STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

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

APPLICATION OF CONOCO, INC., FOR APPROVAL OF THREE NONSTANDARD OIL PRORATION AND SPACING UNITS AND UNORTHODOX OIL WELL LOCATION, OR IN THE ALTERNATIVE, APPROVAL OF AN UNORTHODOX OIL WELL LOCATION, LEA COUNTY, NEW MEXICO

EXAMINER HEARING

REPORTER'S TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

May 18th, 2000

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, May 18th, 2000, 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.

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

	2
INDEX	
May 18th, 2000 Examiner Hearing CASE NO. 12,408	
	PAGE
REPORTER'S CERTIFICATE	4
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APPEARANCES	
FOR THE DIVISION:	
LYN S. HEBERT Attorney at Law Legal Counsel to the Division 2040 South Pacheco Santa Fe, New Mexico 87505	
* * *	

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

1	WHEREUPON, the following proceedings were had at
2	8:15 a.m.:
3	EXAMINER STOGNER: Case 12,408, this Application
4	of Conoco, Inc., for approval of three nonstandard oil
5	proration and spacing units and unorthodox oil well
6	location, or in the alternative, approval of an unorthodox
7	oil well location, Lea County, New Mexico.
8	This is a matter that involved a location that
9	was drilled ten feet from a quarter quarter section line
10	for a deeper interval that had 160-acre spacing. The well
11	ended up being ten foot from a quarter quarter section line
12	in an upper 40-acre oil pool.
13	This matter was discussed when Rule 104 was
14	changed. This particular case is being dismissed.
15	However, the record is being kept here, in case
16	we need to change Rule 104 to make sure this doesn't
17	happen, which was assured by me when Rule 104 was changed,
18	that this would not occur. Things like this will put that
19	rule in jeopardy. If it happens many more times, I will
20	change that Rule 104 back. That's why we have the 330-foot
21	internal setback requirement, so this won't occur.
22	Perhaps industry was wrong.
23	(Thereupon, these proceedings were concluded at
24	8:16 a.m.) the Examiner hearing of Case No 12400
25	* * * * // /b/// 2000
L	STEVEN T. BRENNER CRISCO Division

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

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 May 22nd, 2000.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 2002