

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 DAVID H. ARRINGTON OIL )  
AND GAS, INC., FOR AN UNORTHODOX WELL )  
LOCATION, LEA COUNTY, NEW MEXICO )

CASE NO. 12,078

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

November 5th, 1998

Santa Fe, New Mexico

98 NOV 19 PM 2:43  
OIL CONSERVATION DIV

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, November 5th, 1998, 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 5th, 1998  
 Examiner Hearing  
 CASE NO. 12,078

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\* \* \*

## A P P E A R A N C E S

## FOR THE DIVISION:

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 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.  
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 P.O. Box 2208  
 Santa Fe, New Mexico 87504-2208  
 By: WILLIAM F. CARR

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2 10:02 a.m.:

3           EXAMINER CATANACH: At this time I'll call Case  
4 12,078, the Application of David H. Arrington Oil and Gas,  
5 Inc., for an unorthodox well location, Lea County, New  
6 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 law firm Campbell, Carr,  
10 Berge and Sheridan. We represent David H. Arrington Oil  
11 and Gas, Inc., in this matter, and I have two witnesses.

12           EXAMINER CATANACH: Call for additional  
13 appearances.

14           Okay, will the witnesses please stand and be  
15 sworn in at this time?

16           (Thereupon, the witnesses were sworn.)

17                                 DALE DOUGLAS,  
18 the witness herein, after having been first duly sworn upon  
19 his oath, was examined and testified as follows:

20                                 DIRECT EXAMINATION

21 BY MR. CARR:

22           Q. Will you state your name for the record, please?

23           A. My name is Dale Douglas.

24           Q. Where do you reside?

25           A. Midland, Texas.

1 Q. By whom are you employed?

2 A. I'm an independent landman performing contract  
3 land services for David H. Arrington Oil and Gas, Inc.

4 Q. Mr. Douglas, have you previously testified before  
5 the Oil Conservation Division?

6 A. Yes, sir.

7 Q. At the time of that testimony, were your  
8 credentials as an expert in petroleum land matters accepted  
9 and made a matter of record?

10 A. Yes, sir.

11 Q. Are you familiar with the Application filed in  
12 this case on behalf of David H. Arrington Oil and Gas,  
13 Inc.?

14 A. Yes, sir.

15 Q. Are you familiar with the proposed unorthodox  
16 well location, which is the subject of this hearing?

17 A. Yes, sir.

18 Q. And are you familiar with the status of the lands  
19 that are affected by this Application?

20 A. Yes, sir.

21 MR. CARR: Are the witness's qualifications  
22 acceptable?

23 EXAMINER CATANACH: They are.

24 Q. (By Mr. Carr) Mr. Douglas, would you briefly  
25 summarize for the Examiner what it is that David H.

1 Arrington seeks in this case?

2 A. We're requesting approval of an unorthodox well  
3 location for the proposed Prince Nymph Well Number 1, to be  
4 drilled to the Strawn formation. It would be at an  
5 unorthodox location 2446 feet from the south line and 1006  
6 feet from the east line, which is Unit I, of Section 29,  
7 Township 15 South, Range 36 East.

8 Q. What acreage does Arrington propose to dedicate  
9 to this well?

10 A. We're proposing that the northeast quarter of the  
11 southeast quarter of Section 9 be dedicated, which is a  
12 standard governmental 40-acre tract.

13 MR. CARR: Mr. Catanach, the case was originally  
14 advertised for a 80-acre spacing unit, comprised of the  
15 east half of the southeast quarter of Section 29. We have  
16 discovered that we're slightly more than a mile from any  
17 pool with 80-acre special pool rules, and for that reason  
18 we are only seeking to dedicate to the well the northeast  
19 of the southeast, which is a standard 40-acre spacing unit.

20 Q. (By Mr. Carr) Mr. Douglas, have you prepared  
21 Exhibits for presentation in this case?

22 A. Yes, sir, I have.

23 Q. Would you refer to what's been marked for  
24 identification as Arrington Exhibit Number 1 and review  
25 this for Mr. Catanach?

1           A.    Yes, sir.  The land plat that's on the cover, the  
2 first page, I've highlighted the 40-acre proration unit  
3 that we would propose for this well and also have labels  
4 there which identify the offset tracts, which would be  
5 affected by this unorthodox location.

