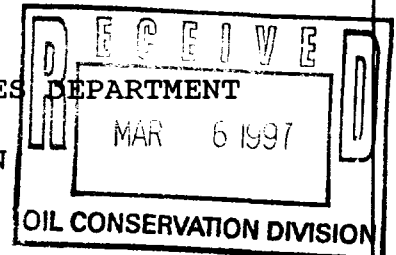


STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES
 OIL CONSERVATION DIVISION



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

CASE NO. 11,736

APPLICATION OF JOHN H. HENDRIX)
 CORPORATION FOR A NONSTANDARD GAS)
 PRORATION UNIT AND AN UNORTHODOX GAS)
 WELL LOCATION, LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER 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.

* * *

I N D E X

February 20th, 1997
Examiner Hearing
CASE NO. 11,736

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* * *

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 LOUIS B. BURLESON:

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 8:19 a.m.:

3 EXAMINER CATANACH: Let me skip quickly to page 4
4 and call Case 11,736 at this time.

5 MR. CARROLL: The Application of John H. Hendrix
6 Corporation for a nonstandard gas proration unit and an
7 unorthodox gas well location, Lea County, New Mexico.

8 EXAMINER CATANACH: Call for appearances.

9 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
10 the Santa Fe law firm of Kellahin and Kellahin. I'm
11 appearing on behalf of an opponent, Lewis B. Burleson,
12 Inc., Mr. Examiner.

13 EXAMINER CATANACH: Okay. There is no counsel
14 present for John Hendrix.

15 Would you like to make a statement in this case?

16 MR. KELLAHIN: Yes, Mr. Examiner.

17 Mr. Hendrix filed on behalf of his corporation
18 for administrative approval of a nonstandard Eumont gas
19 well spacing unit. It was caused by the recompletion of
20 his well, which caused the well to be reclassified as a gas
21 well in the pool.

22 Pursuant to the administrative rules, he sent
23 notice to the offset operators, one of whom was Lewis B.
24 Burleson, Inc.

25 On behalf of Burleson, I've filed a protest that

1 caused this matter to be docketed for hearing.

2 Since filing the protest and before the hearing
3 today, Burleson and Hendrix have entered into a stipulated
4 settlement which I have filed of record today and we would
5 like admitted into the case file.

6 At this point we request that the case be
7 continued and that the case file be returned for
8 administrative processing, and with the issuance of an
9 administrative order that is consistent with the stipulated
10 settlement, we would then ask that this case be dismissed.

11 EXAMINER CATANACH: Okay, your stipulated
12 agreement will be admitted into the record into this case,
13 and we'll go ahead and continue the case till March 6th,
14 and we'll return it to Mr. Stogner for administrative
15 processing.

16 MR. KELLAHIN: Thank you, Mr. Examiner.

17 (Thereupon, these proceedings were concluded at
18 8:20 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. 11736,
heard by me on February 20 1987.

23 David R. Catanch, Examiner
24 OH Conservation Division
25

CERTIFICATE OF REPORTER

[illegible]

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