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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

1 March 1989

EXAMINER HEARING

IN THE MATTER OF:

Application of The Petroleum Corpor- CASE
ation of Delaware for an unorthodox 9611
gas well location, Eddy County, New
Mexico.

BEFORE: Victor T. Lyon, Examiner

TRANSCRIPT OF HEARING

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 Bldg. Santa Fe, New Mexico
For The Petroleum Corpor- ation of Delaware:	James Bruce Attorney at Law HINKLE LAW FIRM 500 Marquette, N. W. Suite 740 Albuquerque, New Mexico 87102-2121

I N D E X

MICHAEL DUSING

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1 MR. LYON: We'll call next
2 Case Number 9611.

3 MR. STOVALL: Application of
4 the Petroleum Corporation of Delaware for an unorthodox gas
5 well location, Eddy County, New Mexico.

6 MR. BRUCE: Mr. Examiner, my
7 name is Jim Bruce from the Hinkle Law Firm in Albuquerque,
8 representing the applicant.

9 I have one witness to be
10 sworn.

11
12 (Witness sworn.)

13
14 MR. LYON: Proceed, Mr. Bruce.

15
16 MICHAEL DUSING,
17 being called as a witness and being duly sworn upon his
18 oath, testified as follows, to-wit:

19
20 DIRECT EXAMINATION

21 BY MR. BRUCE:

22 Q Would you please state your full name
23 and city of residence?

24 A Michael Dusing of Dallas, Texas.

25 MR. LYON: Will you spell

1 that, please?

2 A D, as in David, U-S-I-N-G.

3 Q And what is your occupation and who are
4 you employed by?

5 A I'm a Division Geologist with Presidio
6 Oil Company in Dallas, Texas. It's a -- it's the parent
7 company of The Petroleum Corporation of Delaware, wholly
8 owned subsidiary.

9 Q And have you previously testified before
10 the OCD as a geologist?

11 A No, I have not.

12 Q Would you please briefly describe your
13 educational and work background?

14 A I've a Bachelor's and a Master's degree
15 in geology from the University of Kentucky.

16 I've worked over twelve years in Okla-
17 homa, Texas and New Mexico areas for three different oil
18 companies; currently working for Presidio Oil Company --

19 Q And does --

20 A -- in the Permian Basin.

21 Q -- your area of responsibility include
22 the Permian Basin?

23 A Yes, it does.

24 Q And are you familiar with the geological
25 matters related to Case 9611?

1 A Yes, I am.

2 MR. BRUCE: Mr. Examiner, are
3 the witness' credentials acceptable?

4 MR. LYON: MR. Dusing is
5 qualified.

6 Q Mr. Dusing, would you please refer to
7 Exhibit Number One and briefly describe its contents?

8 A Yes, sir, this is the exhibit of the
9 land map showing Petroleum Corporation of Delaware acreage
10 outlined in the black dots of Section 1 of 29 East, 20
11 South, Eddy County, New Mexico, with the proposed location
12 highlighted in red, southwest quarter of the section.

13 The exhibit shows Yates Petroleum Cor-
14 poration as operator of Sections 12, 11, and 2.

15 Q Thank you. Would you move on to Exhibit
16 Number Two and describe its contents?

17 A Exhibit Number Two is a production key,
18 an area geology of the East Burton Flat Field areas. The
19 -- has on the key the circles that have produced from the
20 Morrow, The Atoka is the octagon. Squares are the Strawn
21 production and triangles are the Wolfcamp.

22 Q And what -- what is the deepest forma-
23 tion that will be tested in the proposed well?

24 A The Morrow, 12,100 feet.

25 Q Please move on to Exhibit Number Three

1 and discuss it.

2 A Exhibit Number Three is a structure map
3 on the top of the Morrow showing just regional dip from
4 northwest to southeast towards the basin. Again the wells
5 with circles are wells that have produced from the Morrow.
6 It is not -- production from the Morrow is not solely con-
7 trolled by structure. Morrow sands are similar to -- simi-
8 lar to channel and bar sand, stratigraphic traps.

