

1 STATE OF NEW MEXICO  
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 STATE LAND OFFICE BUILDING  
5 SANTA FE, NEW MEXICO

6 26 July 1989

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Meridian Oil Company, Inc. CASE  
10 for an unorthodox coal gas well location, 9707  
11 San Juan County, New Mexico.

12 BEFORE: David R. Catanach, Examiner

13 TRANSCRIPT OF HEARING

14 A P P E A R A N C E S

15  
16  
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18 Attorney at Law  
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## ALAN ALEXANDER

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## CHARLES J. DONOHUE, JR.

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1 MR. CATANACH: At this time  
2 we'll call Case Number 9707.

3 MR. STOVALL: The application  
4 of Meridian Oil, Inc., for an unorthodox gas well location,  
5 San Juan County, New Mexico.

6 MR. CATANACH: Coal gas.

7 MR. STOVALL: An unorthodox  
8 coal gas well location, San Juan County, New Mexico.

9 MR. CATANACH: Are there ap-  
10 pearances in this case?

11 MR. KELLAHIN: Mr. Examiner,  
12 I'm Tom Kellahin of the Santa Fe law firm of Kellahin,  
13 Kellahin & Aubrey.

14 I'm appearing on behalf of the  
15 applicant and I have two witnesses to be sworn.

16 MR. CATANACH: Will the wit-  
17 nesses please stand and be sworn in?

18  
19 (Witnesses sworn.)

20  
21 ALAN ALEXANDER,  
22 being called as a witness and having been duly sworn upon  
23 his oath, testified as follows, to-wit:

24  
25

## DIRECT EXAMINATION

1  
2 BY MR. KELLAHIN:

3 Q Mr. Alexander, for the record would you  
4 please state your name and occupation?

5 A My name is Alan Alexander. I'm employed  
6 as a Senior Land Advisor for Meridian Oil, Inc., in the  
7 Farmington, New Mexico office.

8 Q Mr. Alexander, on prior occasions have  
9 you testified before the New Mexico Oil Conservation Divi-  
10 sion as a petroleum landman?

11 A I have.

12 Q And pursuant to your employment as a  
13 petroleum landman for Meridian Oil, Inc., have you made a  
14 study of the land title matters surrounding this applica-  
15 tion by your company for the unorthodox coal gas well  
16 location for the Heizer No. 100 Well?

17 A I have, both myself and through super-  
18 vision of other employees.

19 Q Have you reviewed the information sup-  
20 plied to you by other Meridian employees and satisfied  
21 yourself that that information is true and correct to the  
22 best of your knowledge, information and belief?

23 A I have.

24 Q Let us take the exhibits a little out of  
25 sequence for a moment, Mr. Alexander. If you'll take the

1 exhibit book and turn to Tab 3 and look at what is marked  
2 Exhibit Number Three, would you describe for us what is  
3 shown on that display?

4 A This is a plat that sets forth the  
5 spacing unit for the proposed well, which is the Heizer No.  
6 100 Well, and its location is the east half of Section 15  
7 of 32 North, 10 West, San Juan County, New Mexico.

8 This plat shows the offset operators  
9 that we have contacted in anticipation of this case.

10 Q Let's also take now the last exhibit in  
11 the exhibit book, which is Exhibit Number Ten. It's the  
12 topography map, if you'll unfold that for a moment, let's  
13 look at that display.

14 When we look at the relationship of the  
15 unorthodox location within Section 15 to the closest  
16 standard location, would you describe generally where we  
17 would find a standard location in the northwest -- I'm  
18 sorry, in the northeast quarter of Section 15?

19 A The only standard location that we could  
20 find would be east of the Animas River, between the river  
21 and the very steep incline that you see on the topographic  
22 map to the east.

23 Q In terms of complying with the well  
24 locations for the Basin Fruitland Coal Gas Wells, what is  
25 the footage requirement from the outer boundary of a

1 320-acre spacing unit?

2 A The footage requirement from the outer  
3 boundary is 790 feet.

4 Q And the subject unorthodox location  
5 crowds, then, the western boundary of its spacing unit?

6 A That's correct.

7 Q And what is the footage location, appro-  
8 ximately to that western boundary?

9 A From the well location?

10 Q Yes, sir.

11 A Approximately 252 feet, I believe.

12 Q As the well moves toward the west half  
13 of Section 15 it encroaches upon whose working interest in  
14 that west half?

15 A It encroaches upon leases that are oper-  
16 ated by Meridian Oil, Inc.

17 Q And does Meridian Oil, Inc., have plans  
18 for the drilling of a Fruitland coal gas well in the west  
19 half of Section 15?

20 A We do.

21 Q Now let's go back to Exhibit Number  
22 Three, Mr. Alexander, and show us how you've documented the  
23 various offset operators around your spacing unit.

24 A We have contacted the offset operators  
25 shown on the plat on Exhibit Number Three, the offset oper-

1       ators number 2 and number 3.

2                       Offset operator number 2 is Amoco Pro-  
3       duction Company and their basic interest is that they are  
4       the operator of the San Juan 32-9 Unit, which is imme-  
5       diately to the east of this drilling block. They're the  
6       interim successor operator of that unit.

7               Q               This well moves away from the Amoco  
8       operated unit, does it not?

9               A               Yes, sir.

10              Q               A standard location would have been  
11       closer to their unit.

12              A               That's correct.

13              Q               When we look at any other offsetting  
14       operators, are there any other than Amoco and Meridian?

15              A               There is one other offset operator who  
16       is not being encroached upon but, as the plat shows, off-  
17       set operator number 3 is Union Texas Petroleum Corporation,  
18       who is at the south end of the drilling block.

19              Q               Does the exhibit book contain signed  
20       waivers from those two offsetting operators?

21              A               Yes, sir.

22              Q               And where do we find the waivers?

23              A               They are behind Exhibit Number Three and  
24       they are listed as Exhibit Number Four, that would be the  
25       waiver from Union Texas Petroleum and, Exhibit Number Five,

1 and that would be the waiver from Amoco Production Company.

2 Q Under the Basin Fruitland coal gas well  
3 rules within a section one well is required to be in the  
4 northeast quarter and then the next well would be in the  
5 southwest quarter of a section in order to be on pattern?

6 A That's correct.

7 Q Within the northeast quarter of Section  
8 15, describe for us generally how each of those 40-acre  
9 tracts is owned. Who are the mineral owners, generally,  
10 for the northeast quarter of 15?

