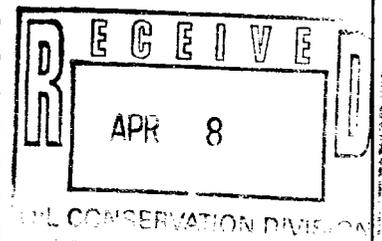


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION ON ITS OWN)
MOTION TO PERMIT THE OPERATOR, SALKAR,)
INC., THE TRAVELERS INDEMNITY COMPANY,)
AND ALL OTHER INTERESTED PARTIES TO)
APPEAR AND SHOW CAUSE WHY THE EL CHEAPO)
WELL NUMBER 1, LOCATED IN UNIT F OF)
SECTION 35, TOWNSHIP 18 SOUTH, RANGE 27)
EAST, EDDY COUNTY, NEW MEXICO, SHOULD)
NOT BE PLUGGED AND ABANDONED IN)
ACCORDANCE WITH A DIVISION-APPROVED)
PLUGGING PROGRAM, AUTHORIZING THE)
DIVISION TO PLUG SAID WELL, AND ORDERING)
A FORFEITURE OF THE PLUGGING BOND)

CASE NO. 11,490

ORIGINAL



REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

April 4th, 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, April 4th, 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

April 4th, 1996
Examiner Hearing
CASE NO. 11,490

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

* * *

1 WHEREUPON, the following proceedings were had at
2 11:25 a.m.:

3 EXAMINER STOGNER: At this time I'll call Case
4 Number 11,490, which is in the matter of the hearing called
5 by the Oil Conservation Division on its own motion to
6 permit the operator, Salkar, Inc., the Travelers Indemnity
7 Company, as surety, and all other interested parties to
8 appear and show cause why a certain well in Section 35,
9 Township 18 South, Range 27 East, in Eddy County, New
10 Mexico, should not be properly plugged and abandoned.

11 I'll call for appearances.

12 MR. CARROLL: May it please the Examiner, my name
13 is Rand Carroll, appearing on behalf of the New Mexico Oil
14 Conservation Division.

15 EXAMINER STOGNER: Do you have anything in this
16 matter at this time, Mr. Carroll?

17 If I remember right, this matter was heard on
18 March 7th, 1996, but due to the notice requirements we had
19 to continue it to today's docket.

20 MR. CARROLL: That is correct, Mr. Examiner.
21 Inadvertently, the notice to the Travelers Indemnity
22 Company was sent to Farmington, New Mexico, rather than
23 Farmington, Connecticut.

24 This case was then continued for four weeks to
25 allow us to send notice to the Travelers Indemnity Company

1 in Farmington, Connecticut, and I have to add to what was
2 Exhibit Number 3 the return receipt received from the
3 Travelers Indemnity Company in Farmington, Connecticut.

4 EXAMINER STOGNER: So at this time, you wish to
5 amend or supplement Exhibit Number 3 in that case with this
6 additional information?

7 MR. CARROLL: That is correct, Mr. Examiner.

8 EXAMINER STOGNER: Okay. Anything further in
9 this matter, or do you see any reason why this matter
10 should not be taken under advisement at this time?

11 MR. CARROLL: No, I don't. That's all I have in
12 this matter.

13 EXAMINER STOGNER: In that case, Case Number
14 11,490 will be taken under advisement.

15 (Thereupon, these proceedings were concluded at
16 11:26 a.m.)

17 * * *

18

19

20

21

22

23

24

25

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 April 14th, 1996.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11490 heard by me on 4 April 1996.


_____, Examiner
Oil Conservation Division