

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

12 April 1989

EXAMINER HEARING

IN THE MATTER OF:

In the matter of cases called on this
date and continued or dismissed with-
out testimony presented.

CASES
9643
9645
9636
9637
9648
9649
9572
9573

Transcript in
Case 9643
BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

Robert G. Stovall
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BUILDING
5 SANTA FE, NEW MEXICO

6 26 April 1989

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Meridian Oil, Inc. to CASE
10 amend Division Order R-8868, Rio 9648
11 Arriba County, New Mexico.

12 BEFORE: David R. Catanach, Examiner

13 TRANSCRIPT OF HEARING

14 A P P E A R A N C E S

15 For the Division: Robert G. Stovall
16 Attorney at Law
17 Legal Counsel to the Division
18 State Land Office Building
19 Santa Fe, New Mexico

20 For Meridian Oil, Inc.: W. Thomas Kellahin
21 Attorney at Law
22 KELLAHIN, KELLAHIN & AUBREY
23 P. O. Box 2265
24 Santa Fe, New Mexico 87504
25

1 MR. CATANACH: At this time
2 we'll call Case 9648.

3 MR. STOVALL: Application of
4 Meridian Oil, Inc., to amend Division Order No. R-8868, Rio
5 Arriba County, New Mexico.

6 MR. CATANACH: Are there ap-
7 pearances in this case?

8 MR. KELLAHIN: Mr. Examiner,
9 my name is Tom Kellahin. I'm with the Santa Fe law firm of
10 Kellahin, Kellahin & Aubrey. I am appearing on behalf of
11 the applicant.

12 MR. CATANACH: Any other ap-
13 pearances?

14 You may proceed, Mr. Kellahin.

15 MR. KELLAHIN: Mr. Examiner, I
16 have marked what is identified as a certificate of mailing,
17 Exhibit Number One. I believe Mr. Stovall has the original
18 and here's an additional copy.

19 The certificate shows that we
20 have caused notice of this application to be sent to North-
21 west Pipeline at two different locations. They were the
22 party to be pooled by this application and the order enter-
23 ed, which was R-8868.

24 The purpose of our request
25 today is to complete our efforts to correctly identify the

1 nonstandard proration unit that will be utilized for this
2 Fruitland Coal Gas Well and to have that included in the
3 compulsory pooling order.

4 If you'll turn beyond the
5 certificate, the copies of the return receipts, and our
6 cover letter setting forth this application, you'll find my
7 application in which I have narrated for you the sequences
8 of circumstances that brings us here today.

9 Briefly, what we would like
10 you to do is to reopen this case, re-examine the tran-
11 script that we have developed and presented before Examiner
12 Lyon on January 18th, as well as February 1st.

13 In that hearing process both
14 through the witness' testimony and my request, we sought to
15 amend the original application so that we could convert
16 what was a 115-acre nonstandard Fruitland sandstone gas
17 spacing unit to a 230.24-acre Fruitland coal gas nonstand-
18 ard spacing unit, as described in that hearing as well was
19 this application.

20 The unorthodox location for
21 that well remains unchanged regardless of what nonstandard
22 unit is approved.

23 When the order was issued on
24 February 23rd as Order R-8868, which is appended to this
25 Exhibit Number One, all things are correct in that order

1 except in the final ordering paragraph number one on page
2 2. We inadvertently has issued an order that approved the
3 115-acre nonstandard Fruitland sandstone gas well spacing
4 unit and that serves us no purpose.

5 So we filed this application,
6 renotified all parties that might have a potential inter-
7 est. Obviously, none of them are here to object. We would
8 like to incorporate the record from the prior case, so that
9 you'll have that as a basis to re-issue then either a cor-
10 rective order, a new order, a supplemental order, a nunc
11 pro tunc, we're not interested in the form, it's the sub-
12 stance, and that only substantive change, then, is to give
13 us the correct nonstandard proration unit, which is de-
14 scribed in the docket.

15 MR. STOVALL: Just a couple
16 questions on this just to make sure I understand what went
17 on.

18 If I understand from your
19 application, Mr. Kellahin, what you -- the original appli-
20 cation did ask for the 115.04 acre sand -- sand nonstandard
21 units, is that correct?

22 MR. KELLAHIN: That's correct.

23 MR. STOVALL: And was it ad-
24 vertised? The Case 9550, was it advertised for the 150 --
25 115-acre sand unit, or was it correctly advertised -- was

1 it advertised for the 200-and-whatever-acre coal unit?

2 Do you remember from that case?

3 MR. KELLAHIN: It was origi-
4 nally filed and heard on January 18th with the 115 acres.

5 By the February 1st docket it
6 had been corrected. The subsequent order, however, failed
7 to be corrected, so my recollection is we have already gone
8 through the process of amending the original application
9 and the original docket, so by February 1st docket, if my
10 memory serves me correct, that docket should show a re-
11 quest for the 230 acres.

12 MR. STOVALL: And all of the
13 testimony was for the 230-acre coal unit.

14 MR. KELLAHIN: Yes, sir.

15 MR. STOVALL: And you indi-
16 cated there's a forced pooling, that was a separate case,
17 is that correct.

18 MR. KELLAHIN: It was part of
19 the same case, same order.

20 MR. STOVALL: The forced
21 pooling?

22 MR. KELLAHIN: Separate orders
23 but -- no, I'm sorry, I misspoke. It's not compulsory
24 pooling, if you will, it's the unorthodox location non-
25 standard unit.

1 MR. STOVALL: Okay, the ori-
2 ginal pool and nobody was force pooled into this unit.

3 MR. KELLAHIN: No, sir, that
4 was the other case we did awhile ago. I misspoke.

5 MR. STOVALL: Okay, that was
6 throwing me off a little bit because it had me concerned.
7 Very good. So you believe it would be appropriate then to
8 rescind this order and re-issue it correct -- I mean this
9 order has no --

10 MR. KELLAHIN: It's obviously
11 wrong and I don't know the procedure you propose to uti-
12 lize. A supplemental order, an 8868-A simply deleting the
13 error and substituting in the correct proration unit I
14 think is what we more customarily do rather than trying to
15 withdraw this order. We just issue an 8868-A, but it's
16 your choice.

17 MR. STOVALL: Well, I think I
18 -- you had me a little thrown off there with the forced
19 pooling, so I --

20 MR. KELLAHIN: I misspoke.
21 That was Mr. Smith's case that we just heard and I hadn't
22 shifted gears out of that one.

23 MR. STOVALL: Okay, I have
24 nothing further in this.

25 MR. CATANACH: I have nothing

1 further.

2 Case 96048 will be taken under
3 advisement.

4
5 (Hearing concluded.)
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division (Commission) was reported by me;
that the said transcript is a full, true and correct record
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 9618,
heard by me on April 26 1988.
David R. Citanach, Examiner
Oil Conservation Division