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MR. STOGNER: We will call next Cases 8609, 8610, and 8611.

MR. TAYLOR: The applicatin of Hondo Drilling Company for hardship gas well classification, Eddy County, New Mexico.

MR. STOGNER: We will call for appearances at this time. Mr. Nance.

MR. NANCE: Mr. Examiner, representing El Paso National Gas Company, my name is John Nance.

For purposes of hearing at these hearings I'm associated with the firm of Montgomery and Andrews of Santa Fe.

MR. STOGNER: Do you have a statement at this time, Mr. Nance?

MR. NANCE: Yes, sir, Mr. Examiner.

El Paso understands that the hearing in these cases has been postponed again until July 2nd.

We would like to reiterate the position stated by Perry Pearce on behalf of El Paso at the May 22nd call of these hearings.

El Paso is concerned that pro

1 duction in the State of New Mexico be ratable. We recognize
2 that to the extent that a well is granted hardship status,
3 that it has an impact on other wells that are subject to the
4 proration rules in the state.

5 We feel that any well that is
6 granted an emergency hardship classification, as has been
7 done in this case, and where such classification is con-
8 tinued during the delays that are involved in the several
9 continuances of the hearing, that those wells are infringing
10 on and abusing the procedure that allows an emergency clas-
11 sification to be granted.

12 El Paso feels strongly that at
13 the July 2nd hearing consideration should be given by the
14 Examiner to dismissing the applications at that point. We
15 recognize that there has been a proposal made that a second
16 continuance in cases like this be grounds for dismissal of
17 the application. We would support the position like that.

18 In this particular circumstance
19 there perhaps has not been notice of that suggested proce-
20 dure to the applicant and it may not be appropriate in this
21 particular circumstance to dismiss the applications out-
22 right, but very strong consideration should be given to that
23 and particular attention should be paid to the -- to the
24 case that is presented by the applicant in order to justify
25 the hardship well classification here.

1 MR. STOGNER: Is that every-
2 thing, Mr. Nance?

3 MR. NANCE: I think that will
4 suffice real fast for today but we do intend to be here on
5 July 2nd.

6 MR. STOGNER: Thank you, Mr.
7 Nance. Your comments will be so noted in the record.

8 MR. NANCE: Thank you, Mr.
9 Stogner.

10 MR. STOGNER: At the request of
11 the applicant and upon instructions from the Division Direc-
12 tor, Cases Number 8609, 8610, and 8611 will be continued to
13 the Examiner's Hearing scheduled for July 2nd, 1985.

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15 (Hearing concluded.)

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I do hereby certify that the foregoing is
a complete and correct transcript of the proceedings in
the above captioned case No. _____,
heard by me on _____ 19____.

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_____, Examiner
Oil Conservation Division

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Executive Hearing at Case No. 8610, heard by me on 19 JUNE 19 85.

Michael S. Stogor, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

June 1935

EXAMINER HEARING

IN THE MATTER OF:

Application of Hondo Drilling Company CASE
for hardship gas well classification, 8610
Eddy County, New Mexico.

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division:	Jeff Taylor Attorney at Law Legal Counsel to the Division State Land Office Bldg. Santa Fe, New Mexico 87501
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For the Applicant:

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MR. QUINTANA: We'll call next Case 8609.

MS. LUNDERMAN: Application of Hondo Drilling Company for hardship gas well classification, Eddy County, New Mexico.

Mr. Hearing Examiner, there has been a motion for continuance until June 19th.

MR. QUINTANA: For the sake of expediency, let's just say that Cases 8609, 8610, and 8611, all applications of Hondo Drilling Company for hardship gas well location, they will all be continued until June 19th, 1985.

(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete and correct transcript of the hearing in the case of 8610 heard by me on June 5 1985.
Gilbert P. Quintana, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

22 May 1985

EXAMINER HEARING

IN THE MATTER OF:

Application of Hondo Drilling Company CASE
for hardship gas well classification, 8610
Eddy County, New Mexico.