11 A The northeast quarter of Section 15 is  
12 owned by the following mineral owners.

13 The east half of the northeast quarter  
14 is owned by the Bureau of Land Management. It's Federal  
15 acreage.

16 The -- both the northwest of the north-  
17 east and the southwest of the northeast owned by fee  
18 mineral owners.

19 Q In looking at the west half, then, of  
20 the northeast, have you been in contact with the various  
21 surface owners in order to attempt to find a location for  
22 which they would find no objection?

23 A We have.

24 Q And is the proposed unorthodox location  
25 one that is accepted by the various surface owners?

1           A           Yes, sir, that is correct.

2           Q           Did you attempt to try to get surface  
3 owner consent for crossing the Animas River, constructing a  
4 bridge, and locating the well at a more orthodox location?

5           A           We did attempt to reach an agreement  
6 with the various surface owners in constructing a bridge.

7           Q           Were you able to do so?

8           A           We were not.

9           Q           When we examine the east half of the  
10 northeast of 15, that is all BLM surface?

11          A           That's correct.

12          Q           Did you contact the BLM to determine  
13 whether or not there was a surface location in the east  
14 half of the northeast quarter for which they would have no  
15 objection?

16          A           Yes, sir, we did.

17          Q           And what did you find out?

18          A           The northeast of the northeast quarter  
19 is a very rough terrain. There would be a location avail-  
20 able from a topographic standpoint; however, the road's  
21 leading into that area, like I said, do cross rough terrain  
22 and the BLM did not grant us access to that area because of  
23 the fact that this would be a Fruitland coal well and that  
24 we anticipate that we would be hauling substantial volumes  
25 of water from it and the topography would not withstand

1 that, especially in the winter months.

2 Q In terms of topography and obtaining the  
3 consent of surface owners for a well location, is the pro-  
4 posed unorthodox well location the only site that you've  
5 been able to obtain approval from the various surface  
6 owners for the location of this well?

7 Q We anticipated that we could have, bar-  
8 ring other problems, reached a surface agreement at a  
9 standard location between the river and the steep incline,  
10 but there are other problems that we chose or we would not  
11 desire to build a location there, aside from the surface  
12 standpoint and aside from the fact that it would require a  
13 bridge to cross the river and we were not able to come to a  
14 satisfactory arrangement about whose property the bridge  
15 would be placed upon, what liabilities would be involved  
16 and what accesses would be granted through the use of that  
17 bridge.

18 Q So there is a standard well location  
19 east of the river that would be large enough to build a  
20 pad.

21 A We believe that there would be.

22 Q But you've been not -- you've been un-  
23 able to obtain agreement from the various surface owners to  
24 -- to access that location.

25 A That's correct.

1           Q           And the current proposed unorthodox  
2 location is one in which the various owners of the sur-  
3 face have consented to.

4           A           That is correct.

5           Q           Exhibit Number One is simply a copy of  
6 the application in this hearing, is it not, Mr. Alexander?

7           A           That is correct.

8           Q           And if you turn to Tab Two, what is  
9 Exhibit Number Two?

10          A           Exhibit Number Two is a copy of the Form  
11 C-102 that is filed with the Oil Conservation Division and  
12 it basically represents a plat of the location along with  
13 other pertinent information.

14          Q           When you look at that exhibit, let me  
15 direct your attention to the southeast quarter of the  
16 northeast, the words "archaeology" appear on the display.  
17 What's the significance, if any, of that?

18          A           The -- that particular quarter quarter  
19 section is not suitable for a surface location because of  
20 geologic -- archaeological artifact problems.

21                           MR. KELLAHIN: That concludes  
22 my examination.

23          Q           Oh, I'm sorry, we've missed one exhibit,  
24 Mr. Alexander. Turn to Exhibit Number Six, which is the  
25 last page before we look at the Tab No. 4.

1                   What is that exhibit?

2                   A           That exhibit is a copy of a letter from  
3 Mr. Mike Heizer to Meridian Oil and it expresses his opin-  
4 ion and view that we have resolved all of the issues for  
5 a location on Mr. Heizer's property west of the river.

6                   MR. KELLAHIN: That concludes  
7 my examination of Mr. Alexander, Mr. Catanach.

8                   We would move at this time the  
9 introduction of Meridian Exhibits One through Six.

10                  MR. CATANACH: Exhibits One  
11 through Six will be admitted as evidence.

12                  MR. STOVALL: If you don't  
13 have any questions, I do have.

14

15                                   CROSS EXAMINATION

16 BY MR. STOVALL:

17                  Q           Just (unclear), Mr. Alexander, do you --  
18 are you aware of any requirements other than surface owner  
19 requirements as far as getting across the river? For ex-  
20 ample, Corps of Engineers, would you have to talk to them,  
21 do you know?

22                  A           Yes, we would.

23                  Q           And did you ever have any discussions  
24 with them or did you not get to that point?

25                  A           We had some preliminary discussions with

1 the Corps of Engineers and they would have to be involved  
2 in the placement of the bridge, the construction of the  
3 bridge, and all of the engineering work involved in it.

4 Q What about environmental impacts? Did  
5 you have to do any sort of environmental work as far as  
6 constructing this bridge?

7 A We would and we have a witness that will  
8 testify to the other environmental constraints that we feel  
9 are pertinent when you discuss problems such as the bridge  
10 and the fact that this is a Fruitland coal well.

11 Q And just mostly for my own interest,  
12 what -- what -- what would be the cost of constructing a  
13 bridge that would be sufficient that -- I assume it would  
14 have to be big enough to take a rig across and oil trucks  
15 and water trucks?

16 A Yes, sir, that's correct. We're esti-  
17 mating that that cost would probably be somewhere between  
18 \$110 and \$125,000 for the initial cost only and we have not  
19 estimated what our liability cost, maintenance cost, and  
20 other cost on through the years would -- would be on such a  
21 construction project.

22 MR. STOVALL: I have no fur-  
23 ther questions.

24

25

## 1 CROSS EXAMINATION

2 BY MR. CATANACH:

3 Q Mr. Alexander, the southeast of the  
4 northeast you have shown as having archaeological problems.  
5 Did you actually have an archaeological study done on that  
6 or was there already one?