9 Note the well in the southeast of Sec-
10 tion 2, the Yates well. It was drilled to the Morrow, as
11 the two wells in Section 11; however, the well in Section 2
12 did produce from a Morrow zone before and has since been
13 plugged off and recompleted up hole in the Strawn.

14 Q Please move on to Exhibit Four.

15 A Exhibit Four is an isopach of the two
16 sand members that were completed in the Morrow in that Sec-
17 tion 2 well. That same sand was not apparent in the wells
18 in Section 11 and this exhibit is showing that we think we
19 have some on our acreage and we'd like to have the oppor-
20 tunity to see it.

21 Q Thank you. Would you please move on to
22 Exhibit Number Five and describe its contents?

23 A Exhibit Number Five is a structure map
24 on top of the Strawn, first clean limestone, and it shows
25 regional dip from the northwest to the southeast. The

1 wells highlighted in squares are currently producing from
2 the Strawn zone, the Strawn formation, 350 foot interval.
3 I'd like to point out the cross section A to A' with the
4 two closest wells to our proposed location and also cross
5 section 3 miles to the west, B-B'.

6 Q Is the Strawn formation the primary
7 objective of this well?

8 A It is the primary objective at about
9 11,000 feet and it's only about 1000 feet to see the Mor-
10 row so we'd like to take the well on down.

11 Q Thank you. Would you please move on to
12 the cross sections marked as Exhibits Six and Seven and
13 describe their contents.

14 A Exhibit Six is cross section A to A'
15 with the well on the left marked A being the well located
16 in the southeast quarter of Section 2; the well on the
17 right is the well located from Exhibit Number Five in the
18 northeast corner of Section 11. Both of them produce out
19 of the Strawn currently with perforations marked in black
20 and the wells are 3000 feet from each other and this il-
21 lustrates the discontinuous nature of the Strawn limestone
22 porosity. I have tried to isolate and map these various
23 zones. I made an isopach on the Upper Strawn and the Lower
24 Strawn, which we'll look at, and this is just to illustrate
25 that they're very small and come and go and not related to

1 structure.

2 And Exhibit Seven, cross section B to
3 B', these wells, the well on the left, B, is located in
4 the southeast quarter of Section 5, and the well on the
5 right, B', is located in the southwest quarter of Section
6 11. They are 1,980 feet apart and they both produce out of
7 the Strawn members, as shown, with the perforations marked
8 in black. Those zones don't even extend 2000 feet.

9 Q Thank you. Would you please refer to
10 Exhibits Eight and Nine and describe them?

11 A Exhibit Eight is an isopach of my in-
12 terpretation of the porosity or various porosity members
13 identified in the Upper Strawn intervals and cross sec-
14 tions. These are limestone mounds, essentially, that trend
15 on strike; very discontinuous. I'd like to note the lack
16 of well control to the east of Section 1 acreage. There
17 just aren't any wells. The closest one is up in Section 30
18 of 19 South, 30 East; very interpretive; you have Strawn is
19 3-to-400 foot thick formation with discontinuous, more or
20 less random, porosity zones appearing throughout.

21 Exhibit Nine is an isopach similar to 8.
22 This is of all zones which I was able to identify as occur-
23 ring within the Lower Strawn member of the formation and
24 it's interpretive but you can see from the proximity of
25 some of the wells where I have control that you can go from

1 10 feet of porosity to zero; 15 feet to 5 feet, which is a
2 difference of an economic or uneconomic well.

3 Q Thank you. Will you please refer to the
4 well density chart marked Exhibit Number Ten and describe
5 it?

6 A Exhibit Number Ten is just an illustra-
7 tion of showing the distances between the current producing
8 wells out of the Strawn zone that we believe are not really
9 undue distances by the unorthodox location.

