

NEW MEXICO OIL CONSERVATION DIVISION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date JUNE 25, 1998 Time 8:15 A.M.

NAME	REPRESENTING	LOCATION
Paul R. Olsen	Campbell, Carr, Berg & Shindler	Santa Fe
MARK WHEELER	PERWELL Energy, Inc	MIDLAND
Bill Pierce	" " "	"
John Thoma	" " "	"
W. Kelohin	Kelohin & Kelohin	Santa Fe
James Brown	—	SF

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. 11,989

APPLICATION OF BURLINGTON RESOURCES OIL)
AND GAS COMPANY FOR APPROVAL OF FOUR)
NONSTANDARD GAS SPACING AND PRORATION)
UNITS, SAN JUAN COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

June 25th, 1998

Santa Fe, New Mexico

OIL CONSERVATION DIV
98 JUL -9 AM 10:18

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, June 25th, 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

June 25th, 1998
Examiner Hearing
CASE NO. 11,989

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E X H I B I T S

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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 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 8:18 a.m.:

3 EXAMINER CATANACH: At this time we'll call Case
4 11,989.

5 MR. CARROLL: Application of Burlington Resources
6 Oil and Gas Company for approval of four nonstandard gas
7 spacing and proration units, San Juan County, New Mexico.

8 EXAMINER CATANACH: This case is styled such that
9 in the absence of objection this matter will be taken under
10 advisement.

11 I'll call for appearances at this time.

12 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
13 the Santa Fe law firm of Kellahin and Kellahin, appearing
14 on behalf of the Applicant.

15 EXAMINER CATANACH: Call for additional
16 appearances.

17 There being none, Mr. Kellahin, do you have a
18 statement?

19 MR. KELLAHIN: Yes, sir.

20 Mr. Examiner, Burlington seeks approval of four
21 nonstandard Mesaverde gas proration and spacing units.

22 I've marked as Exhibit Number 1 a plat of the
23 Allison Unit, and you can see by the dashed outline that
24 represents the outer boundaries of the Allison Unit
25 operated by Burlington.

1 In addition, on the northern border of New
2 Mexico, contiguous with the southern border of Colorado, I
3 have numbered eight nonstandard proration units. We are
4 seeking approval today of those nonstandard units that I
5 have marked as 4, 5, 6 and 7.

6 If you'll turn to Exhibit Number 2, this is the
7 same plat as the cover sheet, and these are the orders that
8 approve Tracts 1, 2 and 3 as nonstandard proration units
9 for the Mesaverde. They were approved by Order R-2717,
10 which is attached behind the plat.

11 In addition, behind the Order are copies of the
12 C-102s for each of those three Mesaverde nonstandard
13 proration units.

14 The approval of these four additional nonstandard
15 Mesaverde units will be consistent with the Division's
16 prior approval of these same tract configurations for the
17 Dakota production.

18 If you'll turn your attention to Exhibit Number
19 3, it is the same plat as the cover sheet, but attached to
20 Exhibit 3 you'll find Division Order 2046. Within the
21 context of that Order, which approved numerous Dakota
22 nonstandard proration units, you will find references that
23 document, starting on page 10 and finishing on page 11, the
24 Division's approval of nonstandard proration units 1
25 through 8.

1 So our proposal is to continue the solution that
2 the Division has approved and has historically been used
3 within the unit boundary for these nonstandard proration
4 units.

5 Your approval of these four for the Mesaverde
6 will be consistent with the Dakota approval.

7 Finally, attached is Exhibit 4, which is our
8 certificate of notification to the interest owners within
9 the Allison Unit that would be entitled to notice under
10 Division rules. They are the interest owners that receive
11 production and would have tracts adjacent to these units,
12 all of which are within the Allison Unit.

13 With the submittal of that information, Mr.
14 Examiner, we would request your approval of this
15 Application.

16 EXAMINER CATANACH: Okay, Mr. Kellahin, Exhibits
17 1 through 4 will be admitted as evidence in this case.

18 Anything further?

19 MR. KELLAHIN: No, sir.

20 EXAMINER CATANACH: Okay, there being nothing
21 further, Case 11,989 will be taken under advisement.

22 (Thereupon, these proceedings were concluded at
23 8:22 a.m.)

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 11,989,
* * * heard by me on June 25, 1997.

David M. Catanach, Examiner
Oil Conservation Division

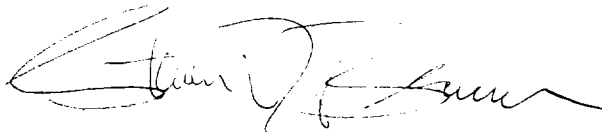
CERTIFICATE OF REPORTER

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 June 25th, 1998.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998