7 A Yes, sir. I am told by our field people  
8 that there was -- we did have archaeological people out  
9 there with the BLM looking at that location.

10 Q And was it the opinion of BLM that there  
11 was not an acceptable location in that quarter quarter  
12 section?

13 A Yes, sir, that's what I am told.

14 MR. STOVALL: I have one ques-  
15 tion along that line, Mr. Catanach.

16 Would it be possible to -- for  
17 you to provide a statement from the BLM to that effect?

18 A I see no reason why not.

19 MR. STOVALL: And that -- for  
20 your information let me advise you that our -- our office  
21 is in communication with the BLM field people regarding  
22 these concerns and I believe that request would not --  
23 would not be a surprise to them and if anybody in the Farm-  
24 ington area office had a difficulty they might call the  
25 state office and discuss it with them, but I would like to

1 see something, if possible, Mr. Kellahin and Mr. Alexander,  
2 from the BLM regarding access to the east half of the  
3 northeast quarter, a statement of some sort from the BLM.

4 MR. KELLAHIN: Be happy to  
5 provide that, Mr. Examiner. We have done that in other  
6 cases of this nature where either the examiner has directly  
7 contacted that BLM individual or we have provided a letter  
8 from them indicating they've examined it and cannot find a  
9 suitable location in that quarter section.

10 Q Mr. Alexander, is this a short section?  
11 You said that that well was 252 feet from the west line  
12 there. That doesn't quite work out.

13 A Yes, sir, it is a short section.

14 Q It is a short section?

15 MR. KELLAHIN: I'm not sure we  
16 have put in the exhibit book, Mr. Examiner, the footages  
17 along the top of that section line. I will be happy to  
18 give you a copy of a display that has those numbers.

19 MR. CATANACH: Okay.

20 MR. KELLAHIN: Perhaps we'll  
21 mark this as an exhibit, propose it as Exhibit Number  
22 Twelve, Mr. Examiner. It shows the staking of a location  
23 in the northeast quarter of the section. It's one of the  
24 areas that the BLM would not approve but in filling out the  
25 form it does show the side dimensions of each of those

1 tracts; thereby you can calculate where this well is in  
2 relationship to all of the other boundaries.

3 Mr. Alexander, let me show you  
4 what I have marked as Exhibit Number Twelve and ask you if  
5 you can authenticate that document?

6 A Yes, sir, it is a Form C-103, I believe,  
7 and it's rather hard to read but it is a well location and  
8 acreage dedication plat that is used by the New Mexico Oil  
9 Conservation Commission, and it shows a location of the  
10 Heizer No. 100 Well at 915 feet from the north line and 595  
11 feet from the east line and it also shows the footages  
12 around the perimeter of the section that's involved.

13 MR. KELLAHIN: To the best of  
14 your knowledge are those dimensions shown on that display  
15 true and accurate?

16 A To the best of my knowledge they are.

17 MR. KELLAHIN: Mr. Examiner, I  
18 believe that's Commission Form C-102.

19 Is it 103?

20 A I believe it is.

21 MR. STOVALL: I'm inclined to  
22 believe it's 102, too, Mr. Kellahin, but I think that's not  
23 -- not important.

24 MR. KELLAHIN: For whatever it  
25 is, there it is.

1 MR. CATANACH: At this time  
2 we'll enter Exhibit Number Twelve as evidence.

3 That's all the questions that  
4 we have of the witness. He may be excused.

5 MR. KELLAHIN: Mr. Examiner,  
6 at this time I'd like to call Mr. Donahue. Mr. Donahue is  
7 a reservoir engineer with Meridian Oil, Inc.

8  
9 CHARLES J. DONAHUE, JR.,  
10 being called as a witness and being duly sworn upon his  
11 oath, testified as follows, to-wit:

12  
13 DIRECT EXAMINATION

14 BY MR. KELLAHIN:

15 Q Mr. Donahue, would you please state your  
16 name and occupation?

17 A My name is Charles Donahue. I'm a re-  
18 servoir engineer with Meridian Oil in Farmington, New  
19 Mexico.

20 Q Mr. Donahue, would you summarize for us  
21 what has been your educational background?

22 A I'm a 1981 graduate of Penn State Uni-  
23 versity.

24 Q Subsequent to graduation -- in what did  
25 you obtain your degree from Penn State?

1           A           In petroleum engineering.

2           Q           Subsequent to graduation do you have any  
3 other degrees that relate to petroleum engineering?

4           A           No, I do not.

5           Q           Describe for us what has been your em-  
6 ployment background since graduation.

7           A           I've been employed since July, 1981,  
8 with formerly El Paso Exploration and now Meridian Oil; it  
9 will be eight years.

10          Q           And do you reside in Farmington, New  
11 Mexico, Mr. Donahue?

12          A           Yes, I do.

13          Q           And are you also a Registered Profes-  
14 sional Engineer in the State of New Mexico?

15          A           Yes, I do. Yes, I am.

16          Q           Describe generally what it is that you  
17 have done for Meridian with regards to this particular ap-  
18 plication.

19          A           Well, I was the one that originally  
20 picked the location and calculated the reserves and econo-  
21 mics on the project.

22                           MR. KELLAHIN: We tender Mr.  
23 Donahue as an expert petroleum engineer.

24                           MR. CATANACH: He is so qual-  
25 ified.

1           Q           Mr. Donahue, let's turn to Exhibit  
2 Number Ten, which is the topo map.

3                       What type of wells are shown on Exhibit  
4 Number Ten, Mr. Donahue?

5           A           They're all Fruitland coal wells.

6           Q           And what are the various symbols for  
7 those wells indicating?

8           A           Okay. The red triangles are wells that  
9 have been drilled. The two at the top, the Brown 100 and  
10 the Stahl 100, are the most recent other two.

11                      The orange circles are the barrels -- or  
12 the wells to be drilled probably some time in the next  
13 month.

14           Q           In studying the issue of finding a loca-  
15 tion for wells in Section 15, have you determined or  
16 reached an opinion as to whether or not you can maintain a  
17 pattern that allows the development in Section 15 to take  
18 place whereby there will be a well in the northeast quarter  
19 and a well in the southwest quarter of 15?

20           A           Yes, that's correct.

21           Q           So you will -- you will maintain the  
22 pattern, then, for full development for Fruitland coal gas  
23 wells using those quarter sections.

