

STATE OF NEW MEXICO

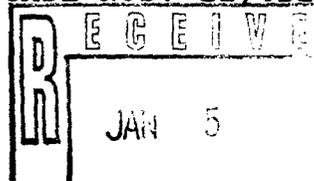
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:)

CASE NOS. 11,421

APPLICATION OF YATES PETROLEUM)
CORPORATION FOR THE PROMULGATION OF)
SPECIAL RULES AND REGULATIONS FOR THE)
SOUTH PECOS SLOPE-ABO GAS POOL,)
CHAVES COUNTY, NEW MEXICO)



OIL CONSERVATION DIVISION

APPLICATION OF YATES PETROLEUM)
CORPORATION FOR THE PROMULGATION OF)
SPECIAL RULES AND REGULATIONS FOR THE)
WEST PECOS SLOPE-ABO GAS POOL,)
CHAVES COUNTY, NEW MEXICO)

11,422

IN THE MATTER OF CASE NOS. 10,793,)
10,981 AND 11,004 BEING REOPENED)
PURSUANT TO THE PROVISIONS OF DIVISION)
ORDER NOS. R-9976 AND R-9976-A, WHICH)
ORDERS ESTABLISHED A "PILOT INFILL)
DRILLING PROGRAM" IN THE PECOS SLOPE-ABO)
GAS POOL IN PORTIONS OF TOWNSHIPS 5, 6)
AND 7 SOUTH, RANGES 25 AND 26 EAST,)
CHAVES COUNTY.)

10,793

10,981

11,004

(Reopened)

(Consolidated)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

ORIGINAL

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

January 11th, 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, January 11th, 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.

* * *

I N D E X

January 11th, 1996
Examiner Hearing
CASE NOS. 11,421, 11,422;
10,793, 10,981 and 11,004 (Reopened)

PAGE

REPORTER'S CERTIFICATE 7

* * *

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 YATES PETROLEUM CORPORATION:

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

FOR TIDE WEST OIL COMPANY AND GREAT WESTERN DRILLING
COMPANY:

KELLAHIN & KELLAHIN
117 N. Guadalupe
P.O. Box 2265
Santa Fe, New Mexico 87504-2265
By: W. THOMAS KELLAHIN

* * *

1 WHEREUPON, the following proceedings were had at
2 10:30 a.m.:

3 EXAMINER STOGNER: At this time I'll call Cases
4 11,421, 11,422, and those Reopened Cases 10,793, 10,981 and
5 11,004.

6 MR. CARROLL: Application of Yates Petroleum
7 Corporation for the promulgation of special rules and
8 regulations for the South Pecos Slope-Abo Gas Pool, Chaves
9 County, New Mexico.

10 Application of Yates Petroleum Corporation for
11 the promulgation of special rules and regulations for the
12 West Pecos Slope-Abo Gas Pool, Chaves County, New Mexico.

13 In the matter of Case Numbers 10,793, 10,981 and
14 11,004 being reopened pursuant to the provisions of
15 Division Order Numbers R-9976 and R-9976-A, which orders
16 established a "pilot infill drilling program" in the Pecos
17 Slope-Abo Gas Pool in Chaves County.

18 EXAMINER STOGNER: At this time I'll call for
19 appearances.

20 MR. CARR: May it please the Examiner, my name is
21 William F. Carr with the Santa Fe law firm Campbell, Carr
22 and Berge.

23 We represent Yates Petroleum Corporation in each
24 of these cases.

25 EXAMINER STOGNER: Other appearances?

1 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
2 the Santa Fe law firm of Kellahin and Kellahin, appearing
3 on behalf of Tide West Oil Company and Great Western
4 Drilling Company.

5 EXAMINER STOGNER: Any other appearances in this
6 matter?

7 These cases essentially were consolidated and
8 heard down in Roswell -- when? At the November 2nd
9 hearing? And at that time it was continued to today's
10 docket to provide Tide West to present any additional
11 testimony that they found necessary subsequent to review of
12 some technical data supplied to them by Yates and for Yates
13 to include, if need be, any additional testimony.

14 Are there any witnesses to be called by either
15 party at this time?

16 MR. CARR: Yates does not intend to call a
17 witness. Darrick Stallings, the engineer who testified in
18 November, in the earlier hearing in this matter, is present
19 should there be questions.

20 EXAMINER STOGNER: Mr. Kellahin?

21 MR. KELLAHIN: Mr. Examiner, Tide West and Great
22 Western have elected not to present additional technical
23 evidence for your consideration and would like the
24 opportunity to submit either a statement and/or a proposed
25 order in this case, but we do not intend to call witnesses.

1 EXAMINER STOGNER: Okay. With that, I would
2 welcome any help on a proposed order on this issue, because
3 there were some issues that were brought up concerning
4 prorationing, some additional information brought up
5 concerning drilling windows, and more than -- There's more
6 items that meet the eye to this case than just requesting
7 infill proposals, and I'd like your assistance, both of
8 your assistance, in preparing a rough draft in this matter,
9 so these issues can be brought out.

10 So what kind of a time frame are we looking at?

11 MR. KELLAHIN: At your discretion, Mr. Examiner.

12 EXAMINER STOGNER: Mr. Carr?

13 MR. CARR: Fifteen days.

14 EXAMINER STOGNER: Okay, 15 days it is. And that
15 would be the 26th of January.

16 How does that sound to you, Mr. Kellahin?

17 MR. KELLAHIN: Yes, sir, that's fine.

18 EXAMINER STOGNER: Are there any need for closing
19 statements in this matter?

20 MR. CARR: I believe that can be handled just by
21 the submission of the proposed order, can be addressed
22 there.

23 EXAMINER STOGNER: Okay, Mr. Kellahin?

24 MR. KELLAHIN: Mr. Examiner, we'll provide you a
25 short summary of our position along with the draft order,

1 so we'd waive closing statements.

2 EXAMINER STOGNER: Okay, if there's nothing
3 further in these matters, then essentially the Case 11,421,
4 11,422 and those reopened cases essentially will be taken
5 under advisement.

6 However, I will leave the record open, only for
7 the issuance of the proposed draft order and any written
8 comments that either Mr. Kellahin for Tide West and Western
9 -- Great Western or Western Drilling?

10 MR. KELLAHIN: Great Western Drilling, Mr.
11 Examiner.

12 EXAMINER STOGNER: Great Western Drilling. Well,
13 I had it pretty close.

14 -- and Yates Petroleum will have, and also should
15 there be any supporting or any other written statements by
16 operators that would necessarily be accepted to be put into
17 the file.

18 But with that, thank you, sirs.

19 (Thereupon, these proceedings were concluded at
20 10:36 a.m.)

21 * * * I do hereby certify that the foregoing is
22 a complete record of the proceedings in
23 the Examiner hearing of Case No. _____
heard by me on _____ 19____

24 _____, Examiner
25 Oil Conservation Division

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 January 13th, 1996.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998 .