

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 FASKEN LAND AND) CASE NOS. 11,877
 MINERALS, LTD., FOR COMPULSORY)
 POOLING AND AN UNORTHODOX GAS WELL)
 LOCATION, EDDY COUNTY, NEW MEXICO)
)
 APPLICATION OF REDSTONE OIL AND GAS) and 11,927
 COMPANY FOR COMPULSORY POOLING AND)
 UNORTHODOX GAS WELL LOCATION,)
 EDDY COUNTY, NEW MEXICO)
) (Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 19, 1998

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 19th, 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 19th, 1998
Examiner Hearing
CASE NOS. 11,877 and 11,927 (Consolidated)

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E X H I B I T S

Redstone	Identified	Admitted
Exhibit 14	5	6
Exhibit 15	5	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
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Santa Fe, New Mexico 87505

FOR THE APPLICANT:

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Santa Fe, New Mexico 87504-2265
By: W. THOMAS KELLAHIN

FOR REDSTONE OIL AND GAS COMPANY:

JAMES G. BRUCE, Attorney at Law
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Santa Fe, New Mexico 87501
P.O. Box 1056
Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at
2 9:05 a.m.:

3 EXAMINER STOGNER: Because I'm not too sure of
4 where we're at on this, I'm going to call Case 11,877.

5 MR. CARROLL: Application of Fasken Land and
6 Minerals, Ltd., for compulsory pooling and an unorthodox
7 gas well location, Eddy County, New Mexico.

8 EXAMINER STOGNER: Would somebody bring me up to
9 date on this matter?

10 MR. KELLAHIN: Yes, Mr. Examiner.

11 I'm Tom Kellahin of the Santa Fe law firm of
12 Kellahin and Kellahin.

13 The Fasken case, as well as the Redstone pooling
14 case that's shown later in the docket, were heard by
15 Examiner Catanach at the last hearing on -- What was that?
16 February 5th?

17 EXAMINER STOGNER: -- for evidentiary purposes.
18 Mr. Catanach allowed Redstone and Fasken to proceed with
19 the presentation of both of those cases.

20 The Redstone case is on the docket today for
21 advertisement purposes only.

22 The Fasken case is on the docket today but needs
23 to be continued to the March 5th docket, because subsequent
24 to the hearing Fasken amended its application to include an
25 alternative orientation for the spacing unit. And so it's

1 been readvertised for the 5th.

2 But in terms of evidence, we had the presentation
3 of the witnesses on February 5th.

4 EXAMINER STOGNER: Mr. Bruce?

5 MR. BRUCE: I agree with Mr. Kellahin, and if you
6 could call the Redstone case at this time, I have a couple
7 of affidavits to introduce, and we can get that case out of
8 the way also.

9 EXAMINER STOGNER: If there's no objection, then
10 at this time I'll call Case Number 11,927.

11 MR. KELLAHIN: No objection, same appearances,
12 Mr. Examiner.

13 EXAMINER STOGNER: Okay.

14 MR. CARROLL: Application of Redstone Oil and Gas
15 Company for compulsory pooling and unorthodox gas well
16 location, Eddy County, New Mexico.

17 EXAMINER STOGNER: Mr. Bruce?

18 MR. BRUCE: Mr. Examiner, as Mr. Kellahin stated,
19 the testimony was presented in this case, and I have for
20 submission today an affidavit regarding notice and an
21 affidavit from my landman, marked Exhibits 14 and 15,
22 which -- The affidavit of the landman simply shows that he
23 sent out a notice -- or a proposal letter to the interest
24 owners involved.

25 I would note also that Mr. Kellahin, on behalf of

1 Fasken Land and Minerals, has filed a Motion to Dismiss,
2 which I have not had a chance to respond to, and I believe
3 once I respond to it we should probably argue that in front
4 of Mr. Catanach.

5 MR. KELLAHIN: Procedurally, Mr. Stogner, Mr.
6 Bruce is right, there is a Motion to Dismiss the Redstone
7 Application. I would recommend to you that we keep these
8 all before Mr. Catanach.

9 I also have some affidavits to submit, which we
10 will do so prior to the February 5th hearing. Mr. Bruce
11 and I will coordinate with Mr. Carroll and Mr. Catanach how
12 to complete these two cases.

13 MR. BRUCE: I move the admission of the Exhibits
14 14 and 15, Mr. Examiner.

15 MR. KELLAHIN: I have no objection.

16 EXAMINER STOGNER: Exhibits 14 and 15 will be
17 admitted into evidence and made part of the record of Case
18 11,927.

19 Is there anything further by either party at this
20 particular time?

21 MR. BRUCE: No, sir.

22 EXAMINER STOGNER: Okay, I'm going to defer the
23 Motion to Dismiss the Redstone case filed by Fasken to
24 March 5th, at which time Case Number 11,927 will be
25 continued to March 5th, as will Case Number 11,877, which I

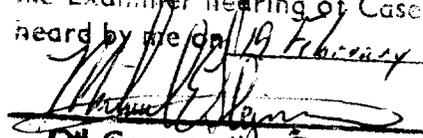
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understand has been readvertised and continued for March 5th.

If there's nothing further in either of those cases, we'll be prepared to move along to the second page.

(Thereupon, these proceedings were concluded at 9:10 a.m.)

* * *

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case Nos. 11877# 11927 heard by me on 19 February 1998.

Michael T. Nelson, 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 20th, 1998.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998