24           A           Yes.

25           Q           What are Meridian's plans for the

1           Q           What is Exhibit Number Seven, Mr. Dona-  
2 hue?

3           A           Exhibit Number Seven is all the points  
4 supporting the unorthodox location application.

5           Q           They are issues that you addressed in  
6 your study to determine whether or not you had a standard  
7 versus an unorthodox location that was acceptable?

8           A           That's correct.

9           Q           Describe for us the first concern.  
10 You've identified an environmental concern?

11          A           Yes. This well is located right next to  
12 the Animas River. If we had it on the east side of the  
13 river these wells are known to produce a high amount of  
14 water and gas, up to 200 barrels a day, or more, of water,  
15 and we're going to have to cross the river and sometime  
16 down the road we may have a chance, if something happened,  
17 we wouldn't want to contaminate the Animas River.

18          Q           How does the proposed unorthodox loca-  
19 tion avoid that environmental concern?

20          A           It puts it on the east side. It's a lot  
21 easier. There's a road to the -- or puts it on the west  
22 side, excuse me. There's a road to the west of that and we  
23 can haul water until later one we may be able to tie it in-  
24 to a disposal well.

25          Q           Are you able to access the east side of

1 the river without the construction of a bridge?

2 A No, we are not.

3 Q The next point you've listed on the  
4 display is operational problems. What does that mean?

5 A Yes. That's in the same thing. Because  
6 of the high water and gas rates we would have to go and  
7 look at the well more often and just at the so called low  
8 water porosity and there have been several instances we've  
9 had to workover these wells and it could happen at any  
10 time.

11 Q The next issue you've addressed is the  
12 drainage pattern in the area. What does that mean, sir?

13 A That means these are 320-acre -- calcu-  
14 lated on 320-acre drainage and, as you can see on the  
15 Exhibit Ten, that every well in the area is on the same  
16 northeast/southwest pattern.

17 Q In examining the drainage patterns do  
18 you see a material difference between the closest standard  
19 location, which would be 790 from the western boundary of  
20 that spacing unit, versus the unorthodox location which is  
21 252 feet from that same boundary?

22 A I do not.

23 Q There is no material difference in your  
24 analysis between the drainage patterns between those two  
25 locations?

1           A           No.

2           Q           The next point is equivalent reservoir  
3 properties. What does that mean, sir?

4           A           Oh, yes, basically the desorption rate  
5 of the gas, (not clearly understood) of gas is the same.  
6 The thicknesses are the same and all the properties in-  
7 volving coal are -- are equal on either side of the river.

8           Q           The next issue you've examined is to see  
9 whether or not there were offset operators that objected  
10 to the location?

11          A           Yes. As Alan stated, we have the  
12 waivers from Amoco and Union Texas Petroleum.

13          Q           You said you've been -- examined econ-  
14 omics. What is it that you've done and what did you con-  
15 clude?

16          A           Well, we examined, if we can see Exhibit  
17 Eight --

18          Q           Okay, let's turn to Exhibit Eight.  
19 First of all, before you explain your  
20 conclusion, tell us how to read the display.

21          A           Okay. Exhibit Eight is an economic sum-  
22 mary of the Heizer 100 and its capital cost, rate of re-  
23 turn, profit to investment ratio and a net present value,  
24 for a desired unorthodox location and a deviated wellbore.

25          Q           All right, you -- you examined the pos-

1 sibility of taking the unorthodox surface location and then  
2 directionally drilling to a standard bottom hole location?

3 A That's correct.

4 Q And in terms of -- of the cost and asso-  
5 ciated risk, how have you analyzed that?

6 A Okay, the deviated wellbore, of course,  
7 would be a lot riskier as in any directionally drilled hole  
8 is always riskier than a straight hole.

9 The capital cost is, as you can see,  
10 approximately \$100,000 more than it would be for -- for a  
11 straight hole.

12 We're going to pressure core this well  
13 and consider it very valuable information that we're going  
14 to retrieve from this well and it just makes it that much  
15 more risky to run any kind of core barrel in a deviated  
16 hole.

17 Q What does your summary with regards to  
18 that economic analysis show you in terms of net present  
19 value?

20 A Well, you can see the net present value  
21 is less than half of the -- in the deviated wellbore as the  
22 unorthodox location vertical well.

23 Q Mr. Donahue, have you also examined the  
24 economics of constructing a bridge across the Animas River  
25 to get you at as standard well location?

1           A           Yes, we have. We've also done that and  
2 it shows a little bit better economics. The risk factor  
3 involved is the same as the unorthodox location; probabilit-  
4 ity of success is the same, but the cost is higher and the  
5 economics aren't as good as the unorthodox location.

6           Q           Setting aside the -- the environmental  
7 and operational problems with constructing the bridge and  
8 operating across the bridge, what are simply the costs  
9 involved in the initial investment for building the bridge?

10          A           Oh, it's anywhere from \$110,000 to  
11 \$125,000. That's just the purchase of the bridge itself,  
12 you know, and then it just goes up from there for the cost  
13 of construction of it (unclear); depends on who we have do  
14 it.

15          Q           Let's turn to Exhibit Number Nine, Mr.  
16 Donahue, and have you identify that exhibit.

17          A           Yes, this is the production history of  
18 the Brown 100 Well. It's the closest producing well to the  
19 Heizer 100.

20                        When we look at Exhibit Number Ten,  
21 where is the Brown 100 Well in relation to the Heizer 100?

22          A           It is in Section 9, which is up in the  
23 northwest corner of the map.

24          Q           Okay. What's the purpose of showing the  
25 production history for the Brown 100 Well?

1           A           Well, it just -- it shows the high gas  
2 and water rates that we have with this well and why we  
3 would not want to cross the river with those kind of rates.

4           Q           In examining the information that you've  
5 collected and analyzed for determining whether or not you  
6 can recommend an unorthodox location, do you have now an  
7 ultimate opinion with regards to that location?

8           A           Excuse me?

9           Q           Yes, sir, what -- what is your opinion  
10 with regards to the unorthodox location versus the closest  
11 standard location?

12          A           All things considered, I consider that  
13 the best location possible for the whole quarter section.

14          Q           In your opinion will approval of the  
15 unorthodox location allow you to prevent waste in the re-  
16 servoir and to produce gas that might not otherwise be re-  
17 covered?

18          A           That's correct.

19          Q           In your opinion do you see any oppor-  
20 tunity to violate the correlative rights of any of the off-  
21 setting owners with the well located as you propose?