10 Q Thank you. What conclusion do you draw
11 from all of these exhibits?

12 A I think it's apparent that the discon-
13 tinuous nature of the Morrow sands, as well as the Strawn
14 limestone members, that the difference of our proposed
15 location and an orthodox location in Section 2 can mean the
16 difference of an economic or uneconomic well.

17 Q Thank you. Was notice given to the
18 offset operators?

19 A Yes, sir.

20 Q Or I should say offset operator.

21 A Yes, sir, it was.

22 Q And is the notice letter to Yates marked
23 as Exhibit Eleven?

24 A Yes, it is.

25 Q In your opinion is the granting of this

1 application in the interest of conservation, the prevention
2 of waste and the protection of correlative rights?

3 A Yes.

4 Q And were Exhibit One through Eleven
5 prepared by you or compiled from company business records?

6 A Yes.

7 MR. BRUCE: Mr. Examiner, I
8 move the admission of Exhibits One through Eleven.

9 MR. LYON: Exhibits One
10 through Eleven will be admitted.

11 MR. BRUCE: And I have o
12 further questions of the witness at this time.

13

14 CROSS EXAMINATION

15 BY MR. LYON:

16 Q Mr. Dusing, what -- what is the status
17 of this well that is in the approximate center of the south
18 half of Section 1?

19 A Oh, the Willis McClean?

20 Q Yes.

21 A That's a plugged and abandoned well
22 drilled, I believe, to the Yates formation. I do not know
23 when it was drilled.

24 The wells up in Section 35 and 36, the
25 oil well there, are recent shallow completions in the

1 Delaware, approximately 6000 feet.

2 Q Okay. Now, the -- the -- on Exhibit Two
3 --

4 A Yes, sir.

5 Q -- the square wells are Strawn and the
6 Strawn in this area produces gas, right?

7 A That's correct. Well, I believe that
8 Petroleum Corp. of Delaware well in Section 5, although
9 it's in the southeast quarter of Section 5, shown as a gas
10 well, I think it is an oil well by GOR and is recognized as
11 such with the Oil Conservation Division.

12 The Yates wells in Section 11 are --
13 would appear to be retrograde condensate reservoirs. Their
14 gas remains constant. They come in making about 6000
15 barrels of condensate a month and the gas remains constant
16 over the life and the condensate drops out; gets to be less
17 production per month.

18 A production curve on those two looks
19 very similar to our well in Section 5. The difference is
20 the Phillips Petroleum Corp. well in Section 5, the gravity
21 makes it an oil well as opposed to retrograde condensate
22 gas reservoir.

23 Q On Exhibit Three, the -- the sharp turn
24 in your 8150 contour over to your well, do you have any
25 control for that?

1 A No, I do not. I'm trying to show that
2 there might be a small nosing coming out, which may be
3 indicative of a Morrow sand body, bar, beach, or something;
4 just don't really have much control north of that until you
5 get to Section 36.

6 Q And on Exhibit Four it appears that the
7 only control point that you have on that are the two Yates
8 wells, which show zero and 16 feet from the well in the
9 southwest of the southeast of Section 2.

10 A That's correct, sir. That's the wells
11 right around there that penetrated the Morrow. The next
12 closest ones are again the Santa Fe well in Section 36 to
13 the north and wells further down to the southwest.

14 Q And those exhibits refer to the Morrow,
15 is that not true?

16 A That's correct, Exhibit Three and Four.

17 Q And the Morrow is just secondary objec-
18 tive.

19 A That's correct.

20 Q Your primary is the Strawn.

21 A That's correct.

22 Q Considering the nature of the Morrow, do
23 you really feel that the proposed location is any better
24 than a standard location?

25 A It's the nature of the Morrow, it's more

1 or less a wildcat, probably, at either. I feel a little
2 better moving to the west to -- just to get closer if, you
3 know, the well on Section 2 was on the west side of the
4 sand pod.

5 Q Just like to play closeology. On Exhi-
6 bit 8 --

7 A Yes, sir.

8 Q -- the isopach, apparently your inter-
9 pretation is that this is one fairly large pod but I don't
10 see any wells in there that have -- have any -- any pro-
11 ducing wells that have any thickness less than 10 feet. Do
12 you feel that entire area is productive or is this just a
13 contouring technique?