6                   Those parties are listed on the second page.  
7 There are some unleased mineral owners as well as some  
8 leasehold operators.  There are no operators of record with  
9 producing wells that would be affected by this location.

10           Q.    If I look at this exhibit, you have shaded a 40-  
11 acre tract in Section 29, correct?

12           A.    That's correct.

13           Q.    Is that acreage that you have shaded the  
14 northeast quarter of the southeast quarter of this section?

15           A.    Yes, sir, it is.

16           Q.    This is a 40-acre subdivision of the public land  
17 survey?

18           A.    That's correct.

19           Q.    The way it is shaded, there is a slight strip of  
20 acreage just to the west of this spacing unit that isn't  
21 shaded yellow.  Can you just explain what the status of the  
22 leases are in the south half of this section?

23           A.    Yes, sir, I can.  For whatever reason, this  
24 particular section in the south half, it was not divided of  
25 record, nor is the ownership owned based on a government

1 subdivision. It's divided into what's known as the east  
2 100 acres of the south half and the west 220 acres of the  
3 south half. So with that 40 acres to be dedicated for this  
4 well, it leaves a 10-acre strip on the west side of that 40  
5 which is under lease to Arrington.

6 Q. If, in fact, a well was proposed in what is the  
7 northwest of the southeast, there would be a 40-acre  
8 spacing unit, but that 10-acre strip would have to be  
9 included in that?

10 A. That is correct.

11 Q. And there are no Strawn wells in the immediate  
12 area?

13 A. That's correct.

14 Q. Let's go to what has been marked as Arrington  
15 Exhibit Number 2. Will you review that for Mr. Catanach?

16 A. The Exhibit Number 2 is the survey plat which  
17 shows the proposed location, which is at 1006 feet from the  
18 east line and 2446 feet from the south line.

19 Q. And this shows, in fact, that the well location  
20 is encroaching on the tract due north of it?

21 A. That is correct.

22 Q. On what operators is the proposed well location  
23 actually encroaching?

24 A. There are no operators with producing wells that  
25 this location would be encroaching upon, but the records

1 reflect that there are leases owned by certain parties as  
2 well as some unleased mineral owners, and those parties are  
3 listed on Exhibit A, or excuse me, on Exhibit Number 3, the  
4 second page. They're all listed there.

5 Q. And is Exhibit Number 3 a notice affidavit  
6 confirming that notice of this Application and hearing have  
7 been provided in accordance with OCD rules?

8 A. Yes, sir.

9 Q. And attached to that is a copy of the letter and  
10 return receipt; is that right?

11 A. That is correct.

12 Q. And has notice been provided to all the  
13 offsetting affected parties?

14 A. Yes, sir, it has been.

15 Q. Could you identify what has been marked as  
16 Arrington Exhibit Number 4?

17 A. Arrington Exhibit Number 4 is a letter which was  
18 prepared and signed on behalf of David Arrington Oil and  
19 Gas, Inc., and Packard Energy Group, Inc., who, upon  
20 receipt of their notice of this proposed location, had  
21 entered an objection to this location. They have  
22 subsequently agreed to waive any objection to this  
23 location; and that's what the purpose of this letter is,  
24 represents that waiver.

25 Q. And it was because of that potential for

1 objection that we brought the matter to hearing instead of  
2 seeking approval administratively?

3 A. That's correct.

4 Q. Will Arrington call a geological witness to  
5 review the technical aspects of this Application?

6 A. Yes, sir, we will.

7 Q. Were Arrington Exhibits 1 through 4 either  
8 prepared by you or compiled at your direction?

9 A. Yes, sir, they were.

10 MR. CARR: At this time, Mr. Catanach, we would  
11 move the admission into evidence of Arrington Exhibits 1  
12 through 4.

13 EXAMINER CATANACH: Exhibits 1 through 4 will be  
14 admitted as evidence.

15 MR. CARR: And that concludes my examination of  
16 Mr. Douglas.

17 EXAMINATION

18 BY EXAMINER CATANACH:

19 Q. Mr. Douglas, as far as the offset tracts that you  
20 did find the interest ownership within, can you identify  
21 those?

