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

EXAMINER HEARING

IN THE MATTER OF:

Continued and Dismissed Cases

Case No. 9961,	Case No. 10029,	Case No. 10030,	Case No. 10039
Case No. 10031,	Case No. 10036,	Case No. 10037,	Case No. 10040
Case No. 10038,	Case No. 10017,	Case No. 10019,	Case No. 8350
Case No. 10020,	Case No. 10021,	Case No. 10022,	Case No. 10024
Case No. 10025,	Case No. 10008,	Case No. 10043,	Case No. 10044
Case No. 9997,	Case No. 9995	Case No. 10045,	Case No. 10046
			Case No. 10047

TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

August 8, 1990

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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 Building  
Santa Fe, New Mexico 87501

FOR THE APPLICANT:  
Cases 10038, 9997,  
10021

W. THOMAS KELLAHIN  
Kellahin, Kellahin & Aubrey  
Post Office Box 2265  
Santa Fe, New Mexico 87504

## 1 P R O C E E D I N G S

2 HEARING EXAMINER: This hearing will come to order  
3 for Docket No. 2290. Today's date August 8, 1990. I am  
4 Michael E. Stogner, appointed hearing officer for today's  
5 cases. Before we get started today I'll go through the  
6 continued and dismissed cases.

7 Call first Case No. 9961.

8 MR. STOVALL: Application of Mewbourne Oil Company  
9 for compulsory pooling, Eddy County, New Mexico. Applicant  
10 requests this case be dismissed.

11 HEARING EXAMINER: Case No. 9961 will be dismissed.

12 \* \* \* \* \*

13 HEARING EXAMINER: Call next case, No. 10029.

14 MR. STOVALL: Application of Giant Exploration and  
15 Production Company for compulsory pooling, San Juan County, New  
16 Mexico. Applicant requests this case be dismissed.

17 HEARING EXAMINER: Case No. 10029 will be dismissed.

18 \* \* \* \* \*

19 HEARING EXAMINER: Call next case, No. 10030.

20 MR. STOVALL: Application Nearburg Producing Company  
21 for an unorthodox gas well location, Eddy County, New Mexico.  
22 Applicant requests this case be dismissed.

23 HEARING EXAMINER: Call next case -- I am sorry,  
24 case No. 10030 will be dismissed.

25 \* \* \* \* \*

1 HEARING EXAMINER: Call next case, No. 10031.

2 MR. STOVALL: Application of Nearburg Producing  
3 Company for a non-standard oil proration unit, Eddy County, New  
4 Mexico. Applicant requests this case be continued to August  
5 22nd, 1990.

6 HEARING EXAMINER: Case No. 10031 will be continued  
7 to the examiner's hearing scheduled for August 22nd, 1990.

8 \* \* \* \* \*

9 HEARING EXAMINER: Next page, call next case,  
10 No. 10036.

11 MR. STOVALL: Application of Texaco, Inc. for  
12 amendment of Division Order No. R-8170 to establish a minimum  
13 gas allowable for the Eumont Gas Pool, Lea County, New Mexico.  
14 Applicant requests this case be continued to September 5th,  
15 1990.

16 HEARING EXAMINER: Case No. 10036 will be continued  
17 to examiner's hearing scheduled for September 5, 1990.

18 \* \* \* \* \*

19 HEARING EXAMINER: Call next case, No. 10037.

20 MR. STOVALL: Application of BTA Oil Producers for  
21 salt water disposal Lea County, New Mexico. Applicant requests  
22 this case be dismissed.

23 HEARING EXAMINER: Case No. 10037 will be dismissed.

24 \* \* \* \* \*

25 HEARING EXAMINER: Call next case, No. 10038.

1 MR. STOVALL: Application of Nassau Resources, Inc.  
2 for infill drilling in the Basin-Fruitland Coal Gas Pool on its  
3 Carracas Canyon Unit, Rio Arriba County, New Mexico. I believe  
4 Mr. Kellahin would like to enter an appearance.

