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 DUGAN PRODUCTION CORPORATION FOR AMENDMENT OF DIVISION ORDER NUMBER R-11,185, SANDOVAL AND SAN JUAN COUNTIES, NEW MEXICO CASE NO. 12,936

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ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

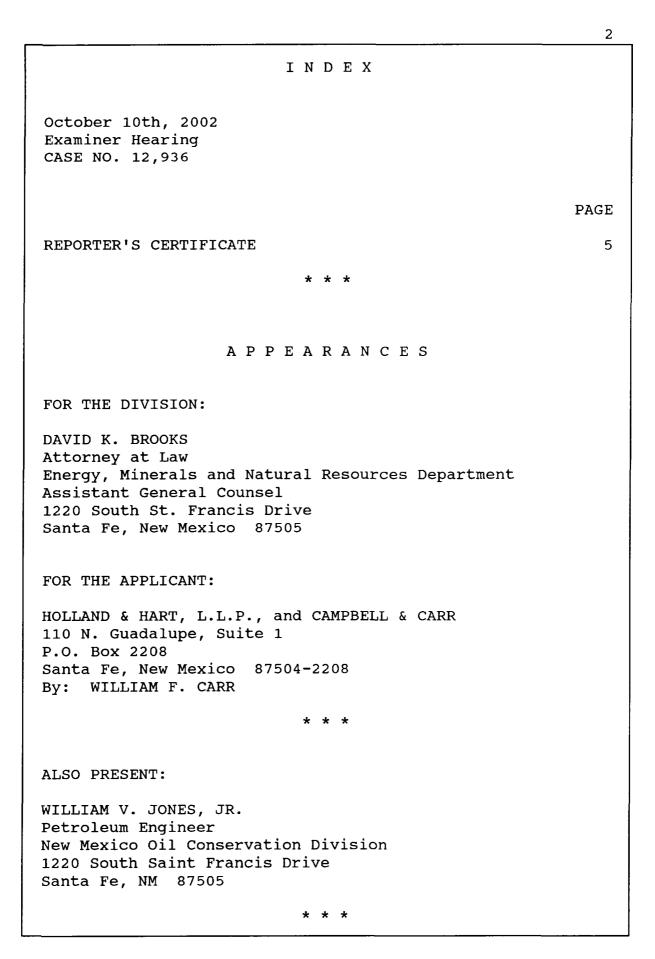
BEFORE: DAVID R. CATANACH, Hearing Examiner

October 10th, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, October 10th, 2002, 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.

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STEVEN T. BRENNER, CCR (505) 989-9317

1	WHEREUPON, the following proceedings were had at
2	8:23 a.m.:
3	EXAMINER CATANACH: At this time I'll call Case
4	12,936, the Application of Dugan Production Corporation for
5	amendment of Division Order Number R-11,185, Sandoval and
6	San Juan Counties, New Mexico.
7	Call for appearances in this case.
8	MR. CARR: May it please the Examiner, my name is
9	William F. Carr with the Santa Fe office of Holland and
10	Hart, L.L.P. We represent Dugan Production Corporation in
11	this matter.
12	As you will note, this case involves surface
13	commingling of production from certain Gallup pools in the
14	South Lybrook Gathering System operated by Questar. Notice
15	has been provided of this to Questar, they do not object,
16	and the case has been filed and styled in the absence of
17	objection it will be taken under advisement.
18	We're unaware of any objection and would request
19	that the Application be considered on the materials filed
20	with the Application, I believe, on August the 7th.
21	EXAMINER CATANACH: Okay, any other appearances
22	in this case?
23	Okay, just for the record, Mr. Carr, I did
24	receive a letter from Questar stating that they have no
25	objection to Dugan's Application in this case and recommend

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approval of the Application. With that, do you have anything further? MR. CARR: Nothing further. EXAMINER CATANACH: There being nothing further, Case Number 12,936 will be taken under advisement. (Thereupon, these proceedings were concluded at 8:25 a.m.) * * I do hereby certify that the foregoing is a complete record of the proveedings in the Exclusion bog pry of Case No. 296. heard by me ca ther 10 , Examiner Oil Conservation Division

STEVEN T. BRENNER, CCR (505) 989-9317

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 October 10th, 2002.

STEVEN T. BRENNER CCR No. 7

My commission expires: October 14, 2002