14 A That's -- it's an interpretation, yes.
15 I don't -- I've -- PI reports have stated the well in the
16 northwest of Section 12, that Yates well has been completed
17 in the Strawn.

18 Q Which well is that?

19 A It's the southwest corner of Section 12,
20 the square down there. It's a directional hole with the
21 bottom hole -- I'm sorry --

22 Q 13.

23 A -- Section 13, yes. I have a question
24 mark by it. I've read in the PI they completed in the
25 Strawn, 11,085 is the top of the perms. I don't have a

1 directional survey or anything and I'm not sure -- that was
2 measured depth, I'm not sure if it's upper or lower, that
3 kind of thing.

4 Q I have heard some testimony in connec-
5 tion with the Shipp Strawn and the Strawn area over in Lea
6 County, and it seems to be that those -- those reservoirs
7 close off rather abruptly.

8 A Uh-huh.

9 Q It's quite common but do you think that
10 the same conditions apply in this area?

11 A Probably, yes. The 5 and the zero foot
12 contours are -- I mean, you're right, I don't have any
13 data. I go from a 10 to a zero, try and equally space them
14 or something or other, but I think that cross section B to
15 B', shows you how abrupt they do drop off.

16 Q Right. It seems to be rather erratic.

17 A Yes, sir.

18 Q Now on Exhibit Nine you have a dashed
19 contour around the proposed well location.

20 A Yes, sir.

21 Q Is that dashed because you don't have
22 any control to put that in there?

23 A That's correct. That's wishful thinking
24 interpretations.

25 Q And you also have a dashed line running

1 through the well to the west of it --

2 A Yes.

3 Q -- where you do have some data.

4 A Yeah. That's 8 feet and I'm interpret-
5 ing that it could probably get to 10 just away from the
6 wellbore; 10 foot thickness, but again I'm dashing it be-
7 cause I have no real data.

8 Q Do you have anything to demonstrate that
9 the proration unit that you proposed is productive through-
10 out?

11 A No, sir, but, you know, I don't have any
12 data to say that it is productive throughout and I don't
13 believe I have any data to say it isn't.

14 Q Well, let me explain where I'm coming
15 from.

16 When -- when somebody comes in and asks
17 for an exception such as this, there is a presumption in my
18 mind, and I think any reasonable person's mind, that the
19 proration unit is ^{not} entirely productive, and there, perhaps,
20 should be a penalty assessed for that reason.

21 Do you have any response to that?

22 A That since it's not a legal location,
23 that, is that what you're saying, that we should be penal-
24 ized?

25 Q Yes, that's what I'm asking, if you

1 don't think that that's reasonable.

2 A I don't necessarily thing that's reason-
3 able, no, sir. It's, I mean you may have a legal location
4 and still not have the whole 320-acres productive.

5 Q Yes, but if you drill in the standard
6 location I think it's reasonable to assume that your unit
7 is -- is productive; whereas, if you -- if you have to move
8 to an unorthodox location it raises the presumption that
9 you have some trepidation about drilling at the standard
10 location.

11 A Well, I don't know if this entire sec-
12 tion is productive or not.

13 Q Is this the East Burton Flat or is it
14 undesignated?

15 A I think it's East Burton Flat Strawn.

16 Q Right, but apparently it's outside of
17 the presently defined pool, so it would come under the
18 rules of that pool.

19 Since we're dealing with gas, and this,
20 I believe this is not a prorated gas pool, it's a rather
21 difficult thing to assess a penalty which we can really
22 police very well.

23 Do you -- do you have any suggestion on
24 what kind of method the Commission might use, or the Divi-
25 sion might use, if ^{we} decided to assess a penalty?