22 A. Sure. If you'll look on Exhibit Number 1, the  
23 land plat, the northwest quarter of Section 28 was one of  
24 the tracts that was checked, and the north half of Section  
25 29. The page that's attached as Exhibit A to that plat,

1 I've listed all of those parties, and next to their name I  
2 have also listed a number which indicates which tract they  
3 owned an interest in.

4 For example, Tract 1, if you'll go to the second  
5 page, Chesapeake Operating, Anson Gas Corporation, and then  
6 the next four names there were unleased mineral owners.

7 Q. So that covers all of the interest in Tract 1?

8 A. Yes, sir, it does.

9 Q. Okay, and in Tract 2 you've got several interest  
10 owners as well?

11 A. That is correct.

12 Q. And that would cover all the interest owners in  
13 Tract 2?

14 A. That's correct.

15 Q. Did you -- As far as the west half of the  
16 southeast quarter of 29, did you examine that area there?

17 A. Yes, sir, we did. The 10-acre strip that we  
18 mentioned earlier, the ownership of that 10 acres, which  
19 would be affected by approximately six feet, is all owned  
20 by Arrington and his partners in this particular proposed  
21 well.

22 Q. What about west of that?

23 A. West of that tract, although I've not included  
24 those on this, the ownership there, the same lessees own  
25 those leases. We didn't notice them under this, but -- I

1 mean, they were noticed, but we didn't send them the notice  
2 based upon their ownership in that western 220 acres.

3 Those people are Anson, Chesapeake and then  
4 Arrington and his partners.

5 Q. Anson, Chesapeake, and those -- They own an  
6 interest in the --

7 A. The western 220 acres.

8 Q. -- the western 220 acres of that south half?

9 A. That's correct.

10 Q. Anson, Chesapeake and Arrington?

11 A. And Arrington and his partners.

12 Q. And those are the only interest owners in that  
13 area?

14 A. That's correct.

15 Q. So everybody has been noticed?

16 A. Yes. There are no unleased mineral owners under  
17 that other acreage.

18 Q. Okay. Now, you are -- Are you close to a Strawn  
19 producing pool? Do you know that?

20 A. The closest Strawn producing pool, I believe, is  
21 the pool on the -- It's also on this map. It's about a  
22 mile and a half, two miles, to the east southeast, and I'm  
23 not certain as to the --

24 MR. BAKER: Dean.

25 THE WITNESS: It's the Dean field.

1 Q. (By Examiner Catanach) Do you know if that's  
2 spaced on 80 acres?

3 A. I do believe it is spaced on 80s.

4 MR. BAKER: I believe so.

5 THE WITNESS: Which was the reason we had  
6 originally applied for an 80-acre spacing. And then when  
7 we discovered that it was more than a mile away we changed  
8 it to the 40-acre.

9 Q. (By Examiner Catanach) Okay. Nobody at this  
10 point has entered any objection to your location?

11 A. The only party being Packard, who has since  
12 executed a waiver letter.

13 Q. Packard -- well, who -- How is Bahlburg related  
14 to --

15 A. The Packard Energy Group is -- There's several  
16 partners in that company, of which Bahlburg is associated  
17 through them. All of the leases of record are in the name  
18 of Packard Energy Group.

19 Q. Okay.

20 A. I've also verified that through Gary Lamb, who is  
21 the president of Packard Energy Group, who said that  
22 Bahlburg was a participant in that group.

23 I'd also mention to you that Bahlburg  
24 individually was not noticed, since he was not a record  
25 owner of any interest in that offset tract. The notice

1 went directly to Packard group. Subsequent to that, we had  
2 received a couple of phone calls from Mr. Bahlburg,  
3 representing that he was with the Packard Energy Group.

