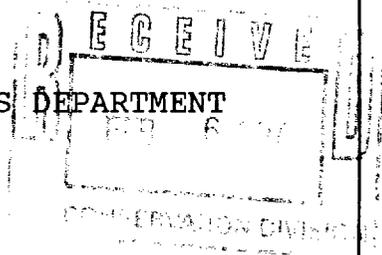


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
APPLICATION OF ENRON OIL AND GAS COMPANY)
FOR AMENDMENT OF DIVISION ORDER NO.)
R-10,658, LEA COUNTY, NEW MEXICO)

CASE NO. 11,711

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

January 23rd, 1997

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, January 23rd, 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.

* * *

I N D E X

January 23rd, 1997
 Examiner Hearing
 CASE NO. 11,711

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* * *

E X H I B I T S

Applicant's	Identified	Admitted
Affidavit of notice	4	5

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, 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 11:35 a.m.:

3 EXAMINER CATANACH: All right, at this time call
4 Case 11,711, which is the Application of Enron Oil and Gas
5 Company for amendment of Division Order Number 10,658, Lea
6 County, New Mexico.

7 Call for appearances.

8 MR. CARR: May it please the Examiner, my name is
9 William F. Carr with the Santa Fe law firm Campbell, Carr,
10 Berge and Sheridan. I represent Enron in this matter.

11 Order Number R-10,658 is an order that pooled the
12 east half of Section 7, Township 24 South, Range 34 East,
13 for a well projected to the Morrow formation.

14 The name of the well was the Bell Lake Unit Well
15 Number 1, and the location for the well was originally in
16 the northeast portion of that spacing unit. It is a
17 standard location, 2000 feet from the north line and 1980
18 feet from the east line.

19 Geological information has continued to evolve in
20 the area. Now the well needs to be moved to another
21 standard location on that spacing unit. We're moving from
22 one standard location to another, but the original order
23 contained a specific reference to the 2000 feet from the
24 north line, 1980 feet from the east line.

25 And for that reason, when we contacted the

1 Division, and since we were amending an R order entered
2 following a hearing, we were advised that we needed to put
3 the case on the docket, renotify all the affected interest
4 owners and then come before you here today.

5 I have an affidavit that I would like to offer
6 which confirms that we have notified all the interest
7 owners who are subject to the original pooling when it
8 contained the other standard well location, and I would
9 like to offer that to you now and request that you take
10 notice of the record in Case 11,598 and Order Number
11 R-10,658, and based on that record and this notice
12 affidavit would request that you take the case under
13 advisement.

14 EXAMINER CATANACH: As I understand it, Mr. Carr,
15 you're simply changing the well location, and that's the
16 only thing that needs to be amended in this --

17 MR. CARR: That is the only thing changed. We're
18 moving from one standard location to another. If the
19 original order had pooled for a well at a standard location
20 instead of specifying the footage location, we wouldn't
21 have to have been here.

22 EXAMINER CATANACH: All the drilling deadlines
23 the dates, the election period, nothing else changes within
24 that order?

25 MR. CARR: Nothing else changes.

1 EXAMINER CATANACH: Okay.

2 MR. CARR: And I'd like to offer this notice
3 affidavit confirming that notice of today's hearing was
4 provided to all affected interest owners.

5 EXAMINER CATANACH: Okay, we will take
6 administrative notice of the Case Number 11,598, and we
7 will enter this as evidence in this case.

8 Anything further?

9 MR. CARR: That's all I have. Thank you.

10 EXAMINER CATANACH: All right, there being
11 nothing further, Case Number 11,711 will be taken under
12 advisement.

13 (Thereupon, these proceedings were concluded at
14 11:38 a.m.)

15 * * *

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 11711,
heard by me on January 23 1997.

David L. Catnach, 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 26th, 1997.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998