STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

CASE NO. 11,284

APPLICATION OF MERIDIAN OIL, INC.)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

May 18th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil
Conservation Division on Thursday, May 18th, 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.

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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 2040 South Pacheco Santa Fe, New Mexico 87505

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 9:50 a.m.: EXAMINER STOGNER: At this time I'll call Case 3 4 Number 11,284. 5 MR. CARROLL: Application of Meridian Oil, Inc., for downhole commingling and to nonstandard gas proration 6 7 units, San Juan County, New Mexico. 8 EXAMINER STOGNER: Call for appearances. 9 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of 10 the Santa Fe law firm of Kellahin and Kellahin, appearing 11 on behalf of the Applicant. 12 EXAMINER STOGNER: Any other appearances? 13 Mr. Kellahin? MR. KELLAHIN: Mr. Examiner, this case is not 14 eligible for administrative processing, for the single 15 reason that the interest owners in the two spacing units, 16 17 the Gallup spacing unit and the Dakota spacing unit, are not common. 18 We've asked that this case be processed through 19 20 the Examiner's hearing docket and, in the absence of opposition, that it be taken under advisement and handled 21 22 accordingly. I'm appearing before you today to give you my 23 certificate of notification, where we attest to having 24 25 notified all the offset operators and to all interest

owners within each of the two spacing units. I'm aware of 1 no opposition. 2 And with your permission, we would request that 3 the record be left open temporarily to allow me to submit 4 5 to you our written testimony and exhibits in support of granting this Application. 6 With your permission, then, I have copies of --7 Here's the original certificate of mailing of notification, 8 9 and here's an extra copy. And if you'll permit me, I will submit the 10 11 exhibits. They were to be Federal-Expressed to me, and 12 unfortunately they did not arrive in time for this 13 morning's hearing. 14 EXAMINER STOGNER: Okay, with that we'll leave the file open in Case Number 11,284, pending the review of 15 16 the information being submitted by Meridian, at which time we'll either take it under advisement or advise you to 17 continue it, should additional information be required. 18 Thank you, Mr. Examiner. 19 MR. KELLAHIN: EXAMINER STOGNER: Okay, anything else further in 20 21 Case 11,284? 22 There being none, we'll move on then. (Thereupon, these proceedings were concluded at 23 9:51 a.m.) 24 25

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 23rd, 1995.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a confidence of the proceedings in the coal part houring of Case No. 11284.

heard by 1/10 911 18 May

, Examiner

Oil Conservation Division