4 EXAMINER CATANACH: Okay, that's all I have of  
5 this witness.

6 MR. CARR: At this time we call Bill Baker.

7 BILL D. BAKER, JR.,

8 the witness herein, after having been first duly sworn upon  
9 his oath, was examined and testified as follows:

10 DIRECT EXAMINATION

11 BY MR. CARR:

12 Q. Would you state your name for the record, please?

13 A. Bill D. Baker, Jr.

14 Q. And where do you reside?

15 A. In Midland, Texas.

16 Q. By whom are you employed?

17 A. David H. Arrington Oil and Gas, Inc.

18 Q. And what is your position with Arrington?

19 A. Exploration manager.

20 Q. Mr. Baker, have you previously testified before  
21 the New Mexico Oil Conservation Division?

22 A. Yes, sir, I have.

23 Q. At the time of that testimony, were your  
24 credentials as an expert in petroleum geology accepted and  
25 made a matter of record?

1 A. Yes, sir, they were.

2 Q. Are you familiar with the Application filed in  
3 this case on behalf of David H. Arrington Oil and Gas,  
4 Inc.?

5 A. Yes, sir, I am.

6 Q. And are you familiar with the proposed well,  
7 which is the subject of this hearing?

8 A. Yes, sir, I am.

9 MR. CARR: Are the witness's qualifications  
10 acceptable?

11 EXAMINER CATANACH: They are.

12 Q. (By Mr. Carr) Mr. Baker, let's go to what has  
13 been marked Arrington Exhibit Number 5. Would you identify  
14 that and then review the information on this exhibit for  
15 Mr. Catanach?

16 A. Yes, sir. Exhibit Number 5 is a structure map on  
17 the top of the lower Wolfcamp 2nd Brother "A" pay zone,  
18 which is the principal target of this prospect. This  
19 particular map here shows that the lower Wolfcamp is a  
20 north-south structural anticline, with north-plunging  
21 structure.

22 This particular exhibit shows that the Number 1  
23 Prince Nymph, our proposed prospect, will attempt to gain  
24 anywhere from 20 to 40 feet of structural relief to two key  
25 offset wells that I'm going to talk about in just a minute,

1 and those wells being the Trice Fisher Number 1 and the  
2 Read Number 1 Alexander.

3 Both these two wells tested the lower Wolfcamp  
4 2nd Brother "A", and they tested shows of oil and gas with  
5 substantial amounts of water, indicating that they were  
6 principally down in the water interval. Then our  
7 particular location attempts to get out of that water  
8 interval.

9 Q. And we have the trace for the cross-section shown  
10 on this exhibit?

11 A. Correct, yes, sir, A-A'.

12 Q. All right, let's go to Exhibit Number 6, the  
13 isopach map, and I'd again ask you to review it for Mr.  
14 Catanach.

15 A. Okay, Exhibit Number 6 is an isopach of the 2nd  
16 Brother A and B porosity intervals, which are the primary  
17 pay targets here.

18 As you can see from the isopach, the carbonate  
19 appears to be oriented in a northeast-to-southwest  
20 orientation, with the porosity pinchout being to the south.

21 As you can see here, that the Trice Fisher Number  
22 1 encountered approximately 60 feet of porosity in the 2nd  
23 Brother carbonate system.

24 As you move to the south you see our proposed  
25 Number 1 Prince Nymph. We hope to encounter approximately

1 25 feet of porous 2nd Brother pay.

2 And then you move on down to the Read Number 1  
3 Alexander, which basically defines the southern pinchout of  
4 the carbonate, and they only encountered 12 feet of porous  
5 carbonate.

6 I've also indicated on here an approximate oil-  
7 water contact throughout the reservoir to kind of give you  
8 an indication of the productive area.

9 Q. All right, let's go to Exhibit Number 7, the  
10 cross-section.

11 A. Okay, Exhibit Number 7 is a structural cross-  
12 section that will basically show you the two key wells that  
13 helped set up the project, as well as our proposed  
14 location.

15 And if you look on the right-hand side of the  
16 cross-section, that's where we'll begin there. That is the  
17 Trice Number 1 Fisher. And this well was drilled back in  
18 1959. And in drilling through the Wolfcamp 2nd Brother pay  
19 zone here, they drill stem tested a couple of times.

20 In the initial drill stem test they encountered  
21 excellent shows of oil gas. They actually had gas to  
22 surface and tested oil at rates of 40 to 50 barrels of oil  
23 per hour. Good pressures, no water.