5 HEARING EXAMINER: Mr. Kellahin.

6 MR. KELLAHIN: Mr. Examiner, I represent the  
7 applicant in this case. And on behalf of the applicant we'd  
8 request this case be continued to the hearing on August 22nd.

9 HEARING EXAMINER: Thank you, Mr. Kellahin. Case  
10 No. 10038 will be so continued to examiner's hearing scheduled  
11 for August 22nd, 1990.

12 \* \* \* \* \*

13 HEARING EXAMINER: Call next case, No. 10017.

14 MR. STOVALL: Application of Meridian Oil, Inc. for  
15 unorthodox coal gas well location, San Juan County, New Mexico.  
16 Applicant requests this case be dismissed.

17 HEARING EXAMINER: Case No. 10017 will be dismissed.

18 \* \* \* \* \*

19 HEARING EXAMINER: Call next case, No. 10019.

20 MR. STOVALL: Application of Meridian Oil, Inc. for  
21 an unorthodox coal gas well location, San Juan County, New  
22 Mexico. Applicants request this case be dismissed.

23 HEARING EXAMINER: Case number 10019 will be  
24 dismissed.

25 \* \* \* \* \*

1 HEARING EXAMINER: Call next case, No. 10020.

2 MR. STOVALL: Application of Meridian Oil, Inc. for  
3 unorthodox coal gas well location, San Juan County, New Mexico.  
4 Applicants request this case be dismissed.

5 HEARING EXAMINER: Case No. 10020 will be dismissed.

6 \* \* \* \* \*

7 HEARING EXAMINER: Call next case, No. 10021.

8 MR. STOVALL: Application of Meridian Oil, Inc. for  
9 unorthodox coal gas well location, San Juan County, New Mexico.  
10 This case is required to be readvertised and continued to  
11 August 22nd, 1990.

12 HEARING EXAMINER: Case No. 10021 will be continued  
13 and readvertised for the examiner's hearing scheduled for  
14 August 22nd, 1990.

15 \* \* \* \* \*

16 HEARING EXAMINER: Call next case, No. 10022.

17 MR. STOVALL: Application of Meridian Oil, Inc. for  
18 an unorthodox coal gas well location, San Juan County, New  
19 Mexico. Applicant requests this case be dismissed.

20 HEARING EXAMINER: Case No. 10022 will be dismissed.

21 \* \* \* \* \*

22 HEARING EXAMINER: I'll call next case, No. 10039.

23 MR. STOVALL: Application of Meridian Oil, Inc. for  
24 an unorthodox coal gas well location, Rio Arriba County, New  
25 Mexico. Applicant requests this case be continued to September

1 5, 1990.

2 HEARING EXAMINER: Case No. 10039 will be continued  
3 to the examiner's hearing scheduled for September 5th, 1990.

4 \* \* \* \* \*

5 HEARING EXAMINER: Call next case, No. 10040.

6 MR. STOVALL: Application of Meridian Oil, Inc. for  
7 an unorthodox coal gas well location, Rio Arriba County, New  
8 Mexico. Applicants request this case be continued to September  
9 5th, 1990.

10 HEARING EXAMINER: Case No. 10040 will be so  
11 continued.

12 \* \* \* \* \*

13 HEARING EXAMINER: Call next case, which is reopen  
14 Case No. 8350.

15 MR. STOVALL: In the matter of Case 8350 being  
16 reopened pursuant to the provisions of Commission Order No.  
17 R-7745, which order promulgated temporary special rules and  
18 regulations for the Gavilan Greenhorn-Graneros-Dakota Oil Pool  
19 in Rio Arriba County, including a provision for 320-acre  
20 spacing units. This case is requested to be continued to  
21 August 22nd, 1990.

22 HEARING EXAMINER: Said Case No. 8350, which is  
23 reopened, will be continued to examiner's hearing scheduled for  
24 August 22nd, 1990.

