We can mark these as Exhibit Number 1.

3 Q. Okay. Have you had an opportunity to review
4 Exhibit 1 and compare it with the docket that's been
5 prepared for today's hearing and determine if there's any
6 discrepancies between the two?

7 A. Briefly, I have reviewed this briefly, and there
8 does not appear to be any differences.

9 Q. Was Exhibit 1 prepared by the Division in the
10 ordinary course of its business?

11 A. Yes, sir, it was.

12 Q. And has it been reviewed for accuracy? You
13 briefly reviewed it?

14 A. I briefly reviewed it for accuracy.

15 MR. CARROLL: Mr. Examiner, I have nothing
16 further of this witness, and I offer Exhibit 1.

17 MR. KELLAHIN: Objection, Mr. Examiner.

18 EXAMINER STOGNER: Mr. Kellahin?

19 MR. KELLAHIN: May we voir dire the witness on
20 his examination of Exhibit Number 1?

21 EXAMINER STOGNER: Voir dire away.

22 VOIR DIRE EXAMINATION

23 BY MR. KELLAHIN:

24 Q. Mr. Catanach, what is contained on Exhibit Number
25 1?

1 A. Well, Mr. Kellahin, Exhibit No. 1 is a list of

2 the certain extensions and pool creations in District 3.

3 Q. Does it duplicate in any fashion the type of
4 information shown on the docket?

5 A. Why, yes, it does.

6 Q. Did you utilize any other information in your
7 review?

8 A. No other written information.

9 Q. Did you utilize any unwritten information?

10 A. I questioned the Examiner and the Division
11 attorney on whether or not they knew of any changes to this
12 nomenclature.

13 Q. Prior to having these conversations with the
14 Hearing Examiner, did you notify the public that you were
15 going to have those conversations?

16 A. I did not. 12

17 MR. KELLAHIN: Mr. Examiner, I would like the
18 record to note that there have been *ex parte* communications
19 between the witness and the Hearing Examiner and the
20 Division attorney over matters from which Mr. Carr and I
21 have been excluded and did not have --

22 THE WITNESS: Mr. Kellahin, may I point out
23 that --

24 MR. KELLAHIN: Yes, sir.

25 THE WITNESS: -- during these conversations, you

1 were present, and so was Mr. Carr.

2 MR. KELLAHIN: I was debating with the Division
3 Director over another ex parte proceeding for which I was
4 neither present nor invited.

5 Q. (By Mr. Kellahin) Now, you said briefly, Mr.
6 Catanach. Briefly means --

7 MR. CARROLL: Objection, Mr. Examiner. Mr.
8 Kellahin is harassing the witness.

9 MR. KELLAHIN: I've only begun, Mr. Carroll.

10 EXAMINER STOGNER: You will limit your --

11 MR. KELLAHIN: Sir?

12 EXAMINER STOGNER: Please limit your harassment
13 to, say, two minutes.

14 Q. (By Mr. Kellahin) Mr. Catanach, you said
15 "briefly", sir. When did you first lay eyes on Exhibit No.
16 1?

17 A. Approximately eleven o'clock this morning.

18 Q. Was that before or after your lunch break?

19 A. That was before my lunch break.

20 Q. Before your lunch break?

21 A. Yes, sir.

22 Q. As part of your review, do you look at maps of
23 the pools to compare the extension language to an actual
24 description or a map of those pools?

25 A. No, I do not.

1 Q. Do you use any other device, process or method by
2 which to validate the accuracy of Exhibit Number 1?

3 A. No.

4 Q. Where does that stuff come from?

5 A. Well, Mr. Kellahin, it comes from Mr. Ernie Bush
6 up in the District Office, and we all trust Mr. Bush's
7 judgment and accuracy in this matter.

8 MR. KELLAHIN: Thank you, Mr. Examiner.

9 EXAMINER STOGNER: Thank you, Mr. Kellahin.

10 Any other questions?

11 VOIR DIRE EXAMINATION

12 BY MR. CARR:

13 Q. Mr. Catanach, you are familiar with the
14 Bisti-Chacra pool, are you not?

15 A. Am I aware of it in what manner, sir?

16 Q. It is included on your Exhibit A, is it not?

17 A. I can see that, yes, it is Paragraph (b).

18 Q. And are you aware that you're requesting an
19 extension of that pool into the south half and the
20 northwest quarter of Secteion 7?

21 A. I am accutely aware.

22 Q. Are you aware of the basis for that extension?

23 A. No, I am not.

24 Q. Do you know what wells have been drilled and have
25 caused the Division to decide to extend the pool in that

1 fashion?

2 A. No, sir, I do not.

3 Q. Have you conferred with Mr. Bush on that?

4 A. No, sir, I haven't.

5 MR. CARR: That's all I have.

6 EXAMINER STOGNER: Thank you, Mr. Carr.

7 Any other questions of this witness?

8 He may be excused.

9 Mr. Carroll, do you have anything further in this
10 case?

11 MR. CARROLL: I have nothing further.

12 EXAMINER STOGNER: Does anybody else have
13 anything further in this case?

14 MR. CARR: Nothing further.

15 MR. KELLAHIN: We renew our objection to the
16 admission of Exhibit 1.

17 It has not properly been authenticated by a
18 witness that is knowledgeable and experienced with regards
19 to this matter. The witness that prepared this exhibit is
20 Mr. Bush. He's not present. This is hearsay.

21 We object to its admission.

22 EXAMINER STOGNER: Mr. Carr?

23 MR. CARR: I'm not going to add one thing to what
24 Mr. Kellahin just said.

25 EXAMINER STOGNER: Your objection is so noted,

1 made a part of the record.

2 And with that, Case 11,101 will be taken under
3 advisement.

4 * * *

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
 COUNTY OF SANTA FE)

I, Deborah O'Bine, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that my notes were transcribed under my supervision; 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.

Deborah O'Bine

 DEBORAH O'BINE
 CCR No. 63

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner's hearing of Case No. 1994.
[Signature]
 Oil Conservation Division, Examiner