24 They subsequently drilled a little deeper down  
25 into the formation and re-drill stem tested and tested once

1 again oil and gas. This time they tested substantial  
2 amounts of salt water with it.

3           They ended up drilling the well on down to a  
4 depth of about 11,850 feet, plugged back to this Wolfcamp  
5 interval here, attempted a completion in it, and throughout  
6 a number of perforated intervals tested mostly salt water.  
7 At one time they did test a little bit of oil out of it,  
8 but they were testing mostly salt water throughout the  
9 interval.

10           You can see here that there's a substantial  
11 amount of porosity within the reef system. I used about a  
12 four-percent cutoff and came up with approximately 60 feet  
13 of porosity involved here.

14           As you move to the left on the cross-section, you  
15 can see the proposed location. What we're hoping to do is  
16 gain about 25 to 30 feet of structure and keep enough  
17 porosity that we can make a commercial well. We anticipate  
18 that we're going to get somewhere between 20 to 25 feet of  
19 porosity in the A and the B intervals.

20           As you move on to the left you see the Charles  
21 Read Alexander Number 1 well. This well was drilled back  
22 in 1968, and it was an attempt to also gain structure to  
23 the Trice well. It was a Wolfcamp proposal. What ended up  
24 happening here is, not only did they come in structurally  
25 low to the Trice Number 1 well, but the carbonate system

1 started to deteriorate, the porosities were getting tight,  
2 and they only encountered about 12 feet of porous rock.

3 They did attempt a completion here, and they  
4 tested the well at a rate of 122 barrels of oil a day and  
5 238 barrels of water per day. I think they tested a total  
6 of 1247 barrels of oil total, and P-and-A'd the well  
7 shortly after completion attempts.

8 Q. Would you summarize the conclusions you've  
9 reached as a result of your geologic study?

10 A. Well, basically in studying this area here, it  
11 does appear like we have a northeast-southwest-trending  
12 carbonate system that does have stratigraphically trapped  
13 oil in a very small portion, here located in kind of the  
14 southern part of the reservoir.

15 We believe that we can gain structure to the two  
16 particular show wells here and that if we can maintain some  
17 porosity in here we can make a commercial producer.

18 Q. Now, Mr. Baker, the primary objective of the well  
19 is the Wolfcamp; is that right?

20 A. Yes, sir, the primary --

21 Q. And Mr. Arrington intends to take the well down  
22 to the Strawn?

23 A. Yes, sir, and --

24 Q. Why is that?

25 A. Well, the reason for taking it on down to the

1 Strawn, it's just an additional thousand feet down to the  
2 Strawn, and from recent drilling activity located several  
3 miles to the south of us by a number of operators, there's  
4 been a number of Strawn discoveries made in the area.

5           These are very small algal bioherms, so we just  
6 decided for the additional thousand feet it would be  
7 prudent to take it on down to the Strawn and test that  
8 interval.

9           Q.    In your opinion, is the proposed unorthodox well  
10 location necessary to effectively produce the reserves  
11 under this acreage from the Wolfcamp formation?

12           A.    Yes, sir, it is.

13           Q.    Will approval of this Application result in the  
14 recovery of hydrocarbons that otherwise would be left in  
15 the ground?

16           A.    Yes, sir.

17           Q.    Will approval of the Application otherwise be in  
18 the best interest of conservation, the prevention of waste  
19 and the protection of correlative rights?

20           A.    Yes, sir, we feel they are.

21           Q.    Were Exhibits 5 through 7 prepared by you?

22           A.    Yes, sir, they were.

23           MR. CARR:  At this time, Mr. Catanach, we would  
24 move the admission into evidence of David H. Arrington Oil  
25 and Gas Exhibits 5 through 7.

1 EXAMINER CATANACH: Exhibits 5 through 7 will be  
2 admitted as evidence.

3 MR. CARR: And that concludes my direct  
4 examination of Mr. Baker.

5 EXAMINATION

6 BY EXAMINER CATANACH:

7 Q. Mr. Baker, did the -- I guess it's the Trice  
8 Number 1 well --

9 A. Yes, sir.

10 Q. Did that, in fact, produce from that upper A  
11 section?

12 A. No, sir, there's nothing of record that indicates  
13 they ever completed as a commercial producer. There's no  
14 records anywhere that any oil that may have been produced  
15 on test was ever reported. You know, obviously they tested  
16 a little bit of oil out of it, but there's nothing of  
17 record that indicates it was ever designated as a  
18 commercial well, no, sir.