25 \* \* \* \* \*

1 HEARING EXAMINER: I'll call next cases, 10043  
2 through 10047.

3 MR. STOVALL: 10043 -- each of these cases is an  
4 application of D. J. Simmons Company for compulsory pooling in  
5 San Juan County, New Mexico. And the applicant has requested  
6 that each of these cases be continued to August 22nd, 1990.

7 HEARING EXAMINER: Each of these cases will be  
8 continued to the examiner's hearing scheduled for August 22nd,  
9 1990.

10 \* \* \* \* \*

11 HEARING EXAMINER: On the fifth page, I'll call next  
12 case, No. 10024.

13 MR. STOVALL: Application of Meridian Oil, Inc. for  
14 unorthodox coal gas well location San Juan County, New Mexico.  
15 Applicant requests this case be dismissed.

16 HEARING EXAMINER: Case No. 10024 will be dismissed.

17 \* \* \* \* \*

18 HEARING EXAMINER: Call next case, No. 10025.

19 MR. STOVALL: Application of McKenzie Methane  
20 Corporation for an unorthodox coal gas well location, San Juan  
21 County, New Mexico. Applicant requests this case be dismissed.

22 HEARING EXAMINER: Case No. 10025 will be dismissed.

23 \* \* \* \* \*

24 HEARING EXAMINER: Call next case, No. 10008.

25 MR. STOVALL: Application of Doyle Hartman for a



1 non-standard gas proration unit, compulsory pooling, and an  
2 unorthodox gas well location, Lea County, New Mexico.  
3 Applicant requests this case be continued to September 5, 1990.

4 HEARING EXAMINER: Case No. 10008 will be so  
5 continued. The next thing we will --

6 MR. KELLAHIN: Mr. Examiner, I have one further case  
7 to continue.

8 HEARING EXAMINER: Yes, Mr. Kellahin.

9 MR. KELLAHIN: Turn back to page number two, it's  
10 the TXO case, 9997.

11 HEARING EXAMINER: Case No. 9997. Yes, sir.

12 MR. KELLAHIN: I represent the Applicant in that  
13 case. And on behalf of the Applicant we request it be  
14 continued to August 22nd.

15 HEARING EXAMINER: Thank you, Mr. Kellahin. Said  
16 Case No. 9997 be continued to the examiner's hearing scheduled  
17 for August 22nd, 1990.

18 \* \* \* \* \*

19 MR. KELLAHIN: May I ask a point of clarification on  
20 one of the Meridian cases, the one that had to be readvertised?

21 HEARING EXAMINER: Yes, sir. What's that case  
22 number?

23 MR. KELLAHIN: Case 10021.

24 HEARING EXAMINER: 10021. Okay.

25 MR. KELLAHIN: I represent the Applicant in that

1 case. Mr. Bruce represented the opponent and has withdrawn his  
2 opposition. And we were proposing to have the case dismissed  
3 and returned to the examiner for administrative processing.

4 HEARING EXAMINER: Yes, Mr. Kellahin.

5 MR. KELLAHIN: Is that something we can accomplish  
6 without readvertising it for a hearing?

7 HEARING EXAMINER: Mr. Kellahin, I was in receipt,  
8 and you'll be getting a correspondence from me concerning that.  
9 I do not have it with me. Evidently it has not been typed  
10 today. I am referring back to a correspondence to you from me  
11 on July 20, 1990 in response to your letter of July 19, 1990,  
12 wishing it to be readvertised from the south half east half  
13 dedication. That was done pursuant to our correspondence  
14 yesterday. And in light of that you will be getting a  
15 correspondence from me requesting some additional information  
16 for the administrative application which it can still be done  
17 administratively. But because the administrative application  
18 was for the lay down south half south half and you wish to  
19 reorient the east half there was some additional notification  
20 that needed to be done for the administrative application.

21 MR. KELLAHIN: Is the intent then to readvertise it  
22 on this docket to satisfy the change for the proration unit in  
23 order to return it for administrative processing?

