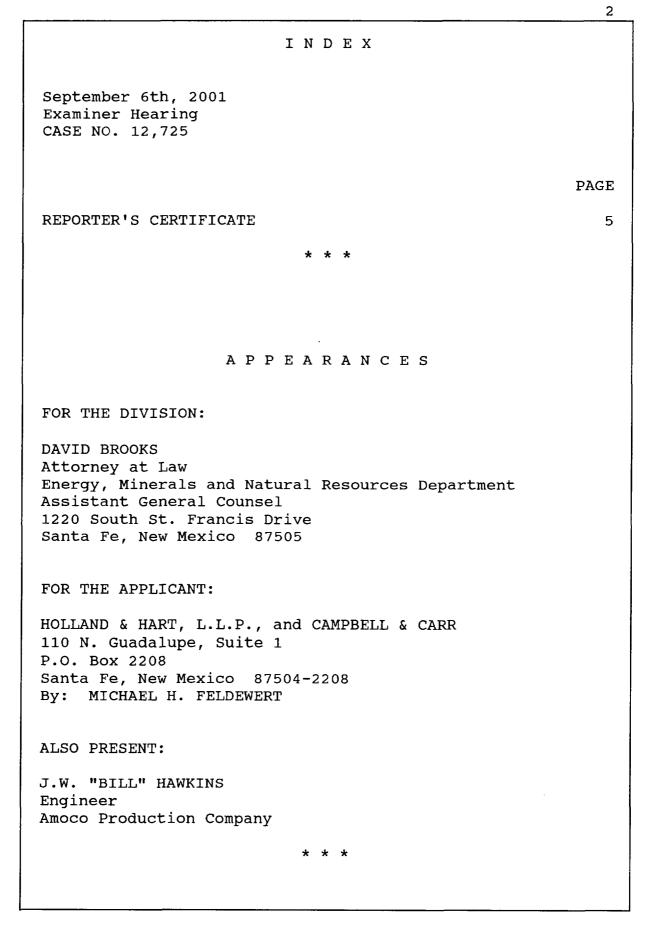
## STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE ) PURPOSE OF CONSIDERING: CASE NO. 12,725 APPLICATION OF AMOCO PRODUCTION COMPANY FOR AN EXCEPTION TO THE WELL DENSITY AND ) LOCATION PROVISIONS OF THE SPECIAL RULES ) ORIGINAL GOVERNING THE BASIN-DAKOTA POOL AND TO ) FORM A NONSTANDARD GAS SPACING UNIT AND APPROVAL OF AN UNORTHODOX GAS WELL LOCATION WITHIN THE WEST KUTZ-PICTURED CLIFFS POOL, SAN JUAN COUNTY, NEW MEXICO ì 01 SEP 20 1110: T Contract Of **REPORTER'S TRANSCRIPT OF PROCEEDINGS** EXAMINER HEARING BEFORE: DAVID R. CATANACH, Hearing Examiner September 6th, 2001 Santa Fe, New Mexico This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, September 6th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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1	WHEREUPON, the following proceedings were had at
2	8:50 a.m.:
3	EXAMINER CATANACH: Okay, a little bit out of
4	order here, we're going to try and get the shorter cases
5	out, and there's a couple of longer cases, the Melrose and
6	Occidental. Those will be saved for last. We shouldn't be
7	too long, though.
8	At this time I'll call Case 12,725, which is the
9	Application of Amoco Production Company for an exception to
10	the well density and location provisions of the special
11	rules governing the Basin-Dakota Pool and to form a
12	nonstandard gas spacing unit and approval of an unorthodox
13	gas well location within the West Kutz-Pictured Cliffs
14	Pool, San Juan County, New Mexico.
15	Call for appearances in this case.
16	MR. FELDEWERT: May it please the Examiner,
17	Michael Feldewert with the law firm of Holland and Hart and
18	Campbell and Carr, appearing on behalf of Amoco Production
19	company. With me today is Mr. Bill Hawkins.
20	We do not intend to present any evidence today,
21	Mr. Examiner. This case was presented as an administrative
22	Application, which was then set for hearing in August, with
23	the caveat that in the absence of objection it would be
24	taken under advisement.
25	Mr. Hawkins is here to answer any questions that

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	4
1	the Division may have, but the evidence and material in
2	this matter have already been presented to the Division by
3	way of an administrative Application.
4	EXAMINER CATANACH: And it's your belief that the
5	record is complete in this case?
6	MR. FELDEWERT: We do. The only thing we would
7	ask is, there is a rig that is becoming available to Amoco
8	for this project, so we would appreciate an expedited order
9	from the Division. If there's anything that I can do to
10	assist that effort, I certainly stand willing to do that.
11	EXAMINER CATANACH: Mr. Feldewert, the Division
12	will accommodate you as best it can.
13	Anything further?
14	MR. FELDEWERT: Nothing, thank you.
15	EXAMINER CATANACH: There being nothing further,
16	Case 12,725 will be taken under advisement.
17	(Thereupon, these proceedings were concluded at
18	8:51 a.m.)
19	* * *
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21	( complete
22	the Examine hearing to see 2770
23	August all all and
24	Oil Conservation Division, Exeminer
25	

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## 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 September 7th, 2001.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 2002