19 Q. Have any of the wells that you've shown in  
20 Section 29, have any of those wells produced from the  
21 Wolfcamp?

22 A. Yes, sir, the Read Alexander that is on your  
23 cross-section here produced that 1247 barrels from the  
24 Wolfcamp. But it was never put into a designated pool,  
25 that I'm aware of. That was basically on test.

1           And then the Citation Number 1 Alexander, located  
2 on the west half over there, produced approximately 5000  
3 barrels out of the same stratigraphic interval here, but is  
4 also, once again -- I think that was an undesignated  
5 Wolfcamp. To the best of my knowledge, it was never put  
6 into a pool.

7           Q.    And that Union Texas well didn't produce  
8 anything?

9           A.    No, sir, that one was located in what I consider  
10 to be back reef. It was real ratty, and it was basically  
11 tight.

12          Q.    Uh-huh. So your primary target is the B zone,  
13 but you should encounter maybe something in the A?

14          A.    We're certainly hoping so, yes, sir.

15          Q.    Did you just use well control for your isopach  
16 and structure?

17          A.    In the initial instigation of this prospect, it  
18 was all developed off of this particular subsurface well  
19 control right here. Subsequently, we have some 3-D seismic  
20 that basically substantiates what the subsurface well  
21 control shows. But the prospect was generated off this  
22 subsurface well control.

23          Q.    Okay. Moving to your unorthodox location, you're  
24 gaining structure?

25          A.    Yes, sir.

1 Q. How much?

2 A. It's fairly apparent that we should gain anywhere  
3 from a minimum of 18 to 20 feet, to maybe a maximum of 35  
4 to 40.

5 Q. And you also believe that you're going to gain  
6 carbonate thickness?

7 A. No, sir, I don't know that I'll gain carbonate  
8 thickness. My risk here is that I hope I keep some  
9 porosity. I think what we're going to do is go from 60  
10 feet of carbonate in the Fisher to approximately 25 feet,  
11 which we feel like is enough to make a commercial well.

12 Q. Well, if you move that south to a legal location,  
13 you will lose some thickness?

14 A. Yes, sir, if I go to a legal location, we felt  
15 like we were probably going to have anywhere from five to  
16 ten feet, and we didn't deem that enough to make a  
17 commercial well. I apologize, I didn't understand what you  
18 were asking.

19 Q. Have you, in fact, looked at the Strawn in this  
20 area, or is there a potential for Strawn?

21 A. Yes, sir, as far as possibly encountering the  
22 carbonate systems, we believe the carbonate is present out  
23 here. The one particular factor that bothers me a little  
24 bit is, this particular area up in here appears to be  
25 subsurfacely structurally lower than the majority of the

1 Strawn production located to the south of us, and  
2 everything up in here so far that's encountered any  
3 carbonate in the Strawn has been wet. So my fear is that  
4 we could find a wet mound up in here.

5 EXAMINER CATANACH: Okay, I have nothing further  
6 of this witness.

7 MR. CARR: That concludes our presentation in  
8 this case.

9 EXAMINER CATANACH: Okay, there being nothing  
10 further in this case, Case 12,078 will be taken under  
11 advisement.

12 (Thereupon, these proceedings were concluded at  
13 10:28 a.m.)

14 \* \* \*

15  
16  
17 I do hereby certify that the foregoing is  
18 a complete and correct transcript of the proceedings in  
19 the Examiner hearing of Case No. 607,  
20 heard by me on 11/5/ 1991  
21 David R. Catanach Examiner  
22 Oil Conservation Division  
23  
24  
25

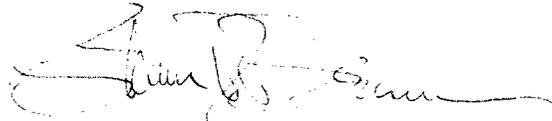
## CERTIFICATE OF REPORTER

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 November 8th, 1998.




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STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 14, 2002