1 A I haven't given it much thought. Has
2 the Commission had any -- I mean, what have you done in the
3 past?

4 Q Well, we've had -- we've used -- taken
5 several approaches but we haven't found one that's very
6 satisfactory.

7 A I don't -- in my experience from Okla-
8 homa, they assess you a 25 percent penalty, I think is -- I
9 doubt if there's any scientific, you know, basis for that.

10 Q In Arkansas they -- they assess you a
11 penalty based on the proportion of the distance that you
12 move to the lease, to the nearest lease line as compared to
13 the standard location, which in this case would be about a
14 $1/3$ or a $2/3$ penalty and $1/3$ of an allowable, if we had an
15 allowable, which we don't have in this pool; and the
16 Commission, or the Division has applied that at a propor-
17 tion of the absolute open flow or a proportion of the aver-
18 age production in the area.

19 MR. LYON: Do you have any-
20 thing further to add?

21 MR. BRUCE: I would just like
22 to ask the witness one -- one question, Mr. Lyon.

23

24

REDIRECT EXAMINATION

25

BY MR. BRUCE:

1 Q If a substantial penalty was assessed
2 against this well, would Petroleum Corporation of Delaware
3 reconsider its opinion on drilling the well?

4 A Yeah. If we're only going to be, say,
5 able to produce 1/3 of what we, you know, test, that will
6 have a direct bearing on whether we drill the well or not.

7 Q And because of the situation where there
8 is absolutely no production from the Morrow or Strawn to
9 the east, do you consider this to be the equivalent of a
10 wildcat well?

11 A Pretty much so. We're half a mile to
12 the closest production from our proposed location.

13 Q And the Strawn and the Morrow come and
14 go very quickly, do they not?

15 A Yes, they do. Yes, they do.

16 MR. BRUCE: I have --

17 A A legal location may very well be a dry
18 hole and still have productive Strawn under the section,
19 underlying the section.

20 MR. BRUCE: Thank you, Mr.
21 Dusing.

22 Mr. Examiner, if I may say, we
23 believe that a penalty is not reasonable under these cir-
24 cumstances. This is a deep well, an expensive well, and I
25 would note the offset operator, Yates Petroleum Corpora-

1 tion has not objected to the well, and we would request
2 that it be approved without a penalty.

3 MR. LYON: Okay. Did you --
4 did you have a waiver from Yates?

5 MR. BRUCE: Yes, yes, we do,
6 Mr. Examiner.

7 It wasn't submitted. We can
8 submit it as Exhibit Number Twelve, if you so desire.

9 MR. LYON: Yes, I'd like to
10 have it.

11 MR. BRUCE: Mr. Examiner, Ex-
12 hibit Number Twelve is a copy of the waiver letter between
13 Yates and the applicant, or the applicant's parent corpor-
14 ation, concerning this well, and we would move that it be
15 admitted.

16 MR. LYON: Exhibit Twelve will
17 be admitted in the hearing.

18 Do you have anything else, Mr.
19 Bruce?

20 MR. BRUCE: Nothing else, Mr.
21 Examiner.

22 MR. LYON: The witness may be
23 excused and we'll take the case under advisement.

24

25

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division (Commission) was reported by me;
that the said transcript is a full, true and correct record
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 9611,
heard by me on March 1989.

Victor Z. Lyon, Examiner
Oil Conservation Division

NEW MEXICO OIL CONSERVATION COMMISSION

COMMISSION HEARING

SANTA FE, NEW MEXICOHearing Date AUGUST 17, 1989 Time: 9:00 A.M.

NAME	REPRESENTING	LOCATION
Earl L. Kunk	Padilla & Sayre	Santa Fe, NM
Bob Hulse	Bayram	Seaside
Yerry L. Chappone	Enron oil & Gas	Midland, Texas
Carly Z. Hearn	Enron Oil & Gas	Midland, Texas
Howard H. Hearn	Enron Oil & Gas	Midland, TX
William H. Hearn	Enron Oil & Gas	Midland, TX
William H. Hearn	Enron Oil & Gas	Midland, TX
William H. Hearn	Enron Oil & Gas	Midland, TX
James B. Hearn	Enron Oil & Gas	Midland, TX
Howard C. Hearn	Enron Oil & Gas	Midland, TX
R. Hearn	Enron Oil & Gas	Midland, TX
V.T. Lyon	Enron Oil & Gas	Midland, TX
W. Hearn	Enron Oil & Gas	Midland, TX
Doug Blair	Enron Oil & Gas	Midland, TX

