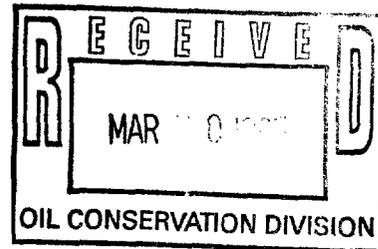


STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING )  
CALLED BY THE OIL CONSERVATION )  
DIVISION FOR THE PURPOSE OF )  
CONSIDERING: )  
APPLICATION OF AMOCO PRODUCTION )  
COMPANY )

CASE NO. 11,176



ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

March 16th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, March 16th, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, before Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

## I N D E X

March 16th, 1995  
 Examiner Hearing  
 CASE NO. 11,176

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REPORTER'S CERTIFICATE	6

\* \* \*

## 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  
 State Land Office Building  
 Santa Fe, New Mexico 87504

## FOR THE APPLICANT:

CAMPBELL, CARR, BERGE & SHERIDAN, P.A.  
 Suite 1 - 110 N. Guadalupe  
 P.O. Box 2208  
 Santa Fe, New Mexico 87504-2208  
 By: WILLIAM F. CARR

## FOR CONOCO, INC.:

KELLAHIN & KELLAHIN  
 117 N. Guadalupe  
 P.O. Box 2265  
 Santa Fe, New Mexico 87504-2265  
 By: W. THOMAS KELLAHIN

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 8:28 a.m.:

3           EXAMINER STOGNER: Call Case Number 11,176.

4           MR. CARROLL: Application of Amoco Production  
5 Company to amend Division Order Number R-10,174 to include  
6 provisions for an unorthodox surface gas well location,  
7 simultaneous dedication, and an exception to Rule 2(b) of  
8 the Special Rules governing the Blanco-Mesaverde Pool, San  
9 Juan County, New Mexico.

10          EXAMINER STOGNER: At this time I'll call for  
11 appearances.

12          MR. CARR: May it please the Examiner, my name is  
13 William F. Carr with the Santa Fe law firm Campbell, Carr,  
14 Berge and Sheridan.

15           I represent Amoco Production Company in this  
16 matter, and I have a statement to make on behalf of Amoco.

17          EXAMINER STOGNER: Are there any other  
18 appearances?

19          MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin  
20 appearing on behalf of Conoco, Inc.

21          EXAMINER STOGNER: Do you have any statements,  
22 Mr. Kellahin?

23          MR. KELLAHIN: Yes, sir, very briefly.

24          EXAMINER STOGNER: Let's see, since Amoco was the  
25 Applicant, Mr. Kellahin, I'll let you go first, if you're

1 prepared.

2 MR. KELLAHIN: Yes, sir.

3 Your case file will indicate that Conoco filed a  
4 prehearing statement and an objection to approval of this  
5 particular Application by Amoco.

6 I'm here to advise you that we have already  
7 submitted a letter to the Division withdrawing that  
8 objection.

9 Amoco and Conoco have, outside the hearing  
10 process, resolved their differences, and therefore we have  
11 withdrawn our objection to approval of the Application.

12 EXAMINER STOGNER: Thank you, Mr. Kellahin.

13 Mr. Carr?

14 MR. CARR: Mr. Stogner, as you will recall, this  
15 matter came before you in August of 1994, on the  
16 Application of Amoco for approval of a high-angle/  
17 horizontal directional drilling pilot project within the  
18 east half of Section 6, Township 30 North, Range 8 West.

19 The Application was approved by Order dated  
20 August 25, 1994, the Order bearing Number R-10,174, and  
21 that was entered in Case 10,054.

22 Following the approval of the Application, Amoco  
23 discovered that the surface location of the horizontal well  
24 had to be moved. And because of that, the case was put on  
25 the docket again bearing a new case number and advertised

1 as it is today, in a fashion that provided in the absence  
2 of objection the Application would be taken under  
3 advisement.

4 Following the re-notification of affected  
5 interest owners, Conoco contacted the Division, raised an  
6 objection, and as Mr. Kellahin has indicated, that has now  
7 been resolved.

8 And so Amoco would request that based on the  
9 prior record and the data submitted at the time the  
10 Application that led to this case was actually filed, that  
11 based on that information, you take the case under  
12 advisement.

13 EXAMINER STOGNER: Does anybody else have  
14 anything further in Case Number 11,176 at this time?

15 The matter will be taken under advisement.

16 Thank you, gentlemen.

17 (Thereupon, these proceedings were concluded at  
18 8:32 a.m.)

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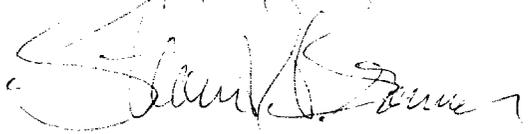
CERTIFICATE OF REPORTER

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 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.

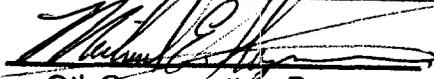
WITNESS MY HAND AND SEAL March 17th, 1995.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11126, heard by me on 16 March 1995.

  
Examiner  
Oil Conservation Division