

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. 13,705

APPLICATION OF RANGE OPERATING NEW)
MEXICO, INC., FOR APPROVAL OF ITS EAST)
LOVING-DELAWARE LEASEHOLD PILOT)
WATERFLOOD PROJECT, INCLUDING SIX)
INJECTION WELLS TO BE LOCATED AT)
UNORTHODOX WELL LOCATIONS, AND)
QUALIFICATION OF THE PROJECT AREA FOR)
THE RECOVERED OIL TAX RATE PURSUANT TO)
THE ENHANCED OIL RECOVERY ACT, EDDY)
COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

July 6th, 2006

Santa Fe, New Mexico

2006 JUL 13 PM 4 08

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, July 6th, 2006, 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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I N D E X

July 6th, 2006
Examiner Hearing
CASE NO. 13,705

PAGE

REPORTER'S CERTIFICATE

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E X H I B I T

Applicant's

Identified

Admitted

Exhibit AA

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
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 8:20 a.m.:

3 EXAMINER EZEANYIM: Now, as you will notice,
4 there is a supplement to this docket. It is Case Number
5 13,705. We are going to come to it later, but I would like
6 to call Case Number -- this is Case Number 13,695 -- I
7 mean, 13,705, the supplement to the application. It's a
8 waterflood project, and this is Case Number -- I don't know
9 whether you have the supplement, 13,705. It's re-opened
10 for me to collect some other information.

11 At this time I call for appearances.

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

15 EXAMINER EZEANYIM: Are there any other
16 appearances in this case?

17 It's my understanding you are supposed to submit
18 some other -- for publication?

19 MR. KELLAHIN: Yes, Mr. Examiner. Examiner
20 Catanach heard this case in its entirety on June 8th. It
21 was continued to add supplemental notices, taken under
22 advisement by him at a hearing. And after taking it under
23 advisement, it appeared that the newspaper advertisement
24 had been incorrectly published, and therefore he placed it
25 on the docket for this morning so I could re-publish the

1 notice in the newspaper in Artesia for Eddy County. And
2 I've done that and I now have that to submit in evidence.

3 For clarity, I've marked this as Exhibit AA and
4 dated it on July 6th, today. Here's the original.

5 EXAMINER EZEANYIM: Thank you.

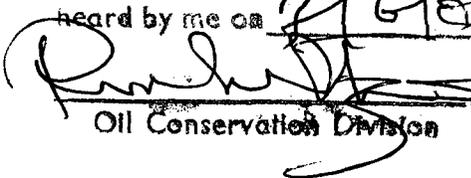
6 MR. KELLAHIN: That's all I have, Mr. Examiner.

7 EXAMINER EZEANYIM: Okay, as I understand, this
8 case has been taken under advisement, so we'll take
9 administrative notice, taken under advisement again. I
10 will submit your affidavit to David Catanach.

11 MR. KELLAHIN: Thank you.

12 (Thereupon, these proceedings were concluded at
13 8:24 a.m.)

14 * * *

15
16 I do hereby certify that the foregoing is
17 a complete record of the proceedings in
18 the Examiner hearing of Case No. 13785
19 heard by me on 7/6/96
20  Examiner
Oil Conservation Division

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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 July 6th, 2006.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 16th, 2006