

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. 11,616

APPLICATION OF MANZANO OIL CORPORATION)
 FOR COMPULSORY POOLING AND UNORTHODOX)
 WELL LOCATION, LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

November 7th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, November 7th, 1996, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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I N D E X

November 7th, 1996
Examiner Hearing
CASE NO. 11,616

PAGE

REPORTER'S CERTIFICATE

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A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 11:01 a.m.:

3 EXAMINER STOGNER: At this time I'll call Case
4 Number 11,616.

5 MR. CARR: May it please the Examiner, my name is
6 William F. Carr with the Santa Fe law firm Campbell, Carr,
7 Berge and Sheridan.

8 We represent Manzano Oil Corporation in this
9 matter.

10 As the Examiner is aware, this Application was
11 originally filed on August 27th of this year, and in that
12 case we were seeking an order pooling in the Strawn and
13 Wolfcamp formations the southwest quarter of the northeast
14 quarter of Section 11, Township 16 South, Range 36 East,
15 Lea County, New Mexico.

16 We propose to dedicate this pooled unit to the
17 Double Eagle Well Number 1, to be drilled at an unorthodox
18 location, 1500 feet from the north line and 2250 feet from
19 the east line of said Section 11.

20 Notice was given, and the case came on for
21 hearing on September the 26th, 1996.

22 Following the hearing, Manzano was advised that
23 this proposed 40-acre unit was within one mile of the
24 Northeast Lovington-Pennsylvanian Pool. That was developed
25 on special pool rules that provided for 80-acre spacing in

1 the Strawn. We met with the Division and subsequent to
2 that meeting have amended the Application to pool the south
3 half of the northeast quarter of Section 11. We have
4 renotified all interest owners to be pooled.

5 The additional acreage, incidentally, the
6 additional 40, is 100-percent working interest, 100-percent
7 Manzano.

8 The testimony in the hearing today would be
9 identical to that provided in September, with the exception
10 of just the one change in the acreage to be pooled, and
11 therefore we request that the record from the September
12 26th hearing be incorporated here today.

13 We should note as to the location that we are
14 moving the well to the north. That is also 100-percent
15 working interest owned by Manzano, same ownership as the
16 additional 40 acres being added to the well. What we're
17 attempting to do is pool and locate a well in a small
18 Strawn pod that is shown by the isopach map which is
19 Exhibit Number 9 in the preceding hearing. We're
20 attempting to locate the well at the top of the structure.

21 As to the compulsory-pooling portion of the case,
22 we are pooling less than three percent of the ownership in
23 this 80-acre tract. We are only pooling interests whose
24 whereabouts cannot be identified -- and the efforts to
25 locate those people were reviewed at the prior hearing --

1 and an estate that, although they accept service, will not
2 otherwise respond.

3 Accordingly, we request that this case be taken
4 under advisement based on the September 26th record in this
5 case and that an order be entered based on that record.

6 In addition to that, I have provided you with a
7 copy of the notice affidavit, confirming that once again we
8 have attempted to notify all interest owners affected by
9 this Application, in accordance with Oil Conservation
10 Division rules.

11 EXAMINER STOGNER: For the record, Case Number
12 11,616 is the Application of Manzano Oil Corporation for
13 compulsory pooling and unorthodox well location in Lea
14 County.

15 Are there any other appearances besides Mr. Carr
16 in this matter?

17 Okay, Mr. Carr. I wasn't the Examiner at the
18 original -- the hearing. Your recollection as far as the
19 unorthodox-location portion of notification --

20 MR. CARR: Yes, sir.

21 EXAMINER STOGNER: -- did that need to be amended
22 in any way?

23 MR. CARR: No, sir. The acreage in the northeast
24 quarter -- The north half and the southeast of the
25 northeast is one common lease. And so we are still moving

1 just -- encroaching on the same interest owners we were
2 before. The only difference now is that they will have an
3 interest in the well.

4 EXAMINER STOGNER: And what was the name of that
5 pool again, that's spaced on 80?

6 MR. CARR: Northeast Lovington-Penn.

7 EXAMINER STOGNER: Does anybody else have
8 anything further in this case?

9 If not, then reopened Case Number 11,616 will be
10 taken under advisement.

11 Thank you, Mr. Carr.

12 MR. CARR: Thank you, Mr. Stogner.

13 (Thereupon, these proceedings were concluded at
14 11:05 a.m.)

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I hereby certify that the foregoing is
a true and correct copy of the proceedings in

Case No. 11616
reopened December 7, 1966


Michael J. Stogner, Examiner
Oil Conservation Division