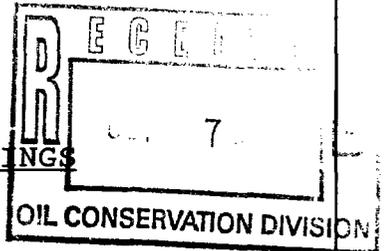


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
APPLICATION OF SHELL WESTERN E&P, INC.)
FOR AN UNORTHODOX GAS WELL LOCATION,)
LEA COUNTY, NEW MEXICO,)

CASE NO. 11,609

ORIGINAL



REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

October 3rd, 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, October 3rd, 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

October 3rd, 1996
 Examiner Hearing
 CASE NO. 11,609

	PAGE
REPORTER'S CERTIFICATE	5

* * *

E X H I B I T

Applicant's	Identified	Admitted
Exhibit 1	3	3

* * *

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:

HINKLE, COX, EATON, COFFIELD & HENSLEY
 218 Montezuma
 P.O. Box 2068
 Santa Fe, New Mexico 87504-2068
 By: JAMES G. BRUCE

* * *

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3 EXAMINER STOGNER: Now refer to the supplemental
4 docket, and I'll call Case Number 11,609.

5 MR. CARROLL: Application of Shell Western E&P,
6 Inc., for an unorthodox gas well location, Lea County, New
7 Mexico.

8 EXAMINER STOGNER: I'll call for any appearances
9 at this time.

10 MR. BRUCE: Mr. Examiner, Jim Bruce from the
11 Hinkle law firm in Santa Fe.

12 I believe in the absence of objection this case
13 will be taken under advisement. I don't think there are
14 any objections.

15 I do have a notice exhibit to submit to the
16 Examiner.

17 EXAMINER STOGNER: You may bring it forth.

18 MR. BRUCE: Notice was given to all of the
19 offsets of today's hearing. We haven't received any
20 objection.

21 I would just move the admission of Shell's
22 Exhibit 1.

23 EXAMINER STOGNER: The file in this matter
24 includes the Application filed by Shell, records from the
25 Division, and also Exhibit Number 1, which is the

1 notification in this matter.

2 Is there anything else in this matter?

3 Then this case will be taken under advisement at
4 this time.

5 (Thereupon, these proceedings were concluded at
6 8:21 a.m.)

7 * * *

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the case of 11609
heard by 3 October 1996
[Signature], Examiner
Oil Conservation Division

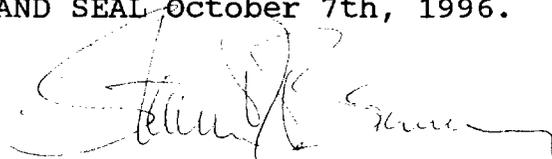
CERTIFICATE OF REPORTER

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 October 7th, 1996.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998