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Jeff Taylor
Division: Attorney at Law
 Legal Counsel to the Division
 State Land Office Bldg.
 Santa Fe, New Mexico 87501

For the Applicant:

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MR. STOGNER: Call next Case Number 8609.

MR. TAYLOR: Application of Hondo Drilling Company for hardship gas well classification, Eddy County, New Mexico.

MR. PEARCE: Once again, Mr. Examiner, I am W. Perry Pearce of the law firm Montgomery and Andrews of Santa Fe, representing El Paso Natural Gas Company.

We request that we be allowed to make a statement at this time in Cases 8609, 8610, and 8611, rather than having the El Paso personnel make another trip for these cases.

MR. STOGNER: At this time I'm going to call Case 8610 and 8611, which are both applications of Hondo Drilling Company for hardship gas well classification, Eddy County, New Mexico.

The applicant has requested that these cases be continued to the Examiner Hearing scheduled for June 19th, 1985.

At this time we will consolidate these cases for the purposes that a statement may be made by El Paso Natural.

Please continue, Mr. Pearce.

1 MR. PEARCE: Thank you, Mr.
2 Examiner, I appreciate it.

3 As you stated, Mr. Examiner,
4 these cases are on the applications of Hondo Oil & Gas Com-
5 pany for hardship gas well determinations.

6 In each of these cases El Paso
7 Natural Gas is the purchaser of gas from the wells and has
8 for some period of time been attempting to arrive at a co-
9 operative effort with the operator of these wells to assure
10 ratable taking of gas from them.

11 El Paso Natural Gas has in fact
12 incurred substantial added expense on each of the wells in-
13 volved in these three cases by installing additional valves
14 that El Paso would control at the wells in question so that
15 they can be regulated to produce only a ratable amount of
16 gas.

17 These efforts began in approxi-
18 mately May of 1984.

19 Now, approximately a year later
20 the applicant has applied for hardship gas well classifica-
21 tion after El Paso has incurred substantial additional ex-
22 pense.

23 El Paso has now journeyed to
24 Santa Fe to participate in this hearing which should finally
25 resolve the questions of whether or not these wells are pro-

1 inserted to insure that the Division would have sufficient
2 time to act on these applications. I not understand that
3 grant of ninety days to be a guaranteed ninety days produc-
4 tion under that emergency status.

5 We would request that these
6 cases not be granted another continuance after June 19th;
7 that is the applicant is not prepared to go forward at that
8 time, we would request that the cases be dismissed and that
9 the emergency hardship status be terminated.

10 Once again, Mr. Examiner, El
11 Paso understands that there are wells which deserve and need
12 hardship classification in order to prevent underground
13 waste. We think the historically pursued goal of ratable
14 taking, which has been pursued by the State of New Mexico
15 and El Paso Natural Gas, is an important element in the
16 natural gas production system of the State of New Mexico.

17 Therefore, we ask you to care-
18 fully review each application brought before you to insure
19 that all possible steps have been taken; to interfere in the
20 least possible way with the ratable take system; and that no
21 hardship gas well classification be granted unless the
22 granting of the application is necessary to prevent under-
23 ground waste.

24 Thank you, sir.

25 MR. STOGNER: Thank you, Mr.

1 Pearce, your statement will be made part of the record on
2 ech of these cases.

3 Is there anything further in
4 any case -- in Cases 8609, 8610, or 8611 to be considered at
5 this time?

6 If not, all three of these
7 cases will be continued to the Examiner's hearing scheduled
8 for June 5th, 1985, at which time they will be continued
9 again to the Examiner Hearig scheduled for June 19th, 1985.

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(Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that the foregoing Transcript of Hearing before the Oil Conservation Division was reported by me; that the said transcript is a full, true, and correct record of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 8610 heard by me on 27 May 1985.
Mahmud Elmaghrabi, Examiner
Oil Conservation Division