22          A           No.

23          Q           Were Exhibits Seven through Ten prepared  
24 by you or compiled under your direction and supervision?

25          A           Yes, they were.

1 MR. KELLAHIN: That concludes  
2 my examination of Mr. Donahue.

3 We'd move the introduction of  
4 Exhibits Six through Ten.

5 MR. CATANACH: Exhibits Six  
6 through Ten will be admitted as evidence.

7

8

CROSS EXAMINATION

9 BY MR. CATANACH:

10 Q Mr. Donahue, has this well been drilled?

11 A No, it has not.

12 Q Okay, you had it -- you show it as ex-  
13 isting on my map.

14 A Well, actually it's an open triangle and  
15 that's --

16 Q Okay.

17 A -- the subject well.

18 Q I see. Has Meridian drilled any  
19 deviated wells, any coal gas wells?

20 A Yes, we've made several -- well, three  
21 attempts, and none of them have been very successful. None  
22 of them have proven to be economic. In fact we could have  
23 gotten at least the same rate out of a vertical well.

24 Q So the extra cost in drilling the well  
25 just made it uneconomic.

1           A           Yes.

2           Q           Do you think a well at this location  
3 will effectively drain that east half?

4           A           Yes, I do. Based on other production  
5 rates that we have I feel strongly that it will.

6                       MR. CATANACH: That's all the  
7 questions I have.

8

9

CROSS EXAMINATION

10 BY MR. STOVALL:

11           Q           One question. Have you identified a  
12 tentative location for your west half well?

13           A           No, we have not yet. It's -- we're  
14 currently doing a budget processing so it's in the -- the  
15 projects to be run economically, but we haven't identified  
16 footages, no.

17           Q           So you don't -- at this point you don't  
18 have any firm idea whether you'd be able to do the west  
19 half well in an orthodox location or not.

20           A           No, not -- not firm, but looking at the  
21 map here it doesn't look like we'll have any problem like  
22 the west half -- or like the east half, excuse me.

23                       MR. STOVALL: Nothing further.

24                       MR. CATANACH: Mr. Kellahin,  
25 I've got one follow-up question for Mr. Alexander, if I

1 may.

2 MR. KELLAHIN: Certainly.

3 MR. ALEXANDER: Can I answer  
4 it here?

5 MR. KELLAHIN: Just speak up  
6 where you're sitting.

7 MR. CATANACH: Mr. Alexander,  
8 Mr. Donahue mentioned something about you had -- or Meri-  
9 dian had just acquired the majority interest in the west  
10 half of Section 15?

11 MR. ALEXANDER; We have just  
12 acquired some mineral rights that we purchased which would  
13 increase our interest, which gives us approximately 57  
14 percent interest in that west half drill block at this  
15 point in time.

16 MR. CATANACH: Okay, but you  
17 own -- you've got a lease for the west? Is that leased?

18 MR. ALEXANDER: No, sir, all  
19 of the --

20 MR. CATANACH: Are there other  
21 operators -- are there other working interest owners  
22 involved in that west half?

23 MR. ALEXANDER: Yes, sir,  
24 there are. Right.

25 MR. CATANACH: Specifically in

1 what quarter section are they located?

2 MR. ALEXANDER: Leases are --  
3 it's a little bit split up, but generally the northwest  
4 quarter of the northwest quarter is an unleased tract that  
5 has unleased mineral owners that have joined in our pre-  
6 vious Mesaverde wells in there and Northwest Pipeline Com-  
7 pany is the lessee of the southwest of the northwest and a  
8 portion of, most of the southwest of the southwest.

9 MR. CATANACH: So I take it  
10 the west half has not at this point been communitized for  
11 drilling, is that correct?

12 MR. ALEXANDER: For Fruitland  
13 coal, you're inquiring about that?

14 MR. CATANACH: Yes.

15 MR. ALEXANDER: No, sir, it has  
16 not at this point, unless the Mesaverde well that you see  
17 -- well, I don't know that you see it, but there is a Mesa-  
18 verde well that is located in approximately the southwest  
19 quarter of the southwest quarter and many times those com-  
20 munitizations will go from the surface through the Mesa-  
21 verde, and I would have to look at that unitization agree-  
22 ment to fully answer your question.

23 MR. CATANACH: I see. Are  
24 there any working interest owners that -- well, I guess  
25 Meridian didn't feel that there were any affected interest

1 owners in the west half that they had to notify.

2 MR. ALEXANDER: Over in the  
3 west half of the west half?

4 MR. CATANACH: Well --

5 MR. ALEXANDER: Yes, sir.

6 MR. CATANACH: -- the east  
7 half of the west half, is that all Meridian's acreage?

8 MR. ALEXANDER: Yes, sir,  
9 Meridian operates all that acreage.

10 That is some of the same  
11 common acreage that is also in the west half of the east  
12 half. It crosses that boundary.

13 MR. CATANACH: I see, but  
14 there is some acreage in the west half of the west half  
15 that is not Meridian's, is not leased by Meridian.

16 MR. ALEXANDER: Yes, sir, that  
17 is correct.

18 MR. STOVALL: And those people  
19 were not notified of this -- this hearing?

20 MR. ALEXANDER: No, sir, we  
21 just notified the offsetting property owners, operators or  
22 owners around the spacing unit.

23 MR. STOVALL: Mr. Alexander,  
24 would it be your understanding that any of the other miner-  
25 al owners, unleased mineral owners or lessees, could in

1 fact drill a well, Fruitland well, in the south -- in the  
2 west half? I mean is it necessarily would it be Meridian  
3 just because -- at this point?

4 MR. ALEXANDER: We believe  
5 that it would be Meridian. We do operate that property for  
6 the Mesaverde well and we have those accounting records set  
7 up for doing the division of interest on it, so we feel  
8 strongly, yes, that it would be Meridian, would be the  
9 operator on this west half well.

10 MR. STOVALL: But you do not  
11 know, in fact, that the com (sic) agreement covers the  
12 (unclear) at this time, is that correct?

13 MR. ALEXANDER: No, sir, I do  
14 not.

15 MR. STOVALL: And, in fact, if  
16 it does not, it would be possible for one of the other  
17 interest owners to come in and drill -- drill a well.

