

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
March 3, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpora-) CASE
tion for a unit agreement, Chaves) 5634
County, New Mexico.)

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Joel M. Carson, Esq.
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RAY BECK

Direct Examination by Mr. Carson

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EXHIBIT INDEX

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Applicant's Exhibit No. One, Land Plat

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Applicant's Exhibit No. Two, Map

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1 MR. STAMETS: We will call next Case 5634.

2 MR. CARR: Case 5634, application of Yates Petroleum
3 Corporation for a unit agreement, Chaves County, New Mexico.

4 MR. STAMETS: Call for appearances in the case?

5 MR. CARSON: My name is Joel Carson, Losee and Carson,
6 P.A., Artesia, New Mexico and I represent the applicant and
7 I will have one witness, Mr. Beck.

8 MR. STAMETS: If he will stand and be sworn, please.

9 (THEREUPON, the witness was duly sworn.)

10

11

RAY BECK

12 called as a witness, having been first duly sworn, was
13 examined and testified as follows:

14

15

DIRECT EXAMINATION

16 BY MR. CARSON:

17 Q Would you state your name, occupation and employment?

18 A My name is Ray Beck, I'm employed by Yates Petroleum
19 Corporation in Artesia, New Mexico as Petroleum Geologist.

20 Q Have you previously testified before this Commission,
21 Mr. Beck?

22 A Yes, I have.

23 Q And your qualifications have been accepted?

24 A Yes, they have.

25 MR. STAMETS: The witness is considered qualified.

1 Q (Mr. Carson continuing.) Mr. Beck, would you tell
2 the Commission the purpose of this application.

3 MR. CARSON: Let me withdraw that question a minute.
4 Mr. Hearing Officer, we need to have two modifications made in
5 our application, which I would like to move to have done in
6 this hearing. One of them is that we seem to have misspelled
7 Dunken. It is spelled D-u-n-k-e-n, rather than D-u-n-c-a-n.

8 MR. STAMETS: D-u-n-k-e-n?

9 MR. CARSON: Yes, as in the Dunken Store.

10 The second one is that this proposed unit agreement
11 covers seven thousand, six hundred and one, point fourteen
12 acres, rather than seven thousand, six hundred and forty-one.

13 MR. STAMETS: Those don't appear to be significant
14 changes, Mr. Carson, and the application will be so amended.

15 Q (Mr. Carson continuing.) Mr. Beck, would you state
16 the purpose of this application?

17 A. Yates Petroleum Corporation requests approval of
18 its Dunken Dome Unit agreement covering approximately seven
19 thousand, six hundred and one acres of State land in Township 17
20 South, Ranges 17 and 18 East, Chaves County, near the town-
21 site of Dunken, New Mexico.

22 Q Mr. Beck, I hand you what has been marked as
23 Applicant's Exhibit Number One and ask if that was prepared
24 by you or under your supervision?

25 A. Yes, it was.

1 Q Would you explain that exhibit to the Hearing
2 Officer?

3 A Exhibit One is a land plat showing the proposed Unit
4 outline and the proposed location of Yates No. 1 Dunken FS Well
5 in Section 7.

6 Q I hand you what has been marked as Applicant's
7 Exhibit Number Two and ask if that exhibit was prepared by you
8 or under your supervision?

9 A Yes, it was.

10 Q Would you explain to the Hearing Officer what that
11 exhibit represents?

12 A Exhibit Number Two is a map resulting from photo-
13 geologic analysis covering the area around the proposed Unit,
14 the outcropping surface rocks or Permian-San Andres, the PSA
15 that is on the map in various places, in scattered places
16 quaternary alluvial, in other deposits covered San Andres.
17 As the map shows the San Andres beds are regionally dipped to
18 the east and southeast. However, largely within the Unit
19 outline are two anticlinal anomalies labeled CH-24 and CH-25
20 which show dips to the west and northwest on their western
21 flanks. The proposed location for the Dunken State FS is very
22 near the apex of the CH-24 surface anticline.

