1 STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT OIL CONSERVATION DIVISION 2 STATE LAND OFFICE BLDG. SANTA FE, NEW MEXICO 3 11 July 1984 4 EXAMINER HEARING 5 . 6 7 IN THE MATTER OF 8 Application of M. J. Brannon for hardship gas well classification, CASE 9 8216 San Juan County, New Mexico. 10 11 12 BEFORE: Richard L. Stamets, Examiner 13 14 TRANSCRIPT OF HEARING 15 16 17 APPEARANCES 18 19 For the Oil Conservation 20 Division: 21 22 For the Applicant: William F. Carr Attorney at Law 23 CAMPBELL & BLACK P.A. P. O. Box 2208 24 Santa Fe, New Mexico 87501 25

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1 3 2 STAMETS: We'll call next MR. 3 Case Number 8216, continued from June 6th, application of M. 4 J. Brannon for hardship gas well classification, San Juan 5 County. 6 MR. CARR: May it please the 7 Examiner, my name is William F. Carr with the Campbell Law 8 Firm. 9 I have one witness who needs to be sworn. 10 MR. STAMETS: This is а 11 continued case; he testified earlier? 12 MR. CARR: Yes, he did. 13 Let the record MR. STAMETS: 14 show he is still sworn and qualified. 15 16 EWELL N. WALSH, 17 being called as a witness and being previously sworn upon 18 his oath, testified as follows, to-wit: 19 DIRECT EXAMINATION 20 BY MR. CARR: 21 Walsh, at the time this matter came Ο Mr. 22 on for hearing four weeks ago we discovered we needed to 23 amend the application from a minimum rate of 100 Mcf per day 24 to 130 Mcf per day and requested at that time that the case 25 be continued.

1 4 Would advise Mr. Stamets as to what has 2 transpired since that date? 3 Since that date the offset operators have Α 4 been notified by certified return receipt mail of the 5 amendment to the application, plus they were presented the 6 information that was offered during the hearing concerning 7 the changes in the exhibits. 8 And all four operators, we have return 9 receipts on all four operators. Do you have anything further to add to 10 0 your testimony? 11 Only that I have not heard or received А 12 any objection to the amendment or to the application 13 CARR: Mr. Stamets, MR. we 14 believe that was the purpose for continuing the case at that 15 time and therefore we would request that the case be taken 16 under advisement. 17 Okay. MR. STAMETS: Are there 18 any questions of the witness? He may be excused. Does anybody have anything 19 further they wish to add? 20 The case will be taken under 21 advisement. 22 23 (Hearing concluded.) 24 25

CERTIFICATE SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY I, that the foregoing Transcript of Hearing before the Oil Con-servation Division was reported by me; that the said tran-script is a full, true, and correct record of the hearing, prepared by me to the best of my ability. Joely W. Boyd Cor I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 82/6. 19 5 Oil Conservation Division , Examiner



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El Paso Natural Gas Company neither concurs with nor objects to this application. El Paso recognizes that some wells should definitely be recognized as "hardship" wells. El Paso believes it must express to the New Mexico Oil Conservation Division that anytime a well is declared a "hardship" well, then the extra production from that well must be taken from the total production from all other wells on our system. This increases the noncontrollable gas taken into our system thereby reducing our flexibility of pipeline operations to take ratably and protect correlative rights.