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 MARATHON OIL
COMPANY
(Reopened and readvertised)
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

ORIGINAL

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

September 7th, 1995 Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, September 7th, 1995, at the New Mexico Energy, Minerals and Natural Resources

Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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September 7th, 1995 Examiner Hearing CASE NO. 11,316

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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

* * *

1 WHEREUPON, the following proceedings were had at 9:06 a.m.: 2 EXAMINER STOGNER: At this time I'll call Case 3 Number 11,316. 4 MR. CARROLL: Application of Marathon Oil Company 5 for directional drilling and an unorthodox oil well 6 7 location, Lea County, New Mexico. EXAMINER STOGNER: This case was heard at the 8 July 13th hearing. It was heard at that time as a vertical 9 hole drilled at the nonstandard location, being 2210 from 10 the south, 1310 from the east, Section 33, 17 South, 35 11 12 East. Subsequently, this well was proposed as a 13 directional well and was advertised accordingly. 14 15 At this time I'll call for any additional 16 appearances or testimony. 17 MR. KELLAHIN: Mr. Examiner, I'm Tcm Kellahin, appearing on behalf of the Applicant. 18 19 EXAMINER STOGNER: Any other appearances? There being none, Mr. Kellahin, do you have 20 anything to offer at this time? 21 MR. KELLAHIN: Mr. Examiner, we renotified the 22 only party entitled to notice in this case, which was Shell 23 Oil Company. 2.4 25 I have received no objection from Shell Oil

1 Company, and I would ask that the certificate of mailing 2 and compliance with the notice rules of the Division be introduced into the record of this case. 3 EXAMINER STOGNER: Was there a similar document 4 5 provided at the July 13th hearing? 6 MR. KELLAHIN: Yes, sir, there was. EXAMINER STOGNER: And what's the -- I was trying 7 8 to see how I could distinguish between the two. I'll just 9 mark it, "Provided at September 7th Hearing". So noted, 10 with my initial. And this was more for -- Or this was the 11 directional drilling portion notification of Shell; is that 12 correct? 13 MR. KELLAHIN: That's correct, Mr. Examiner. And 14 15 if you remember, all the technical witnesses at the prior hearing did testify with regards to the drilling of the 16 17 well as a directional well, and so the record should be 18 consistent with the amended Application to seek the directional drilling approval from the Division. 19 20 EXAMINER STOGNER: Okay. If there are no other 21 appearances or nothing further in this case, 11,316 will be taken under advisement. 22 23 (Thereupon, these proceedings were concluded at 9:08 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 September 9th, 1995.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a complete related of the proceedings in a second of the proceedings in eard by me on I formula 19 %.

Multiul Stammer, Examiner

Oil Conservation Division