

NEW MEXICO OIL CONSERVATION COMMISSION  
COMMISSION MEETING

SANTA FE, NEW MEXICO

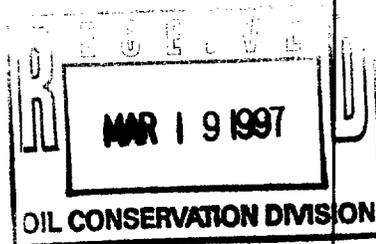
Hearing Date FEBRUARY 28, 1997 Time: 3:00 P.M.

NAME	REPRESENTING	LOCATION
<i>James P. Price</i>		<i>SF</i>

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION COMMISSION



IN THE MATTER OF THE HEARING CALLED BY )  
THE OIL CONSERVATION COMMISSION FOR THE )  
PURPOSE OF CONSIDERING: )

APPLICATION OF INTERCOAST OIL AND GAS )  
COMPANY FOR COMPULSORY POOLING AND )  
UNORTHODOX GAS WELL LOCATION, EDDY )  
COUNTY, NEW MEXICO )

CASE NOS. 11,666

APPLICATION OF YATES PETROLEUM )  
CORPORATION FOR COMPULSORY POOLING AND )  
AN UNORTHODOX LOCATION, EDDY COUNTY, )  
NEW MEXICO )

and 11,677

(Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
COMMISSION HEARING

ORIGINAL

BEFORE: WILLIAM J. LEMAY, CHAIRMAN  
JAMI BAILEY, COMMISSIONER

February 28th, 1997  
Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Commission, WILLIAM J. LEMAY, Chairman, on Friday, February 28th, 1997, 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.

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I N D E X

February 28th, 1997  
Commission Hearing  
CASE NOS. 11,666 and 11,677 (Consolidated)

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1           WHEREUPON, the following proceedings were had at  
2   3:04 p.m.:

3           CHAIRMAN LEMAY: The meeting will come to order.  
4   This is the Oil Conservation Commission. Those members  
5   present are Commissioner Jami Bailey representing the  
6   Commissioner of Public Lands and myself, Bill LeMay,  
7   Director of the Oil Conservation Division. Commissioner  
8   Weiss chose not to attend.

9           And we are here because of a special meeting that  
10   we called about 78 hours ago, I think, a little over three  
11   days ago, to consider Case Number 11,666 and Case Number  
12   11,677, relating to competitive force pooling applications  
13   and request to be operator by KCS Medallion Resources,  
14   Inc., formerly InterCoast Oil and Gas Company, and Yates  
15   Petroleum Corporation.

16           The reason for this special meeting is the fact  
17   that there is a well currently drilling on the prospect,  
18   which Medallion is operating under an existing order issued  
19   by the Division.

20           And because of the nature of force pooling  
21   applications, there is an election period by which those  
22   parties can either elect to join in the drilling of the  
23   well, paying their proportionate share of costs, or be  
24   force pooled with a penalty. But that election needs to be  
25   made as soon as possible, because of the nature of this

1 situation where the well is already drilling on the  
2 project. Normally in these applications there's enough  
3 time involved so that an order like this could be signed at  
4 the next meeting, and there would be time for the election  
5 to be made, but that is not the case in this order.

6 So we do have the orders here, and I'd like to  
7 ask Commissioner Bailey if it's her intent to sign the  
8 order, if she has any comments?

9 COMMISSIONER BAILEY: It is my intent to sign.

10 CHAIRMAN LEMAY: Fine. It is also my intent to  
11 sign the order. So with that, let the record show that  
12 final action has been taken on *de novo* Cases 11,666 and  
13 11,677, with the issue of Order Number R-10,731-B.

14 (Thereupon, these proceedings were concluded at  
15 3:05 p.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 Commission 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 March 6th, 1997.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 1998