18 MR. ALEXANDER: It would be  
19 possible but we would request operations in that block even  
20 if another owner came in and proposed operations of it.

21 MR. CATANACH; Have you talked  
22 to Northwest Pipeline at all about drilling a well in the  
23 west half?

24 MR. ALEXANDER: I don't be-  
25 lieve that we've contacted any of the owners. We've just

1 finished the acquisition of the property that I mentioned  
2 to you before and we are now at that point of finalizing  
3 the budgeting process and we will be going to all these  
4 working interest owners and contacting them.

5 MR. STOVALL: Mr. Kellahin, I  
6 think being as I know the facts at this point, I think  
7 we've got some concern as to why Northwest and any other  
8 interest owners were not notified of the hearing. Do you  
9 have a response to that or do (not clearly understood)?

10 MR. KELLAHIN: I thought  
11 Meridian as the majority owner with control of the spacing  
12 unit, they had budgeted a well to offset the encroaching  
13 well. It did not occur to us that there would be a minor-  
14 ity working interest owner that would object. I don't have  
15 any problem in contacting Northwest and asking them if  
16 that's the desire of the Division, but we didn't believe it  
17 was necessary.

18 MR. CATANACH: Is that the  
19 only interest owner who might be affected, would be North-  
20 west Pipeline?

21 MR. ALEXANDER: No, sir, there  
22 would be the unleased mineral owners that are in the north-  
23 west northwest who we will be contacting to join them in  
24 the drilling well.

25 MR. STOVALL: What's your time

1 frame for drilling this well, if you know?

2 MR. ALEXANDER: In the west  
3 half?

4 MR. STOVALL: In the east  
5 half.

6 MR. ALEXANDER: In the east  
7 half, we're -- we're ready now to go ahead with that if you  
8 grant the nonstandard location.

9 MR. STOVALL: I'm a little bit  
10 concerned about the lack of notification to those people.  
11 They do have the right, if not the practical power, to --  
12 you may be able to overwhelm them with your majority inter-  
13 est, so to speak, and I am concerned about the notices.  
14 You need to notify them, get some consent, or give me an  
15 explanation as to why you think that's unnecessary.

16 MR. KELLAHIN: You've heard  
17 the best explanation we have, Mr. Stovall. If it's not  
18 adequate, then, we'll do as the Division directs. If you  
19 want additional notifications to these people we'll cer-  
20 tainly provide it.

21 MR. STOVALL: My -- my only  
22 other comment would be if perhaps a com agreement does  
23 cover this horizon that might satisfy that operatorship  
24 issue if that incorporates in the control of that acreage,  
25 and that might be an alternative (not clearly audible).

1 Either notify -- my recommendation is to either notify the  
2 other interest owners who could potentially operate or  
3 identify a com agreement as having -- covering that -- that  
4 horizon, putting Meridian in a formal operatorship posi-  
5 tion.

6 MR. CATANACH: Shall we leave  
7 the record open in this case?

8 MR. STOVALL: Can we do that  
9 for a relatively short period, do you think?

10 MR. KELLAHIN: I would think  
11 so. I would expect --

12 MR. STOVALL: I don't want to  
13 hold you up an unreasonable time. I'd like to get it done  
14 as quickly as possible and get you an order, if it's going  
15 to be issued, approving your application and do it as  
16 quickly as possible so you can get on with your plans.

17 MR. ALEXANDER: I would anti-  
18 cipate no problems with any of that group.

19 MR. KELLAHIN: How soon do you  
20 think you could determine whether or not there's a notice  
21 issue, Mr. Alexander?

22 MR. ALEXANDER: Probably with-  
23 in -- hopefully, within two weeks.

24 MR. KELLAHIN: Let's leave it  
25 open until the August 9th docket, if that's all right.

1 That will be a two week time frame and then if we have  
2 anything additional to present we can do it at that  
3 hearing and maybe we can satisfy it with a written waiver  
4 before that and then you can simply close out the case, if  
5 that's all right.

6 MR. CATANACH: That would be  
7 fine, Mr. Kellahin.

8 With that, we'll leave the  
9 record open in this case until August 9th.

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(Hearing concluded.)

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1 STATE OF NEW MEXICO  
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 STATE LAND OFFICE BUILDING  
5 SANTA FE, NEW MEXICO

6 23 August 1989

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Meridian Oil, Inc. for an CASE  
10 unorthodox coal gas well location, San 9707  
11 Juan County, New Mexico.

12 BEFORE: David R. Catanach, Examiner  
13  
14

15 TRANSCRIPT OF HEARING

16 A P P E A R A N C E S  
17

18 For the Division:

19 For Meridian Oil, Inc.:  
20 W. Thomas Kellahin  
21 Attorney at Law  
22 KELLAHIN, KELLAHIN & AUBREY  
23 P. O. Box 2265  
24 Santa Fe, New Mexico 87504  
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## I N D E X

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STATEMENT BY MR. KELLAHIN

ALAN ALEXANDER

Direct Examination by Mr. Kellahin 5

## E X H I B I T S

Exhibits one through eleven previopusly admitted.

Meridian Exhibit Twelve, Notice 4

Meridian Exhibit Thirteen, Return Receipt Cards  
and Letters 5

1 MR. CATANACH; At this time  
2 we'll call Case 9707. Application of Meridian Oil, Inc.,  
3 for an unorthodox coal gas well location, San Juan County,  
4 New Mexico.

5 Are there appearances in this  
6 case?

7 MR. KELLAHIN: Mr. Examiner,  
8 I'm Tom Kellahin of the Santa Fe law firm of Kellahin,  
9 Kellahin & Aubrey. I'm appearing on behalf of Meridian  
10 Oil, Inc., and I have one witness to be sworn.

11 MR. CATANACH: Are there any  
12 other appearances?

13 Will the witness please stand  
14 and be sworn in?

15  
16 (Witness sworn.)

17  
18 MR. KELLAHIN: Mr. Examiner,  
19 the technical presentation of this case was made to you at  
20 the hearing held on July 26th. At that hearing there was  
21 two questions remaining unanswered, one of which was the  
22 status of the Bureau of Land Management's management of the  
23 topography of the surface in the northeast quarter of Sec-  
24 tion 15 and you desired us to obtain written confirmation  
25 from the BLM that in fact our surface location was the only

1 location that they would approve.

2 Mr. Alexander, through his office, has  
3 obtained that letter and it's marked for introduction as  
4 Meridian Exhibit Number Twelve.