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BUILDING
5 SANTA FE, NEW MEXICO

ORIGINAL

IN THE MATTER OF:

6 Application of The Petroleum
7 Corporation of Delaware for an
8 unorthodox gas well location,
Eddy County, New Mexico.

CASE
9611

9 -----
10
11
12 TRANSCRIPT OF HEARING
13 AUGUST 17, 1989

14 BE IT REMEMBERED that on the
15 17th day of August, 1989, this matter
16 came on for hearing before CHAIRMAN
17 WILLIAM LEMAY, COMMISSIONER WILLIAM
18 HUMPHRIES and PATRICIA O'BRIEN, Certified
Shorthand Reporter, of the firm SANTA FE
DEPOSITION SERVICE, 1437 Paseo de
Peralta, Santa Fe, New Mexico, at
the State Land Offices, Morgan Hall,
Santa Fe, New Mexico.

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A P P E A R A N C E S

FOR THE OCD: WILLIAM LEMAY, CHAIRMAN
WILLIAM HUMPHRIES, COMMISSIONER
FLORENE DAVIDSON, STAFF SPECIALIST
ROBERT STOVALL, GENERAL COUNSEL

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* * *

P R O C E E D I N G S

AUGUST 17, 1989

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CHAIRMAN LEMAY: Good morning. You have two Commissioners this morning. This is the Oil Conservation Commission hearing. I'm Bill LeMay. Bill Humphries sits to my right. To help with the next meeting, we'll have a third Commissioner. So if any of you are here for Workmen's Compensation and so forth, you are in the wrong room.

Case No. 9611?

MR. STOVALL: The application of The Petroleum Corporation of Delaware for an unorthodox gas well location, Eddy County, New Mexico. Applicant requests this case be continued to the October 19th, 1989, Commission Hearing.

CHAIRMAN LEMAY: Without objection, Case No. 9611 will be continued to the October 19th Hearing.

(Whereupon, the hearing in the above matter was concluded.)


* * *

STATE OF NEW MEXICO)
) SS.
COUNTY OF SANTA FE)

REPORTER'S CERTIFICATE

I, Patricia Lou O'Brien, Certified Shorthand Reporter
and Notary Public of the firm SANTA FE DEPOSITION SERVICE,
do hereby certify that the following transcript is a
complete and accurate record of said proceedings as the same
were recorded by me or under my supervision.

Dated at SANTA FE, NEW MEXICO, this 7th
day of September , 1989.



Patricia Lou O'Brien
Certified Shorthand Reporter

My Commission Expires:
February 16, 1990

SANTA FE DEPOSITION SERVICE

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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

15 June 1989

COMMISSION HEARING

IN THE MATTER OF:

In the matter of cases called on this
date and action taken without testimony
being presented.

CASES
9672
9073
9611
9619
9617

*Transcript in
Case 9672*

BEFORE: William J. Lemay, Chairman
William M. Humphries, Commissioner
Erling Brostuen, Commissioner

TRANSCRIPT OF HEARING

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 Bldg.
Santa Fe, New Mexico

For The Applicant:

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

20 July 1989

COMMISSION HEARING

IN THE MATTER OF:

Application of The Petroleum Corporation of Delaware for an unorthodox gas well location, Eddy County, New Mexico, and

CASE
9611

Application of Santa Fe Exploration Company for an unorthodox gas well location, dual completion and compulsory pooling, Eddy County, New Mexico, and

9619

Application of Curry and Thornton for an unorthodox oil well location and a non-standard proration unit, Chaves County, New Mexico.

