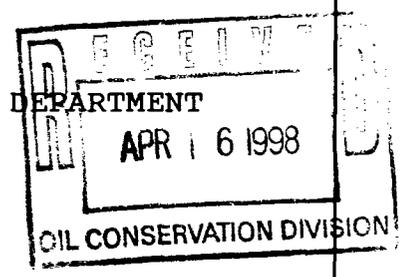


STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING CALLED BY )  
THE OIL CONSERVATION DIVISION FOR THE )  
PURPOSE OF CONSIDERING: )  
 )  
APPLICATION OF REDSTONE OIL AND GAS )  
COMPANY FOR COMPULSORY POOLING AND AN )  
UNORTHODOX GAS WELL LOCATION, EDDY )  
COUNTY, NEW MEXICO )  
 )

CASE NO. 11,960

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

April 2nd, 1998

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, April 2nd, 1998, 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

April 2nd, 1998  
Examiner Hearing  
CASE NO. 11,960

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\* \* \*

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit A	5	6
Exhibit B	5	6

\* \* \*

## A P P E A R A N C E S

FOR THE DIVISION:

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Attorney at Law  
Legal Counsel to the Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE, Attorney at Law  
612 Old Santa Fe Trail, Suite B  
Santa Fe, New Mexico 87501  
P.O. Box 1056  
Santa Fe, New Mexico 87504

FOR FASKEN LAND AND MINERALS, LIMITED:

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   10:26 a.m.:

3           EXAMINER CATANACH: At this time I'm going to  
4   call Case 11,960.

5           MR. CARROLL: Application of Redstone Oil and Gas  
6   Company for compulsory pooling and an unorthodox gas well  
7   location, Eddy County, New Mexico.

8           EXAMINER CATANACH: I'll call for appearances at  
9   this time.

10          MR. BRUCE: Mr. Examiner, Jim Bruce from Santa  
11   Fe, New Mexico, representing the Applicant. I just have a  
12   brief statement.

13          EXAMINER CATANACH: Additional appearances?

14          MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of  
15   the Santa Fe law firm of Kellahin and Kellahin, appearing  
16   on behalf of Fasken Land and Minerals, Limited.

17          MR. BRUCE: Mr. Examiner, as you now, Fasken  
18   filed a pooling application regarding the subject property,  
19   Case 11,877.

20          Redstone had filed a counter-application, Case  
21   Number 11,927.

22          Testimony in both those cases was taken in the  
23   first February hearing.

24          Subsequently, Fasken filed a motion to dismiss  
25   Case 11,927, which was granted by the Division, and Fasken

1 then filed this case, 11,960. I would ask that --

2 EXAMINER CATANACH: Redstone.

3 MR. BRUCE: Redstone, excuse me.

4 -- that the record from the Examiner hearing  
5 eight weeks ago be incorporated in the record in Case  
6 11,960.

7 What I've submitted to you today is simply -- as  
8 Exhibit A, is my affidavit of notice, with the notice  
9 letter to Fasken Land and Minerals, Limited, and then  
10 Exhibit B, which was -- I don't know that I need Exhibit B.  
11 It is an affidavit from Joe Small, the landman at Redstone,  
12 simply stating that he did send out a proposal letter. I  
13 can't remember if I did that in the prior hearing.

14 I would ask that the prior record be  
15 incorporated, that Exhibits A and B be admitted into the  
16 record and, subject to the various motions pending in this  
17 case, this matter be taken under advisement.

18 EXAMINER CATANACH: Mr. Kellahin, any --

19 MR. KELLAHIN: Sir?

20 EXAMINER CATANACH: Any objections to what Mr.  
21 Bruce has proposed here?

22 MR. KELLAHIN: Well, probably.

23 EXAMINER CATANACH: I shouldn't have given you  
24 the chance.

25 MR. KELLAHIN: I have no objection to the

1       submittal of the two affidavits in today's case, 11,960.

2               We have already supplied you with a proposed  
3       order and Fasken's suggested resolution of all these  
4       matters, and we will defer to your judgment on these  
5       issues.

6               EXAMINER CATANACH:   Okay, Exhibits A and B will  
7       be admitted in this case, 11,960, and the record and  
8       evidence presented in Case 11,927 will be incorporated into  
9       the record of this case.

10              Now, there are still some outstanding motions in,  
11       I guess, both of these cases, the Fasken case and the  
12       Redstone case, which in my opinion I'm not sure are of any  
13       concern at this point.

14              I believe there was a motion filed by Mr. Bruce  
15       to stay a decision in the Fasken case until the Redstone  
16       case was called and taken under advisement.   That order, in  
17       fact, has not been written or issued on the Fasken case, so  
18       I'm not sure that that motion needs to be ruled on at this  
19       point.

20              Is that the only motion that's of concern?

21              MR. BRUCE:   Well, I think Mr. Kellahin, on  
22       Fasken's behalf, filed a motion to dismiss, and I of course  
23       filed a responding motion to dismiss.

24              I don't really have anything to add, and I would  
25       merely let you and Mr. Carroll review those motions and

1 make your own decisions, unless Mr. Kellahin had something  
2 to add.

3 MR. KELLAHIN: The only filing Mr. Bruce has made  
4 that I have not filed a written response to is one he filed  
5 yesterday afternoon.

6 He's asked that the response to my motion to  
7 dismiss Case 11,960, that the Fasken case be dismissed. He  
8 claims that Fasken did not register properly with the  
9 Secretary of State.

10 If you give me until Monday, I can give you a  
11 two- or three-page response in which we would oppose this  
12 motion. Once that's done, it's ready for you to decide  
13 this matter.

14 EXAMINER CATANACH: Okay. We'll give you till  
15 Monday or Tuesday to file a response to that, Mr. Kellahin,  
16 and --

17 MR. BRUCE: Could I have until Monday or Tuesday  
18 to file the draft order? I have not had the opportunity --  
19 the time to get to one.

20 MR. KELLAHIN: I would certainly welcome you  
21 adopting mine and that would perhaps serve all our  
22 purposes.

23 (Laughter)

24 MR. BRUCE: Thank you, Mr. Kellahin.

25 EXAMINER CATANACH: Okay, I guess once we get all

1 the responses we will either verbally or in written --  
2 respond to the motions. Let's get the motions out of the  
3 way and then we'll get on with the issuing orders in these  
4 cases.

5 So with that, we'll go ahead and take Case 11,960  
6 under advisement.

7 (Thereupon, these proceedings were concluded at  
8 10:30 a.m.)

9 \* \* \*

10  
11  
12  
13 I do hereby certify that the foregoing is  
14 a complete record of the proceedings in  
15 the Examiner hearing of Case No. 11960,  
16 heard by me on April 2 1998.  
17 David R. Coland, Examiner  
18 Oil Conservation Division  
19  
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21  
22  
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