5 The second issue that was left for de-  
6 termination today was additional notification of the  
7 working interest owners in the west half of Section 15.  
8 You may remember that Meridian Oil, Inc., is the majority  
9 working interest owner in that spacing unit but at your  
10 request we have had Mr. Alexander search for, locate, and  
11 then serve with notice all other working interest owners  
12 in the west half of Section 15 and we propose to have him  
13 testify this morning on his efforts to -- to comply with  
14 those notice requirements of the Examiner.

15 I'd like the record to reflect that Mr.  
16 Alexander has already qualified as an expert petroleum  
17 landman and that he has been qualified and is now under  
18 oath.

19  
20 ALAN ALEXANDER,  
21 being called as a witness and being previously sworn and  
22 remaining under oath, testified as follows, to-wit:

23

24

25

## 1 DIRECT EXAMINATION

2 BY MR. KELLAHIN:

3 Q Mr. Alexander, let me direct your at-  
4 tention, sir, to the package of documents that's attached  
5 as Exhibit Number Thirteen, but before we go through that  
6 package of information, would you tell us whether or not  
7 you have been able to identify the working interest owners  
8 in the west half of the subject Section 15?

9 A We have.

10 Q And how did you go about accomplishing  
11 that, Mr. Alexander?

12 A Basically through our Division Order  
13 Department in Ft. Worth, Texas. They are the same people  
14 that are on pay for a Mesaverde well in that west half  
15 spacing unit and we'd also asked the parties that we con-  
16 tacted to confirm their working interest. We set forth  
17 their working interest which we felt they had in the coal  
18 in the letter itself.

19 So we've done it through two means.

20 Q Having identified the working interest  
21 owners in the Basin Fruitland coal gas formation were you  
22 satisfied that that list was complete?

23 A Yes, I am.

24 Q Having satisfied yourself the list was  
25 complete, then, did you send notification to those various

1 working interest owners of Meridian's application in this  
2 case for the unorthodox well location?

3 A Yes, I did.

4 Q And how did you do that?

5 A I did that by certified letter dated  
6 July 31st, 1989.

7 Q When we go through the first portion of  
8 Exhibit Thirteen and we see return receipt cards, what are  
9 those for?

10 A Those are the return receipts for each  
11 of the parties, for each of the letters that we've sent  
12 out, evidencing the date that those letters were received  
13 by the individual parties.

14 Q Without going through each of the indi-  
15 vidual letters, were all the letters written in the same  
16 manner?

17 A That's correct.

18 Q They contained the same information with  
19 the only change being the name and address of the party and  
20 a description of what you thought to be their interest in  
21 the spacing unit?

22 A That's correct.

23 Q Let's look at the letter dated July 31st  
24 for Northwest Pipeline. Is this typical of all the notice  
25 letters?

1           A           It is.

2           Q           You provided to those parties an indi-  
3 cation that Case 9707 was pending for consideration by the  
4 Division?

5           A           That's correct.

6           Q           And you told them the well location?

7           A           Yes, sir.

8           Q           And you gave them a 20-day period in  
9 which to object to the unorthodox well location.

10          A           That's correct.

11          Q           Did you receive any written objections  
12 from any of those working interest owners to your applica-  
13 tion?

14          A           I did not.

15          Q           Did you receive any waivers?

16          A           I did receive one waiver from Northwest  
17 Pipeline Corporation.

18          Q           Of all the parties that you attempted to  
19 contact, were there any of the parties that despite your  
20 efforts you were unable to locate?

21          A           Yes. We have not been able to locate  
22 Mr. Dave Clark. Mr. Clark is also in suspense within Meri-  
23 dian's records for the proceeds out of the Mesaverde well.  
24 We have not been able to locate him for some time and we  
25 did check the records since the last known address and

1 there is nothing on record that would give us a more  
2 current address for him.

3 We sent a letter to the last known  
4 address and, of course, did receive it back.

5 Q And you're referring to your letter of  
6 July 31st that was sent to Mr. Clark at a Winslow, Arizona  
7 address?

8 A That's correct.

9 Q And that was the best information Meri-  
10 dian had concerning the location of that individual?

11 A That's correct.

12 Q In your opinion has there been a good  
13 faith and diligent effort to locate Mr. Clark?

14 A Yes, sir, that's correct.

15 Q All right.

16 MR. KELLAHIN: That concludes  
17 my examination of Mr. Alexander, Mr. Catanach.

18 We would move the introduction  
19 of Exhibits Twelve and Thirteen to this hearing.

20 MR. CATANACH: Exhibits Twelve  
21 and Thirteen will be admitted as evidence in this case.

22 And I have no further ques-  
23 tions of the witness. He may be excused.

24 Being nothing further in Case  
25 Number 9707, it will be taken under advisement.

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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 (Commission) 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. 9707, heard by me on August 23 1957.  
David R. Calvert, Examiner  
Oil Conservation Division

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

9 August 1989

EXAMINER HEARING

IN THE MATTER OF:

In the matter of cases called on this	CASES
date and continued or dismissed with-	9712
out testimony presented.	9713
	9698
	9700
	9714
	9703
	9716
	9718
	9709
	9719
	9721
	9722
	8668
	8769
	9707

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:	Robert G. Stovall
	Attorney at Law
	Legal Counsel to the Division
	State Land Office Building
	Santa Fe, New Mexico

I N D E X

1		
2		
3	CASE 9712	3
4	CASE 9713	4
5	CASE 9698	5
6	CASE 9700	6
7	CASE 9714	7
8	CASE 9703	8
9	CASE 9716	9
10	CASE 9718	10
11	CASE 9709	11
12	CASE 9719	12
13	CASE 9721	13
14	CASE 9722	14
15	CASE 8668	15
16	CASE 8769	16
17	CASE 9707	17
18		
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1 MR. STOGNER: This hearing  
2 will come to order for Docket No. 23-89. I'm Michael E.  
3 Stogner, appointed hearing officer today, August 9th, 1989.

4 I'll call the continued and  
5 dismissed cases first.

6 I'll call first Case No. 9712,  
7 which is in the matter of the hearing called by the Oil  
8 Conservation Division on its own motion to permit Tom L.  
9 Ingram, American Employers Insurance Company, and all other  
10 interested parties to appear and show cause why a certain  
11 well in San Miguel County, New Mexico, should not be pro-  
12 perly plugged and abandoned.