9617

BEFORE: William J. Lemay, Chairman
William M. Humphries, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

For the Applicants:

I N D E X

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Case 9611

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Case 9619

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Case 9617

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1 MR. LEMAY: Good morning. I'm
2 Bill Lemay and Commissioner Bill Humphries. We're the Oil
3 Conservation Commission and this is the 20th of July, 1989,
4 with just two commissioners until there will be a third one
5 appointed by the Secretary. Most of you have heard, Com-
6 missioner Erling Brostuen has left state government.

7 Fortunately, that still leaves
8 us with a quorum with Bill and I.

9 We will now take Case Number
10 9611. The application of the Petroleum Corporation of
11 Delaware for an unorthodox gas well location, Eddy County,
12 New Mexico.

13 It's been recommended that
14 this case be continued to August 17th. Is there any objec-
15 tion to continuing the case to August 17th?

16 If not, Case 9611 will be con-
17 tinued to August 17th.

18
19 (Hearing concluded.)
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25

1 MR. LEMAY: Case Number 9619
2 is the application of Santa Fe Exploration Company for an
3 unorthodox gas well location, dual completion and compul-
4 sory pooling, Eddy County, New Mexico.

5 This case will be dismissed
6 and the order vacated because of a dry hole unless there is
7 any objection from anyone in the room.

8 If not, Case 9619 will be dis-
9 missed and the order vacated.

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11 (Hearing concluded.)

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1 MR. LEMAY: Case Number 9617
2 is the application of Curry and Thornton for an unorthodox
3 oil well location and a nonstandard proration unit, Chaves
4 County, New Mexico.

5 At the request of the appli-
6 cant this case will be continued to the Commission Hearing
7 of August 17th if there is no objection to that.

8 The case will be continued to
9 August 17th.

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11 (Hearing concluded.)

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C E R T I F I C A T E

I, SALLY W. BOYD, C. S. R. DO HEREBY
CERTIFY that the foregoing Transcript of Hearing before the
Oil Conservation Division (Commission) was reported by me;
that the said transcript is a full, true and correct record
of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

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

COMMISSION HEARING

IN THE MATTER OF:

Case 9611

Application of The Petroleum Corporation
of Delaware for an unorthodox gas well
location, Eddy County, New Mexico.

TRANSCRIPT OF PROCEEDINGS

BEFORE: WILLIAM J. LeMAY, CHAIRMAN
WILLIAM WEISS, COMMISSIONER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

OCTOBER 19, 1989

ORIGINAL

CUMBRE COURT REPORTING
(505) 984-2244

1 MR. LeMAY: Good morning. This is the Oil
2 Conservation Commission hearing, and we have three
3 Commissioners. One of the Commissioners is stranded in
4 Truth or Consequences. Commissioner Bill Humphries
5 will not be here for this with us.

6 For those of you who did not get a chance to
7 meet our new Commissioner, Bill Weiss is our new
8 Commissioner here to my left. My name is Bill LeMay,
9 and we are the Commission of three Bills, two of which
10 are present today.

11 So with that we will begin by calling --

12 MR. STOVALL: Mr. Chairman.

13 MR. LeMAY: Yes.

14 MR. STOVALL: Before we start, maybe this
15 would be a good time to -- this is off the record.

16 (Thereupon, a discussion was held
17 off the record.)

18 MR. LeMay: Thank you, Mr. Stovall.

19 Case No. 9611.

20 MR. STOVALL: Application of The Petroleum
21 Corporation of Delaware for an unorthodox gas well
22 location, Eddy County, New Mexico. Applicant has
23 requested this case be dismissed.

24 MR. LeMAY: Without objection Case No. 9611
25 will be dismissed.

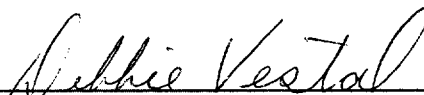
CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Debbie Vestal, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Commission of the Oil Conservation Division was reported by me; that I caused my notes to be transcribed under my personal supervision; 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 October 29, 1989.



Debbie Vestal
CSR No. 400