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

CASE 10,628

EXAMINER HEARING

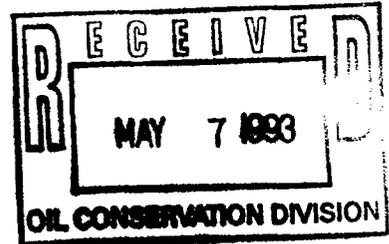
IN THE MATTER OF:

Application of Yates Petroleum Corporation for
compulsory pooling and an unorthodox gas well
location, Eddy County, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, EXAMINER

ORIGINAL



STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

April 8, 1993

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 87504

FOR THE APPLICANT:

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

* * *

1 WHEREUPON, the following proceedings were had
2 at 4:18 p.m.:

3 EXAMINER CATANACH: At this time we'll call
4 Case 10,628.

5 MR. STOVALL: Application of Yates Petroleum
6 Corporation for compulsory pooling and an unorthodox
7 gas well location, Eddy County, New Mexico.

8 EXAMINER CATANACH: Are there appearances in
9 this case?

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

13 This case was originally heard by the
14 Division on December 17, 1992, and Order Number R-9838
15 entered on February 2nd, 1993, granting the Application
16 of Yates.

17 This case was opposed by Santa Fe, and they
18 had a parallel application.

19 MR. STOVALL: That's Santa Fe Energy?

20 MR. CARR: Santa Fe Energy, Correct.

21 Santa Fe requested, if their Application was
22 granted, a pooling of a west-half unit for all
23 formations developed on 302 acres.

24 Yates requested a south-half unit for wells
25 into formations developed on 320 acres.

1 Although Yates' Application was granted, the
2 Order provided for a west-half designation on 320-acre
3 spacing.

4 We contacted the Division hoping it could be
5 handled with a *nunc pro tunc* order and then discovered
6 that the legal advertisement also had advertised Yates'
7 case as also requesting a west-half designation.

8 To be sure that all the pieces fit, we asked
9 that the case be reopened, readvertised and, based on
10 the prior record, a new -- or an amended order entered,
11 designating the south half as the appropriate spacing
12 unit if the well is completed in any formations
13 developed on 320-acre spacing.

14 And that's why we're here today.

15 And based on the prior record, we would
16 request the case be taken under advisement and an order
17 entered in accordance with the Application originally
18 filed on behalf of Yates Petroleum Corporation.

19 MR. STOVALL: Mr. Examiner, I was involved in
20 discussions with Mr. Carr and reviewed this with
21 Examiner Stogner, and indeed the ad was done in error
22 for the west half, and the Order was entered for error
23 on the west half, and Examiner Stogner did intend,
24 based upon the evidence at that hearing, to cause a
25 south-half 320-acre proration unit to be formed.

1 EXAMINER CATANACH: Mr. Carr, is that all we
2 have to amend in that Order, is just the proration
3 unit?

4 MR. CARR: Yes, sir.

5 EXAMINER CATANACH: Do any of the pooling
6 terms have to be amended or --

7 MR. CARR: No terms need to be amended, only
8 "west half" changed to "south half" for formations
9 developed on 320-acre spacing.

10 MR. STOVALL: In fact, this ad specifically
11 provides that nothing -- overhead costs, operatorship
12 and well costs, et cetera, will not be considered.

13 EXAMINER CATANACH: Okay. Okay, anything
14 further?

15 MR. CARR: Nothing further.

16 EXAMINER CATANACH: There being nothing
17 further, Case 10,628 will be taken under advisement.

18 (Thereupon, these proceedings were concluded
19 at 4:20 p.m.)

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