13 This case will be continued to  
14 the Examiner Hearing scheduled for September 6th, 1989.

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16 (Hearing concluded.)

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1 MR. STOGNER: I'll call next  
2 Case Number 9713, which is also in the matter of the  
3 hearing called by the Oil Conservation Division to permit  
4 Tom L. Ingram, American Employers Insurance Company, and  
5 all other interested parties to appear and show cause why  
6 a certain well in San Miguel County, New Mexico, should not  
7 be plugged and abandoned.

8 This case will also be con-  
9 tinued to the Examiner Hearing scheduled for September 6th.

10  
11 (Hearing concluded.)  
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1 MR. STOGNER: I'll call next  
2 Case Number 9698.

3 MR. STOVALL: Application of  
4 Yates Petroleum Corporation for an unorthodox gas well  
5 location, Chaves County, New Mexico.

6 Applicant requests this case  
7 be continued to August 23rd, 1989 docket.

8 MR. STOGNER: Case Number 9698  
9 will be so continued.

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(Hearing concluded.)

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MR. STOGNER: Call next Case  
9700.

MR. STOVALL: Application of  
Yates Petroleum Corporation for a compulsory pooling, Eddy  
County, New Mexico.

Applicant requests this case  
be continued to the August 23rd, 1989 docket.

MR. STOGNER: Case Number 9700  
will also be continued.

(Hearing concluded.)

1 MR. STOGNER: Call next Case  
2 Number 9714.

3 MR. STOVALL: Application of  
4 Union Oil Company of California for compulsory pooling, Lea  
5 County, New Mexico.

6 Applicant requests this case  
7 be continued to August 23rd.

8 MR. STOGNER: Case Number 9714  
9 will be so continued.

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(Hearing concluded.)

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1 MR. STOGNER: Call next Case  
2 Number 9703.

3 MR. STOVALL: Application of  
4 Meridian Oil, Inc., for exemption from the Natural -- New  
5 Mexico Natural Gas Pricing Act, San Juan County, New  
6 Mexico.

7 Applicant requests this case  
8 be continued to August 23rd, 1989.

9 MR. STOGNER: Case Number 9703  
10 will be continued as such.

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12 (Hearing concluded.)

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MR. STOGNER: Call next Case  
Number 9716.

MR. STOVALL: Application of  
ORYX Energy Company for an unorthodox gas well location,  
Lea County, New Mexico.

Applicant requests this case  
be dismissed.

MR. STOGNER: Case Number 9716  
will be dismissed.

(Hearing concluded.)

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MR. STOGNER: Call next Case  
Number 9718.

MR. STOVALL: Application of  
Meridian Oil, Inc., for the vertical contraction and rede-  
signation of an existing Delaware oil pool and for a new  
pool creation, Eddy County, New Mexico.

Applicant requests this case  
be continued to August 23rd, 1989.

MR. STOGNER: Case Number 9718  
will be so continued.

(Hearing concluded.)

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MR. STOGNER: Call next Case  
Number 9709.

MR. STOVALL: Application of  
Pacific Enterprises Oil Company for compulsory pooling, Lea  
County, New Mexico.

Applicant requests this case  
be dismissed.

MR. STOGNER: Case Number 9709  
is hereby dismissed.

(Hearing concluded.)

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MR. STOGNER: Call next Case  
Number 9719.

MR. STOVALL: Application of  
Mallon Oil Company for salt water disposal, Eddy County,  
New Mexico.

As advertised, this -- the  
applicant requests this case be dismissed.

MR. STOGNER: Case Number 9719  
is hereby dismissed.

(Hearing concluded.)

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MR. STOGNER: Call next Case  
Number 9721.

MR. STOVALL: Application of  
Marathon Oil Company for downhole commingling, Rio Arriba  
County, New Mexico.

Applicant requests this case  
be continued to August 23rd, 1989.

MR. STOGNER: Case Number 9721  
will be so continued.

(Hearing concluded.)

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MR. STOGNER: Call next Case  
Number 9722.

MR. STOVALL: Application of  
Marathon Oil Company for downhole commingling, Rio Arriba  
County, New Mexico.

Applicant requests this case  
be continued to August 23rd.

MR. STOGNER: Case Number 9722  
will be so continued.

(Hearing concluded.)

1 MR. STOGNER: Call next Case  
2 Number 9668.

3 MR. STOVALL: 8668?

4 MR. STOGNER: I'm sorry, 8668.

5 MR. STOVALL: In the matter of  
6 Case Number 8668 being reopened upon application of Howard  
7 Olsen to reconsider provisions of Division Order Number  
8 R-8031 regarding compulsory pooling of interests in Eddy  
9 County, New Mexico.

10 Applicant requests this case  
11 be continued to September 6th, 1989.

12 MR. STOGNER: That's Lea  
13 County.

14 MR. STOVALL: Is that Lea  
15 County? Applicant still requests this case be continued to  
16 September 6th, 1989.

17 MR. STOGNER: Case Number 8668  
18 will be continued to the Examiner Hearing scheduled for  
19 September 6th, 1989.

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21 (Hearing concluded.)

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1 MR. STOGNER: Call next Case  
2 Number 8769.

3 MR. STOVALL: Also in the  
4 matter -- this is the matter of Case 8769 being reopened  
5 upon the application of Howard Olsen to reconsider the  
6 provisions of Division Order No. R-8091, regarding the  
7 application of Doyle Hartman for compulsory pooling of  
8 certain interests in Lea County, New Mexico.

9 Applicant requests this case  
10 be continued to September 6th, 1989.

11 MR. STOGNER: Case Number 8769  
12 is hereby continued to the Examiner Hearing scheduled for  
13 September 6th, 1989.

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15 (Hearing concluded.)

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MR. STOGNER: Call next Case 9707.

MR. STOVALL: The application of Meridian Oil, Inc., for an unorthodox coal gas well location, San Juan County, New Mexico.

Applicant requests this case be continued to August 23rd, 1989.

MR. STOGNER: Case 9707 is so continued.

(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 (Commission) 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 Nos. 9712, 9713, 9718, 9700, 9714,  
heard by me on 9 August 1987. 9703, 9716, 9718,  
Michael J. Thomas, Examiner 9709, 9719, 9721,  
Oil Conservation Division 9722, 8767, 9707