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 NOS. (11,324) 11,325 11,326 (Consolidated)

APPLICATION OF TEXACO EXPLORATION) AND PRODUCTION, INC.)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examine RECENTED

SEP 7 1995

Oil Conservation Division

August 24th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, August 24th, 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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2 INDEX August 24th, 1995 Examiner Hearing CASE NOS. 11,324, 11,325 and 11,326 (Consolidated) PAGE REPORTER'S CERTIFICATE 5 * * * EXHIBITS Identified Admitted Applicant's 3 Affidavits 4 * * * 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: CAMPBELL, CARR & BERGE, P.A. Suite 1 - 110 N. Guadalupe P.O. Box 2208 Santa Fe, New Mexico 87504-2208 By: WILLIAM F. CARR * * *

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| 1 | WHEREUPON, the following proceedings were had at |
| 2 | 9:05 a.m.: |
| 3 | EXAMINER CATANACH: At this time, let me call |
| 4 | Cases 11,324, 11,325 and 11,326. |
| 5 | MR. CARROLL: All entitled, Application of Texaco |
| 6 | Exploration and Production, Inc., for a high-angle/ |
| 7 | horizontal directional drilling pilot project, special |
| 8 | operating rules therefor, a nonstandard oil proration unit, |
| 9 | and a special project allowable, Rio Arriba County, New |
| 10 | Mexico. |
| 11 | EXAMINER CATANACH: Are there appearances in |
| 12 | these cases? |
| 13 | MR. CARR: May it please the Examiner, my name is |
| 14 | William F. Carr with the Santa Fe law firm Campbell, Carr |
| 15 | and Berge. |
| 16 | We represent Texaco Exploration and Production, |
| 17 | Inc., in each of these cases. |
| 18 | These cases were originally presented to Examiner |
| 19 | Stogner on July 13th. At that time it was discovered there |
| 20 | were certain additional mineral interest owners and working |
| 21 | interest owners who had not been noticed or provided |
| 22 | notice of the hearing. |
| 23 | The cases were continued twice to enable Texaco |
| 24 | to provide appropriate notice to all affected interest |
| 25 | owners, and I have an affidavit signed by Patrick Lee |
| | |

Callahan, attorney in fact for Texaco in each case. 1 Attached to the affidavit is a copy of the letter 2 that was sent, the waivers that have been received, and the 3 4 green card showing that, in fact, each of the interest owners affected has now received proper notice in 5 accordance with OCD rules. 6 7 So I'd like to offer those in the affidavits in 8 each of these cases and request that the case be taken under advisement, based on the July 13 record. 9 EXAMINER CATANACH: Okay, Mr. Carr, the 10 11 affidavits in each of the cases will be admitted as evidence. 12 13 And at this time we'll take Case 11,324, 11,325 and 11,326 under advisement. 14 15 (Thereupon, these proceedings were concluded at 16 9:07 a.m.) * * 17 × 18 19 20 21 22 23 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 August 26th, 1995.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 1998

Oil Conservation

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. <u>1/32/</u>, 32/, 1366 heard by me on <u>1999</u>. <u>Caude Contant</u>, Examiner

> STEVEN T. BRENNER, CCR (505) 989-9317

Division

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