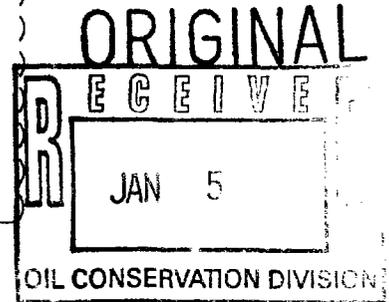


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
APPLICATION OF ARCH PETROLEUM, INC., FOR)
AMENDMENT OF DIVISION ORDER NO. R-10,453)
AUTHORIZING A LOCATION CHANGE OF A)
CERTAIN UNORTHODOX OIL WELL LOCATION,)
LEA COUNTY, NEW MEXICO)

CASE NO. 11,446



REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

January 11th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, January 11th, 1996, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

January 11th, 1996
Examiner Hearing
CASE NO. 11,446

PAGE

REPORTER'S CERTIFICATE

5

* * *

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:

CAMPBELL, CARR & BERGE, P.A.
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 9:02 a.m.:

3 EXAMINER STOGNER: At this time I'll call Case
4 Number 11,446.

5 MR. CARROLL: Application of Arch Petroleum,
6 Inc., for amendment of Division Order R-10,453 authorizing
7 a location change of a certain unorthodox oil well
8 location, Lea County, New Mexico.

9 EXAMINER STOGNER: This case was heard and an
10 Order, R-10,453, was approved which authorized the drilling
11 of seven wells and unorthodox oil well location, Sections
12 21, 22 and 28 of 23 South, 37 East, in the Teague-Blinebry
13 Pool, down in southeast New Mexico.

14 One particular well had to be moved for reasons
15 stated in the Application in this matter.

16 At this time I will call for any appearances or
17 testimony to be presented.

18 MR. CARR: May it please the Examiner, my name is
19 William F. Carr with the Santa Fe law firm Campbell, Carr
20 and Berge.

21 We represent Arch Petroleum, Inc., in this
22 matter.

23 As the Examiner has stated, the C.E. Lamunyon
24 Well Number 56, which was approved at an unorthodox
25 location in September by Order Number 10,453, had to be

1 moved because when it was being staked it was discovered to
2 be virtually on top of a Sid Richardson pipeline. It had
3 to be moved 150 feet to the west, which is actually toward
4 a standard location, although it's still unorthodox.

5 And we request that based on this Application and
6 the administrative filing previously submitted for this
7 well, that the case be taken under advisement and the
8 change in this location be approved.

9 It is the only well in the seven-well package
10 that cannot be drilled at the location requested at the
11 prior hearing.

12 EXAMINER STOGNER: And when you said it had to be
13 moved, you said the well, as opposed to the Sid Richardson
14 Pipeline?

15 MR. CARR: It was on top -- Yes, it would have
16 been more convenient for them to move the pipeline, but
17 they weren't interested.

18 EXAMINER STOGNER: If there's nothing else
19 further in Case Number 11,446, this matter will be taken
20 under advisement.

21 (Thereupon, these proceedings were concluded at
22 9:04 a.m.)

23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
25 the Examiner hearing of Case No. 11446
heard by me on Apr. 11, 1996.


_____, 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 January 12th, 1996.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998