

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:) CASE NO. 11,638
)
APPLICATION OF CITATION OIL AND GAS)
CORPORATION FOR TWO UNORTHODOX GAS)
WELL LOCATIONS AND FOR SIMULTANEOUS) ORIGINAL
DEDICATION, LEA COUNTY, NEW MEXICO)
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

August 7th, 1997

Santa Fe, New Mexico

RECEIVED
AUG 8 1997
Oil Conservation Division

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, August 7th, 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

August 7th, 1997
 Examiner Hearing
 CASE NO. 11,638

PAGE

REPORTER'S CERTIFICATE

5

* * *

E X H I B I T

Applicant's

Identified

Admitted

Exhibit 11

3

4

* * *

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
 2040 South Pacheco
 Santa Fe, New Mexico 87505

FOR THE APPLICANT:

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 10:15 a.m.:

3 EXAMINER CATANACH: At this time we'll call Case
4 11,638.

5 MR. CARROLL: Application of Citation Oil and Gas
6 Corporation for two unorthodox gas well locations and for
7 simultaneous dedication, Lea County, New Mexico.

8 EXAMINER CATANACH: Call for appearances in this
9 case.

10 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
11 the Santa Fe law firm of Kellahin and Kellahin, appearing
12 on behalf of the Applicant.

13 EXAMINER CATANACH: Call for additional
14 appearances.

15 Mr. Kellahin?

16 MR. KELLAHIN: Mr. Examiner, this case was heard
17 before you on July 10th. At that time the technical
18 presentation was made. At the conclusion of the hearing
19 you asked us to again notify all the offset operators
20 around the east half of this section, which constitutes a
21 nonstandard gas proration unit in the Eumont Gas Pool.
22 We've accomplished that.

23 I have before you my certificate of notification.
24 To the best of my knowledge, none of the parties notified
25 have entered any objection in this case. It's now ready

1 for you to take under advisement.

2 EXAMINER CATANACH: Okay, this isn't marked -- We
3 don't want to mark this as an exhibit?

4 MR. KELLAHIN: We do, Mr. Examiner, but I've lost
5 track of the last exhibit number that was introduced in
6 this case, and so it would follow in sequence to whatever
7 that last number was.

8 EXAMINER CATANACH: Okay. Well, we'll just enter
9 this as evidence and mark it appropriately when I get the
10 chance.

11 MR. KELLAHIN: Thank you, Mr. Examiner.

12 EXAMINER CATANACH: There being nothing further,
13 Case 11,638 will be taken under advisement.

14 (Thereupon, these proceedings were concluded at
15 10:16 a.m.)

16 * * *

17
18
19 I do hereby certify that the foregoing is
20 a complete record of the proceedings in
the Examiner hearing of Case No. 11638
21 heard by me on April 7 1987.
22 David R. Catanch, Examiner
Oil Conservation Division

23
24
25

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 August 8th, 1997.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998

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

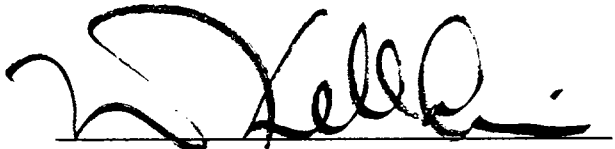
**APPLICATION OF CITATION OIL & GAS CORP.
FOR TWO UNORTHODOX GAS WELL LOCATIONS
AND FOR SIMULTANEOUS DEDICATION,
LEA COUNTY, NEW MEXICO.**

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>Citation</u>	EXHIBIT NO. <u>11</u>
CASE NO. <u>11638</u>	
CASE NO. 11638	

**CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054**

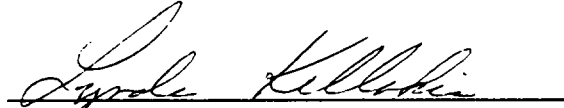
STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

W. Thomas Kellahin, being first duly sworn, hereby certifies that he is an attorney for the Applicant and responsible for notification in this matter and that the notice provisions of Division Rule 1207 (Order R-8054) have been complied with, that Applicant has caused to be conducted a good faith diligent effort to find the correct addresses of all interested parties entitled to receive notice, that on July 16, 1997, he caused to be mailed by certified mail return-receipt requested the attached notice of this hearing for August 7, 1997 and a copy of the application for the above referenced case, at least twenty days prior to the hearing of this case to the parties shown in said application and as evidenced by the attached copies of return receipt cards and/or receipts of certified mailing, and that pursuant to Division Rule 1207, notice has been given at the correct addresses provided by such rule.

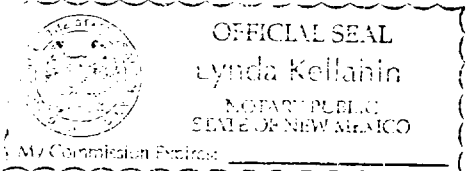


W. Thomas Kellahin

SUBSCRIBED AND SWORN to before me this 6th day of August 1997, by W. Thomas Kellahin.



