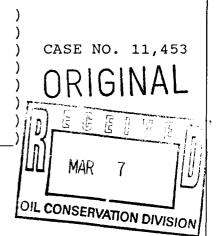
STATE OF NEW MEXICO

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 OXY USA, INC., FOR AN UNORTHODOX GAS WELL LOCATION, EDDY COUNTY, NEW MEXICO



REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 22nd, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH,
Hearing Examiner, on Thursday, February 22nd, 1996, 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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February 22nd, 1996 Examiner Hearing CASE NO. 11,453

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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 9:17 a.m.: 2 EXAMINER CATANACH: At this time I'll call Case 3 4 Number 11,453. 5 MR. CARROLL: Application of Oxy USA, Inc., for an unorthodox gas well location, Eddy County, New Mexico. 6 7 EXAMINER CATANACH: Are there appearances in this case? 8 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of 9 10 the Santa Fe law firm of Kellahin and Kellahin, appearing 11 on behalf of the Applicant. EXAMINER CATANACH: Any additional appearances? 12 Okay, Mr. Kellahin? 13 MR. KELLAHIN: Mr. Examiner, you've already heard 14 15 the technical presentation in this case at prior hearing. 16 It was continued and readvertised for today's docket in order to supplement the notice, by sending notifications to 17 18 Penroc, which was an offset interest owner, plus all the interest owners within that spacing unit for which Penroc 19 had a well. 20 We've accomplished that. I have my certificate 21 22 of mailing. We have not received any objections. 23 contacted Oxy, and they have not received any objections. 24 So I believe the notices have been satisfied and the case is ready to take under advisement. 25

EXAMINER CATANACH: Okay. All right, the notice will be submitted in this case. And there being nothing further, Case 11,453 will be taken under advisement. (Thereupon, these proceedings were concluded at 9:19 a.m.) I do hereby certify that the foregoing & a complete record of the proceedings, the Examiner hearing of Case No. Examiner heard by me on Oil Conservation Division

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 February 27th, 1996.

STEVEN T. BRENNER

CCR No. 7

My commission expires: October 14, 1998