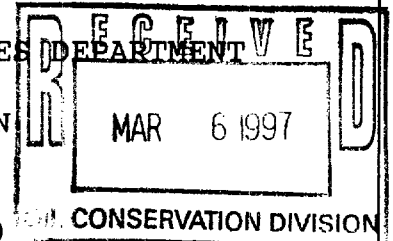


STATE OF NEW MEXICO

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:)

CASE NO. 11,709

APPLICATION OF PHILLIPS PETROLEUM)
 COMPANY FOR THE ESTABLISHMENT OF A)
 DOWNHOLE COMMINGLING REFERENCE CASE FOR)
 ITS SAN JUAN 30-5 UNIT PURSUANT TO)
 DIVISION RULE 303.E AND THE ADOPTION OF)
 SPECIAL ADMINISTRATIVE RULES FOR, RIO)
 ARriba COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 20th, 1997

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 20th, 1997, 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.

* * *

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

I N D E X

February 20th, 1997
Examiner Hearing
CASE NO. 11,709

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

* * *

1 WHEREUPON, the following proceedings were had at
2 3:18 a.m.:

3 EXAMINER CATANACH: At this time I'll call Case
4 11,709.

5 MR. CARROLL: Application of Phillips Petroleum
6 Company for the establishment of a downhole commingling
7 reference case for its San Juan 30-5 Unit pursuant to
8 Division Rule 303.E and the adoption of special
9 administrative rules therefor, Rio Arriba County, New
10 Mexico.

11 EXAMINER CATANACH: Again, this case was heard on
12 January 23rd and had to be readvertised to correct the
13 county name.

14 Call for appearances in this case.

15 There being none, Case 11,709 will be taken under
16 advisement.

17 (Thereupon, these proceedings were concluded at
18 8:18 a.m.)

19 * * *

20
21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
the Examiner hearing of Case No. 11709,
23 heard by me on February 20 1997.

24 David R. Catnach, Examiner
Oil Conservation Division
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 February 22nd, 1997.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998