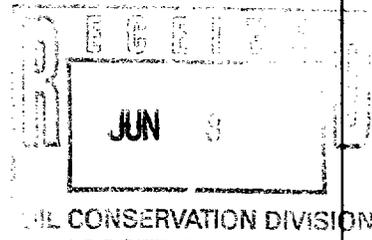


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING)
CALLED BY THE OIL CONSERVATION)
DIVISION FOR THE PURPOSE OF)
CONSIDERING:)
)
APPLICATION OF MERIDIAN OIL, INC.)
_____)

CASE NO. 11,302

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

June 15th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, June 15th, 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.

* * *

I N D E X

June 15th, 1995
Examiner Hearing
CASE NO. 11,302

PAGE

REPORTER'S CERTIFICATE

8

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	6	6
Exhibit 2	6	6
Exhibit 3	6	6
Exhibit 4	6	6
Exhibit 5	6	6
Exhibit 6	6	6
Exhibit 7	6	6

* * *

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
2040 South Pacheco
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 8:21 a.m.:

3 EXAMINER CATANACH: Call Case 11,302.

4 MR. CARROLL: Application of Meridian Oil, Inc.,
5 for downhole commingling, unorthodox gas well locations and
6 two nonstandard gas proration units, Rio Arriba County, New
7 Mexico.

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

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

13 EXAMINER CATANACH: Are there any additional
14 appearances?

15 There being none, Mr. Kellahin?

16 MR. KELLAHIN: Mr. Examiner, we're before you
17 today to seek approval to take an existing well, which is a
18 single completion in the Basin Dakota -- It's the Carson
19 Well Number 2. The Applicant desires to recomplete that
20 well so that they have the opportunity to test and produce
21 the Blanco Mesaverde Pool.

22 The ownership is common between the two pools and
23 the spacing units involved. Their evidence indicates that
24 the Gallup formation is -- I said "Mesaverde", didn't I? I
25 said the well is completed as a Dakota well, and they want

1 to recomplete and add the Gallup formation to the well.

2 The ownership is common. The case is before you
3 today because the nonstandard proration unit sizes are
4 beyond the limits of approval for an administrative
5 application, if I recall correctly.

6 The Applicant has submitted to you the various
7 ownership plats and configurations of ownership, the sample
8 log and the geologic and information with regards to the
9 geology, plus an allocation formula which is consistent
10 with that approved by the Division on prior occasions.

11 You'll note in the back of the booklet where they
12 talk about the allocation formula, the engineer has
13 designated the Gallup as Niobrara. Our convention in this
14 area would be to characterize the Niobrara as of the Gallup
15 Pool.

16 I notice in looking at this, this morning, the
17 engineer failed to give me a summary on the production of
18 the existing well, and with your permission I'd like to
19 supplement that information after the hearing.

20 In addition, the certificate of mailing which I
21 have today appears to me to be incomplete, and with your
22 permission, I'd like to submit it after the hearing so that
23 I have a chance to double-check the notification and make
24 sure all the parties were properly notified.

25 This is one of the many cases that we have been

1 processing in this fashion, whereby the Applicant submits
2 this on the hearing docket, but in the absence of objection
3 the Division is taking the exhibits without the
4 presentation of a witness, in order to process the request
5 of the Applicant.

6 With your permission, Mr. Examiner, we would move
7 the introduction of Applicant's Exhibits 1 through 7.

8 EXAMINER CATANACH: Exhibits 1 through 7 will be
9 admitted as evidence.

10 Mr. Kellahin, are we clear to the pools that are
11 being commingled in this well? Is it the Gallup and the
12 Mesaverde?

13 MR. KELLAHIN: That's my understanding, Mr.
14 Examiner. I will double-check, but I believe the spacing
15 unit plats that are filed with the Division office are
16 contained behind the Application. And if you'll look at
17 the Application, you can turn to what is attached as
18 Exhibit B. It shows you the Gallup spacing unit in the
19 southwest quarter of 7.

20 And then if you turn to the next attachment --
21 it's Exhibit C -- it shows the west-half equivalent of
22 Section 7 as the spacing unit for the Mesaverde.

23 I'll reconfirm with Meridian to make sure we have
24 the right formations.

25 EXAMINER CATANACH: Mr. Kellahin, one more thing

1 on the last page, on the allocation formula. Midway down
2 the page you've got a DMV that stands for Pictured Cliffs
3 monthly decline rates, so this is getting a little
4 confusing.

5 MR. KELLAHIN: Well, and I'll admit I am too, so
6 we'll if we can leave the record open on this, I'll
7 reconfirm the proper nomenclature here. There appears to
8 be an error on this display as to what pool they have
9 denominated.

10 EXAMINER CATANACH: Okay, I'll just leave the
11 record open until such time as you submit the corrected
12 data or additional data as necessary.

13 MR. KELLAHIN: All right, sir. Thank you.

14 EXAMINER CATANACH: Okay, thank you.

15 (Thereupon, these proceedings were concluded at
16 8:28 a.m.)

17 * * *

18
19
20
21
22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 11362,
25 heard by me on June 15 1993.
David J. Catanach, Examiner
Oil Conservation Division

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 June 15th, 1995.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998