24 HEARING EXAMINER: No, sir, Mr. Kellahin. The  
25 process has already been done. Advertisements have been sent

1 out for the 22nd. It's already on the docket. But it's our  
2 intention to dismiss it at that time.

3 MR. KELLAHIN: Thank you.

4 HEARING EXAMINER: If there is no additional  
5 problems with the admitted administrative application which I  
6 requested from Meridian. You should be getting that letter  
7 today. In fact after -- at some recess we'll get with my  
8 secretary.

9 MR. KELLAHIN: That clarifies what was happening. I  
10 appreciate it. Thank you.

11 HEARING EXAMINER: I apologize for yesterday. By  
12 the time we got around to that it was a little late.

13 MR. KELLAHIN: That's all right.

14 \* \* \* \* \*

15 HEARING EXAMINER: Okay. Call next case, No. 9995.

16 MR. STOVALL: Application of Sendero Petroleum, Inc.  
17 for compulsory pooling, Eddy County, New Mexico.

18 HEARING EXAMINER: At the Applicant's request,  
19 Mr. Stovall, this case is going to be continued to the  
20 examiner's hearing scheduled for August 22nd, 1990.

21 \* \* \* \* \*  
22 I do hereby certify that the foregoing is  
23 a complete record of the proceedings in  
the Examiner hearing of Case No. 10020  
heard by me on 8 August 1990.

24 Michael E. Stovall, Examiner  
25 Oil Conservation Division

## 1 CERTIFICATE OF REPORTER

2

3 STATE OF NEW MEXICO )  
4 COUNTY OF SANTA FE ) ss.

5

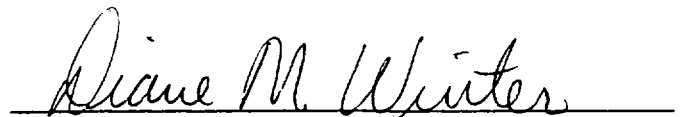
6 I, Diane M. Winter, Certified Shorthand Reporter and  
7 Notary Public, HEREBY CERTIFY that the foregoing transcript of  
8 proceedings before the Oil Conservation Division was reported  
9 by me; that I caused my notes to be transcribed under my  
10 personal supervision; and that the foregoing is a true and  
11 accurate record of the proceedings.

12 I FURTHER CERTIFY that I am not a relative or  
13 employee of any of the parties or attorneys involved in this  
14 matter and that I have no personal interest in the final  
15 disposition of this matter.

16 WITNESS MY HAND AND SEAL August 20, 1990.

17

18



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DIANE M. WINTER  
CSR No. 414

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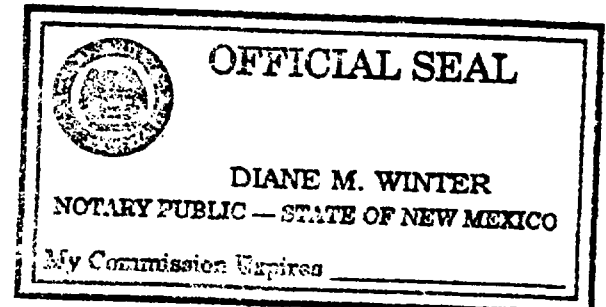
22

My commission expires: December 21, 1993

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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. 10020  
ORDER NO. R-9262

APPLICATION OF MERIDIAN OIL, INC.  
FOR AN UNORTHODOX COAL GAS WELL  
LOCATION, SAN JUAN COUNTY, NEW MEXICO

ORDER OF THE DIVISION

BY THE DIVISION:

This cause came on for hearing at 8:15 a.m. on August 8, 1990, at Santa Fe, New Mexico, before Examiner Michael E. Stogner.

NOW, on this 20th day of August, 1990, the Division Director, having considered the record and the recommendations of the Examiner, and being fully advised in the premises,

FINDS THAT:


The applicant's request for dismissal should be granted.

IT IS THEREFORE ORDERED THAT:

Case No. 10020 is hereby dismissed.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

  
WILLIAM J. LEMAY  
Director

