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2	STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT
3	OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING
4	SANTA FE, NEW MEXICO
5	16 April 1986
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7	EXAMINER HEARING
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10	IN THE MATTER OF:
11	The hearing called by the Oil Conser- CASE vation Division on its own motion for 8877 an order creating and assigning a dis- covery allowable to a certain pool in Sandoval County, New Mexico.
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15	BEFORE: David R. Catanach, Examiner
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18 19	TRANSCRIPT OF HEARING
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21	APPEARANCES
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23	For the Oil Conservation Division: Jeff Taylor Legal Counsel to the Division Oil Conservation Division State Land Office Bldg. Santa Fe, New Mexico 87501
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25	Santa Fe, New Mexico 0/501
	For the Applicant:

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3 1 2 MR. CATANACH: We'll call next 3 Case Number 8877. 4 In the matter of the hearing 5 called by the Oil Conservation Division on its own motion 6 for an order creating and assigning the discovery allowable 7 to a certain pool in Sandoval County, New Mexico. 8 Are there appearances in this 9 case? 10 MR. TAYLOR: May it please the 11 Examiner, my name is Jeff Taylor, Counsel for the Division 12 and I have one witness to be sworn. 13 MR. CATANACH: Will the witness 14 please stand and be sworn in? 15 16 (Witness sworn.) 17 18 ROY JOHNSON, 19 being called as a witness and being duly sworn upon his 20 oath, testified as follows, to-wit: 21 22 DIRECT EXAMINATION 23 BY MR. TAYLOR: 24 Q Would you please state your name, by whom 25 you're employed and in what capacity?

4 1 My name is Roy Johnson. I'm a geologist Α 2 for the Oil Conservation Division in Santa Fe. 3 Mr. Johnson, you've previously testified Q 4 before the Commission before and had your credentials accep-5 ted, have you not? 6 Α Yes. 7 TAYLOR: MR. Mr. Examiner, I 8 tender the witness as an expert geologist. 9 MR. CATANACH: Mr. Johnson is 10 considered an expert geologist. 11 Q Mr. Johnson, could you explain the pur-12 pose of Case 8877? 13 А The purpose of this case is to create a 14 new pool and to assign a discovery allowable. 15 0 And what is the name of that pool and the 16 legal description of the boundaries? 17 Α San Isidro-Mesaverde Oil Pool, Sandoval 18 County. 19 And the legal description. Q 20 Section 26, 20 North, 3 West, 1900 feet Α 21 from the north line, southwest quarter of the northeast 22 quarter. 23 MR. CATANACH: What section? 24 Section 26. Α 25 And what, Mr. Johnson, what is the dis-0

5 1 covery well and the depth of the perforations in that well? 2 Α The discovery well is the San Isidro 26 3 No. 7 and the top perforation is 2272 feet. 4 And using calculations approved by Q the 5 Division, what would be the discovery allowable? 6 Α 11, 360 barrels over a two-year period. 7 Is the information that you've relied on 0 8 for these facts contained in an exhibit? 9 А They are. 10 And how is that exhibit numbered? 0 11 А One. 12 Exhibit One, and Mr. Johnson, have you Q 13 reviewed the contents of Exhibit One and assured yourself of 14 their accuracy? 15 А I have. 16 MR. TAYLOR: I would move the 17 admission of our Exhibit One, Mr. Examiner. 18 MR. CATANACH: Exhibit One will 19 be admitted into evidence. 20 MR. TAYLOR: That's all we have 21 in this case. 22 MR. CATANACH: Mr. Johnson, the 23 depth to the perforations, do you know if that was depth be-24 low ground level or measured from the Kelly Bushing? 25 I don't know. Α

6 1 Mr. Johnson, can you find out what eleva-Q tion or what depth that was measured from and let us know? 2 3 Α I will designate our Aztec Office to do 4 that, Mr. Catanach. MR. CATANACH: Thank you, Mr. 5 6 Johnson. 7 Is there anything further in 8 Case 8877? 9 If not, it will be taken under advisement. 10 11 Is there anything further on Docket No. 13-86? 12 hearing 13 If not, this is 14 adjourned. 15 16 (Hearing concluded.) 17 18 19 20 21 22 23 24 25

7 1 2 CERTIFICATE 3 4 I, SALLY W. BOYD, C.S.R., DO HEREBY 5 CERTIFY that the foregoing Transcript of Hearing before the 6 Conservation Division (Commission) was reported by me; Oil 7 that the said transcript is a full, true, and correct record 8 of the hearing, prepared by me to the best of my ability. 9 10 11 Salery Lo. Bayd 12 13 14 15 16 I do hereby certify that the foregoing is 17 a complete record of the proceedings in the Examiner hearing of Case No. 8877. 18 heard by me on April 16, 1986. 19 atanach , Examiner **Oil Conservation Division** 20 21 22 23 24 25