

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

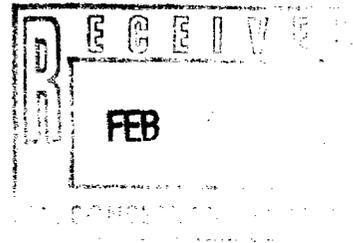
Hearing Date FEBRUARY 2, 1995 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
AR Kendrick Kerr Hickey Judy Anderson	W. M. Galloway Texaco Dalen Resources	Aztec Shelton Dallas, TX
DAVID SCOLMAN	DALEN RESOURCES	DALLAS, TX
Morris Trimmer George L. Vaughan	R. W. Byram DALEN RESOURCES	SF Dallas, Tex.
W. D. Kelchlin	Kelchlin & Kelchlin Hinkle Law Firm	Santa Fe SF
James Bruce William F. Day Erst L. Parlett	Campbell, Day, Forge Podell Law Firm	Santa Fe SF

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:)
APPLICATION OF W.M. GALLAWAY)

CASE NO. 11,173



ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 2nd, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, February 2nd, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, before Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

February 2nd, 1995
Examiner Hearing
CASE NO. 11,173

PAGE

REPORTER'S CERTIFICATE

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
State Land Office Building
Santa Fe, New Mexico 87504

FOR THE APPLICANT:

PADILLA LAW FIRM, P.A.
1512 South St. Francis Drive
P.O. Box 2523
Santa Fe, New Mexico 87504-2523
By: ERNEST L. PADILLA

FOR MERIDIAN OIL, INC.

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 9:13 a.m.:

3 EXAMINER CATANACH: At this time we'll call Case
4 11,173.

5 MR. CARROLL: Application of W.M. Gallaway for
6 downhole commingling, Rio Arriba County, New Mexico.

7 EXAMINER CATANACH: Are there appearances in this
8 case?

9 MR. PADILLA: Mr. Examiner, my name is Ernest L.
10 Padilla, for the Applicant in this case.

11 I have only one exhibit to introduce, which is my
12 affidavit and notice of mailing.

13 EXAMINER CATANACH: Any additional appearances?
14 Okay.

15 MR. PADILLA: That the original affidavit and the
16 notice that I sent to the various interest owners, and it's
17 marked as Exhibit 10.

18 EXAMINER CATANACH: Okay. As I recall, Mr.
19 Padilla, we continued this case for notice to interest
20 owners; is that right?

21 MR. PADILLA: That's correct. I did not send
22 notice to the working interest owners because they had all
23 agreed to downhole commingling.

24 But all royalty owners are notified, and we did
25 have one letter from Meridian saying they had no objection

1 to the commingling application, and that's the last page on
2 that exhibit.

3 There were -- Second to the last page, we
4 notified Myra Jones, and we did not get a return receipt
5 from Ms. Jones, but we did send that to the last known
6 address.

7 The next three items from the end were returned
8 due to no known address, so we did try to get everybody
9 notified.

10 EXAMINER CATANACH: Okay. This list, Mr.
11 Padilla, does include the offset operators, right?

12 MR. PADILLA: Yes, sir.

13 EXAMINER CATANACH: Okay. On that last page that
14 you were talking about for Meridian --

15 MR. PADILLA: Yes.

16 EXAMINER CATANACH: -- that last sentence in that
17 paragraph, Please be advised that Meridian has no
18 obligation, is that just a typo?

19 MR. PADILLA: I think that's a typo.

20 EXAMINER CATANACH: Okay. Mr. Kellahin, would
21 you like to address that?

22 MR. KELLAHIN: I didn't write the letter, Mr.
23 Catanach.

24 I'm Tom Kellahin of the Santa Fe law firm of
25 Kellahin and Kellahin.

1 I'm entering my appearance in this case on behalf
2 of Meridian Oil, Inc., and I am advised that they have no
3 opposition to the granting of this Application, regardless
4 of what that letter may imply.

5 EXAMINER CATANACH: Okay. Thank you, Mr.
6 Kellahin.

7 Is there anything further, Mr. Padilla?

8 MR. PADILLA: Nothing further.

9 EXAMINER CATANACH: There being nothing further,
10 Case 11,173 will be taken under advisement.

11 (Thereupon, these proceedings were concluded at
12 9:17 a.m.)

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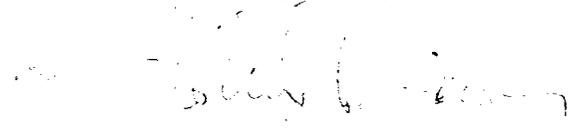
CERTIFICATE OF REPORTER

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 February 7th, 1995.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a correct and true transcript of the proceedings in the case of _____ of Case No. 11173, heard on February 7, 1995.

David R. Catant, Examiner
Oil Conservation Division