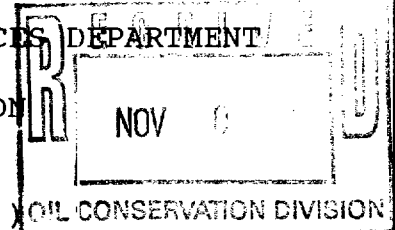


STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION



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

APPLICATION OF MERIDIAN OIL, INC., FOR
 COMPULSORY POOLING AND AN UNORTHODOX GAS
 WELL LOCATION, SAN JUAN COUNTY,
 NEW MEXICO

CASE NO. 11,542

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

November 7th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, November 7th, 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.

* * *

I N D E X

November 7th, 1996
Examiner Hearing
CASE NO. 11,542

PAGE

REPORTER'S CERTIFICATE

4

* * *

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
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
2 8:16 a.m.:

3 EXAMINER STOGNER: At this time I'll call for
4 Case Number 11,542, which is the Application of Meridian
5 Oil, Inc., for compulsory pooling and an unorthodox gas
6 well location, San Juan County, New Mexico.

7 At this time I'll call for appearances.

8 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
9 the Santa Fe law firm of Kellahin and Kellahin, appearing
10 on behalf of the Applicant.

11 Mr. Examiner, we're very close to having an
12 agreement with all the parties. I think we're down to
13 negotiating some final provisions in the gas-balancing
14 agreement. And accordingly, we would like the Application
15 in this case to be continued to the December 5th docket,
16 and hopefully by that time we'll have completed our
17 negotiations and we can dismiss the case.

18 EXAMINER STOGNER: Thank you, Mr. Kellahin.

19 In that case, then, the Application of Meridian
20 Oil, Inc., for compulsory pooling and an unorthodox gas
21 well location, being Case Number 11,542, will be continued
22 to the Examiner's hearing scheduled for December 5th, 1996.

23 (Thereupon, these proceedings were concluded at
24 8:17 a.m.)

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 November 12th, 1996.


 STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is
 a complete record of the proceedings in
 the real estate hearing of Case No. 11542.
 heard by me on November 7, 1996.


 , Examiner
 Oil Conservation Division

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