Lynda Kellahin, Notary Public
My Commission Expires: June 14, 2000



KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285

TELEFAX (505) 982-2047

W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

July 16, 1997

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

TO: ALL INTERESTED PARTIES ENTITLED TO NOTICE
OF THE HEARING OF THE FOLLOWING NEW MEXICO
OIL CONSERVATION DIVISION CASE:

*Re: Application of Citation Oil & Gas Corp. for two
unorthodox gas well locations and for simultaneous
dedication, Eumont Gas Pool, Lea County, New Mexico.*

On behalf of Citation Oil & Gas Corp., please find enclosed a copy of its administrative application originally filed on September 9, 1996 with the New Mexico Oil Conservation Division and for which I previously provided you with notice. This case was placed on the Examiner's docket as NM OCD Case 11638 and heard on the July 10, 1997. It was then continued to the Examiner's docket now scheduled for August 7, 1997, in order to provide you with another opportunity to appear. The hearing will be held at the Division hearing room located at 2040 South Pacheco, Santa Fe, New Mexico.

As an offset operator who may be affected by this application, we are notifying you of your right to appear at the hearing and participate in this case, including the right to present evidence either in support of or in opposition to the application. Failure to appear at the hearing may preclude you from any involvement in this case at a later date.

Pursuant to the Division's Memorandum 2-90, you are further notified that if you desire to appear in this case, then you are requested to file a Pre-Hearing Statement with the Division not later than 4:00 PM on Friday, August 1, 1997, with a copy delivered to the undersigned.

Very truly yours,



W. Thomas Kellahin

SEN

is your RETURN ADDRESS completed on the reverse side?

On
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 COD

Con Union Oil & Gas Corp.
 Eumont Gas Pool
 August 7, 1997 7/16/97

so wi
 following services (for an
 extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

in return this
 does not
 number
 the date

4a. Article Number
 2 357 873 376

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery
 7/19

3. Article Addressed to:
 Jerry Sexton, Supervisor
 Oil Conservation Division
 P.O. Box 1980
 Hobbs, NM 88240

5. Received By: (Print Name)
 [Signature]

6. Signature: (Address or Agent)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)
 [Barcode]

102595-97-B-0179

PS Form 3811, December 1994

Domestic Return Receipt

is your RETURN ADDRESS completed on the reverse side?

- itation... Oil & Gas Corp.
 Eumont Gas Pool
 August 7, 1997 7/16/97

wish
 following services (for an
 extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

4a. Article Number
 2 357 873 378

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery
 JUL 19 1997

3. Article Addressed to:
 ARCO Permian
 P.O. Box 1610
 Midland, TX 79702
 Attn: David K. Newell

5. Received By: (Print Name)
 [Signature]

6. Signature: (Address or Agent)
 [Signature]

8. Addressee's Address (Only if requested and fee is paid)
 [Barcode]

102595-97-B-0179

PS Form 3811, December 1994

Domestic Return Receipt

SENDER:

Citation Oil & Gas Corp.
 Eumont Gas Pool
 August 7, 1997 7/16/97

3. Article Addressed to:
 Chevron U.S.A. Prod. Co.
 P.O. Box 1150
 Midland, TX 79702
 Attn: Al W. Bohling

5. Received By: *(Print Name)*
 Signature: *(Handwritten Signature)*

4a. Article Number: **2357 873 373**
 4b. Service Type: Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery: **7/16/97**

8. Addressee's Address (Only if requested and fee is paid)
 I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

PS Form **3811**, December 1994
 102595-97-B-0179 Domestic Return Receipt

Citation Oil & Gas Corp.
 Eumont Gas Pool
 August 7, 1997 7/16/97

3. Article Addressed to:
 Lewis B. Burluson Inc.
 Box 2479
 Midland, TX 79702

5. Received By: *(Print Name)*
 Signature: *(Handwritten Signature)*

4a. Article Number: **2357 873 373**
 4b. Service Type: Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery: **7/16/97**

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PS Form **3811**, December 1994
 102595-97-B-0179 Domestic Return Receipt

SENDER:

Citation Oil & Gas Corp.
 Eumont Gas Pool
 August 7, 1997 7/16/97

3. Article Addressed to:
 John H. Hendrix Corp.
 P.O. Box 3040
 Midland, TX 79701

5. Received By: *(Print Name)*
 Signature: *(Handwritten Signature)*

4a. Article Number: **2357 873 373**
 4b. Service Type: Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery: **7/16/97**

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PS Form **3811**, December 1994
 102595-97-B-0179 Domestic Return Receipt

Citation Oil & Gas Corp.
 Eumont Gas Pool
 August 7, 1997 7/16/97

3. Article Addressed to:
 Conoco, Inc.
 10 Desta Drive, Suite 100W
 Midland, TX 79705

5. Received By: *(Print Name)*
 Signature: *(Handwritten Signature)*

4a. Article Number: **2357 873 373**
 4b. Service Type: Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD
 7. Date of Delivery: **7/16/97**

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