23 The Texas Petroleum No. 1 Wilson cable tool hole
24 in Section 29, of 17, 18 near the south end of the Unit
25 was drilled on the southern half of CH-24 which is split in

1 two anomalies by a fault that trends northwest about three-
2 quarters of a mile north of the Wilson Well, labeled with the
3 letter F.

4 The Wilson Well encountered numerous shows in the
5 San Andres and Yeso and according to New Mexico Bureau of
6 Mines Bulletin No. 9, the well encountered one million cubic
7 feet of gas per day from either the base of the Yeso or upper
8 Abo. The well was bottomed in the Fusselman, which yielded
9 water, ending any further operations.

10 The well was commenced in about 1925 and was finished
11 in about 1927.

12 East of the Unit the Sunray No. 1 New Mexico State
13 AV in Section 22 of Township 17 South, Range 18 East was
14 drilled to fifty-nine hundred and thirteen feet in the
15 Pre-Cambrian. The commercial sample log on this well shows
16 porosity and oil staining from the Yeso, Montoya and
17 Ellenburger.

18 Q Mr. Beck, would you generally tell the Hearing
19 Officer about the other wells that have been drilled in this
20 general area?

21 A Outside of the map and up to about ten miles away
22 from the proposed Dunken Well, other scattered wells have
23 encountered shows and porosity in the San Andres, the Yeso,
24 the Permian sands, the Penn sands, the Fusselman, Montoya,
25 Ellenburger and Bliss. And some wells that have been drill-

1 stem tested in the Fusselman, Montoya and Ellenburger have
2 yielded water, sometimes being gas cut.

3 Q Do you believe approval of this Unit will protect
4 correlative rights and help effectuate conservation and maximum
5 recovery of oil and gas from this area?

6 A Yes, I do.

7 MR. CARSON: I don't have any further questions of
8 this witness.

9 MR. STAMETS: Do you have a copy of the unit agree-
10 ment with you for our records?

11 MR. CARSON: Yes, we do. Do you need three copies
12 of that?

13 MR. STAMETS: Eventually. One copy will be just
14 fine at the present time.

15 Is this more or less a standard form of unit agree-
16 ment?

17 MR. CARSON: Yes, sir, it is the form provided by
18 the State Land Office. There is only one working interest
19 owner in the Unit right now and that's the applicant. If more
20 come in we will enter into a standard form agreement.

21 MR. STAMETS: And you have two tracts of Fee
22 acreage, the rest is all State land?

23 MR. CARSON: I believe that is correct. Yes, sir,
24 I believe that is correct.

25 MR. STAMETS: Has the Fee acreage indicated that they

1 will sign up?

2 THE WITNESS: Yes, and I understand that the Land
3 Department is working on that right now.

4 MR. CARSON: Continental Oil Company who is listed
5 as Number Ten and Eleven on the exhibit attached to the
6 back of the unit operating agreement has contributed one half
7 of their acreage but they have not joined in the agreement.

8 MR. STAMETS: Are there any other questions of the
9 witness? He may be excused.

10 (THEREUPON, the witness was excused.)

11 MR. STAMETS: Anything further in this case?

12 MR. CARSON: As I mentioned before, Mr. Hearing
13 Officer, this case needs to be expedited, if possible.

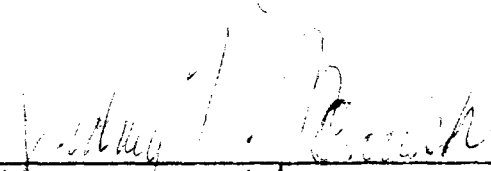
14 MR. STAMETS: We will make every effort to make an
15 expedient decision.

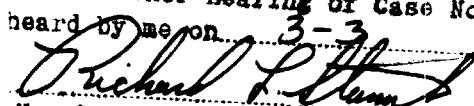
16 MR. CARSON: Thank you.

17 MR. STAMETS: We will take this case under advisement.
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,
do hereby certify that the foregoing and attached Transcript
of Hearing before the New Mexico Oil Conservation Commission
was reported by me, and the same is a true and correct record
of the said proceedings to the best of my knowledge, skill and
ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 5234
heard by me on 3-3 1976

Examiner
New Mexico Oil Conservation Commission