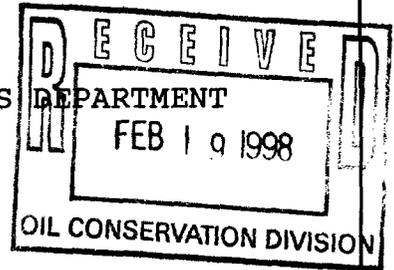


STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION



IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)
)
APPLICATION OF DUGAN PRODUCTION)
CORPORATION FOR TWO NONSTANDARD)
GAS SPACING AND PRORATION UNITS,)
RIO ARRIBA COUNTY, NEW MEXICO)
)

CASE NO. 11,899

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

February 5th, 1998

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, February 5th, 1998, 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

February 5th, 1998
Examiner Hearing
CASE NO. 11,899

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* * *

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

* * *

1 WHEREUPON, the following proceedings were had at
2 8:53 a.m.:

3 EXAMINER CATANACH: At this time I'll call Case
4 11,899.

5 MR. CARROLL: Application of Dugan Production
6 Corporation for two nonstandard gas spacing and proration
7 units, Rio Arriba County, New Mexico.

8 EXAMINER CATANACH: This case, I believe, was
9 heard on January 8th. It has been continued, I'm not sure
10 for what reason.

11 MR. KELLAHIN: Nor am I, Mr. Examiner. I'm not
12 sure it should have been on the docket. It was completed
13 in its presentation on January 8th. It's a companion case
14 with the Caulkins case that you called earlier, 11,920, and
15 both cases are ready to take under advisement.

16 EXAMINER CATANACH: Okay. Any additional
17 appearances at this time in this case?

18 There being none, Case 11,899 will be taken under
19 advisement.

20 (Thereupon, these proceedings were concluded at
21 8:54 a.m.)

22 I do hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 11899,
25 heard by me on 2/5/57 1957.

David P. Catanach, 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 February 7th, 1998.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998