

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. 12,709

APPLICATION OF MELROSE OPERATING)
COMPANY TO EXPAND ITS ARTESIA UNIT)
WATERFLOOD PROJECT AND AMEND DIVISION)
ADMINISTRATIVE ORDER WFX-768,)
EDDY COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

September 20th, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, September 20th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

01 OCT -4 AM 10:11

OCT -4 2001

I N D E X

September 20th, 2001
Examiner Hearing
CASE NO. 12,709

PAGE

REPORTER'S CERTIFICATE

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

DAVID BROOKS
Attorney at Law
Energy, Minerals and Natural Resources Department
Assistant General Counsel
1220 South St. Francis Drive
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 2:20 p.m.:

3 EXAMINER STOGNER: Call Case Number 12,709, which
4 is the Application of Melrose Operating Company to expand
5 its Artesia Unit waterflood project and to amend Division
6 Administrative Order WFX-768, Eddy County, New Mexico.

7 Call for appearances.

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

11 EXAMINER STOGNER: I understand this case was
12 heard on what, September the 6th, by David Catanach?

13 MR. KELLAHIN: That's correct, Mr. Examiner.

14 EXAMINER STOGNER: And what was the reason that
15 it's on the docket today?

16 MR. KELLAHIN: After the original Application was
17 filed and the affected parties entitled to notice within
18 the half-mile area of review for the various injection
19 wells was filed, we discovered there was an omission of
20 three parties entitled to notice.

21 So we presented the case to Mr. Catanach, we sent
22 notices to the additional three parties, and that period
23 for them to object has now expired, and we've asked you
24 this afternoon to take the case under advisement and return
25 it to Mr. Catanach for a decision.

1 EXAMINER STOGNER: Are there any other
2 appearances in this matter? Then Melrose's Case Number
3 12,709 will be taken under advisement.

4 (Thereupon, these proceedings were concluded at
5 2:22 p.m.)

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* * *
Melrose's Case Number 12709
taken under advisement
20 September 2001

[Signature]

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 September 23rd, 2001.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002