STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 1 OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING 2 SANTA FE, NEW MEXICO 3 12 April 1989 4 5 EXAMINER HEARING 6 7 IN THE MATTER OF: 8 In the matter of cases called on this CASES date and continued or dismissed with-9643 9 out testimony presented. 9645 (9636) 10 9937 Transcript in Case 9643 9648 11 9**6**49 9572 12 9573 13 BEFORE: Michael E. Stogner, Examiner 14 15 TRANSCRIPT OF HEARING 16 17 APPEARANCES 18 19 For the Division: Robert G. Stovall Attorney at Law 20 Legal Counsel to the Division State Land Office Bldg. 21 Santa Fe, New Mexico 22 23 24 25

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING SANTA FE, NEW MEXICO No. March 1989 EXAMINER HEARING IN THE MATTER OF: In the matter of cases called on this CASES date and continued or dismissed with-out testimony presented. (9636) BEFORE: David R. Catanach, Examiner TRANSCRIPT OF HEARING APPEARANCES For the Division: ì

STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 1 OIL CONSERVATION DIVISION STATE LAND OFFICE BUILDING 2 SANTA FE, NEW MEXICO 3 26 April 1989 4 5 EXAMINER HEARING 6 7 IN THE MATTER OF: 8 Application of Grand Resources, Inc. for CASE statutory unitization, San Juan County, 9636 9 New Mexico. 10 11 BEFORE: David R. Catanach, Examiner 12 13 14 TRANSCRIPT OF HEARING 15 APPEARANCES 16 17 For the Division: Robert G. Stovall Attorney at Law 18 Legal Counsel to the Division State Land Office Building 19 Santa Fe, New Mexico 20 For Grand Resources, Inc.: William F. Carr Attorney at Law 21 CAMPBELL and BLACK, P. A. P. O. Box 2208 22 Santa Fe, New Mexico 87501 23 For Dugan Production W. Thomas Kellahin Attorney at Law Company: 24 KELLAHIN, KELLAHIN & AUBREY P. O. Box 2265 25 Santa Fe, New Mexico 87504

2 1 MR. CATANACH: At this time 2 we'll call Case Number 9636. 3 STOVALL: Application of MR. 4 Grand Resources, Inc., for statutory unitization, San Juan 5 County, New Mexico. 6 MR. CATANACH: Are there ap-7 pearances in this case? 8 MR. CARR: May it please the 9 Examiner, my name is William F. Carr with the law firm 10 Campbell & Black, P. A., of Santa Fe. We represent Grand 11 Resources, Inc. 12 By adjusting the unit boundary 13 and also by negotiating with other interest owners in this 14 area, Grand has been able to reach voluntary agreement for 15 the formation of the Mesa Gallup Unit with all working in-16 terest owners and has discussed the unit in review with the 17 Navajo Tribe and they are the only royalty interest owner 18 and we believe they will also voluntarily commit their in-19 terest. 20 For that reason we would move 21 to dismiss Case 9636, which is our application for statu-22 tory unitization. 23 With your permission, Mr. Exa-24 miner, we will go forward and present our application for a 25 waterflood project, which is the following case.

3 1 In the course of presenting 2 that testimony we will also respond to certain questions 3 which are appropriate in that case for a voluntary unit. 4 Today we are filing an application for a voluntary unit. 5 A month from today, or four weeks from today, we will ask 6 that the record in this case be incorporated into that 7 proceeding, so at that time an order can be entered both as 8 to the unit and as to the waterflood project. 9 MR. CATANACH: Any objection 10 to that? 11 MR. STOVALL: Any other ap-12 pearances first. 13 MR. CATANACH: Any other ap-14 pearances in this case? 15 MR. KELLAHIN: Mr. Examiner, 16 I'm Tom Kellahin of the Santa Fe law firm of Kellahin, Kel-17 lahin & Aubrey, appearing today on behalf of Dugan Petro-18 leum Corporation. 19 We have no objection to Mr. 20 Carr's suggestion. 21 MR. CATANACH: Any other ap-22 pearances? 23 At Mr. Carr's request Case 24 9636 will be dismissed at this time. 25 (Hearing concluded.)

CERTIFICATE 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. Jaely W. Boyd <u>'SR</u> I do hereby certify that the foregoing is a complete record of the proceedings in the Exan iner hearing of Case No. 9636 heard by me on April 26 19 89 Examiner Oil Conservation Division