

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
CASE 10,026, CASE 10,027

EXAMINER HEARING

IN THE MATTER OF:

Hearing Called by the Oil Conservation Division on  
its Own Motion to Amend Division Order No. R-8945,  
as Amended, Chaves County, New Mexico; Hearing  
Called by the Oil Conservation Division on its Own  
Motion for an Order Creating, Establishing a  
Discovery Allowable, Abolishing, Contracting and  
Extending Certain Pools in Chaves and Eddy  
Counties, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R CATANACH, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

July 25, 1990

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

1  
2  
3 FOR THE DIVISION:

4 RAND L. CARROLL  
5 Attorney at Law  
6 Natural Gas Programs  
7 P.O. Box 2088  
8 Room 206, State Land Office Building  
9 Santa Fe, New Mexico 87504

10 ALSO PRESENT:

11 JAMES MORROW  
12 Chief Engineer  
13 Oil Conservation Division  
14 State Land Office Building  
15 Santa Fe, New Mexico 87504

16 \* \* \*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

I N D E X

Page Number

Appearances	2
Exhibits	3
MICHAEL E. STOGNER	
Direct Examination by Mr. Carroll	5
Certificate of Reporter	11

\* \* \*

E X H I B I T S

DIVISION'S EXHIBITS:

Exhibit 1	6
Exhibit 2	7
Exhibit 3	8

\* \* \*

1           WHEREUPON, the following proceedings were had  
2 at 2:42 p.m.:

3           EXAMINER CATANACH: At this time we'll call  
4 Case 10,026 in the matter of the hearing called by the  
5 Oil Conservation Division on its own motion to amend  
6 Division Order Number R-8945, as amended, Chaves  
7 County, New Mexico.

8           Are there appearances in this case?

9           MR. CARROLL: Yes, there are, Mr. Examiner.  
10 Rand L. Carroll for the Oil Conservation Division.

11           EXAMINER CATANACH: Any other appearances?  
12 Okay.

13           MR. CARROLL: Mr. Examiner, we move to  
14 consolidate this case, 10,026, with Case 10,027.

15           EXAMINER CATANACH: Okay, at this time we'll  
16 call Case 10,027, in the matter of the hearing called  
17 by the Oil Conservation Division on its own motion for  
18 an order creating, establishing a discovery allowable,  
19 abolishing, contracting, and extending certain pools in  
20 Chaves and Eddy Counties, New Mexico.

21           Do you have any witnesses in the case, Mr.  
22 Carroll?

23           MR. CARROLL: Yes, I do. I have one witness.

24           EXAMINER CATANACH: Will the witness please  
25 stand to be sworn in?

1 (Thereupon, the witness was sworn.)

2 EXAMINER CATANACH: You may proceed.

3 MR. CARROLL: Thank you, Mr. Examiner.

4 MICHAEL E. STOGNER,

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

7 DIRECT EXAMINATION

8 BY MR. CARROLL:

9 Q. Will you please state your name and  
10 occupation?

11 A. I'm Michael E. Stogner, I'm engineer with the  
12 New Mexico Oil Conservation Division here in Santa Fe.

13 Q. Mr. Stogner, have you previously testified  
14 before the Commission or its examiners and had your  
15 credentials accepted?

16 A. Yes, I have.

17 MR. CARROLL: Mr. Examiner, I offer Mr.  
18 Stogner as an expert witness.

19 EXAMINER CATANACH: He is so qualified.

20 Q. (By Mr. Carroll) Mr. Stogner, are you  
21 familiar with the nomenclature proceedings before the  
22 Division and the matters about which you're going to  
23 testify today?

24 A. Yes, I am.

25 Q. Mr. Stogner, are you prepared today to make

1 recommendations to the Examiner concerning the  
2 nomenclature of certain pools in Chaves and Eddy  
3 Counties, New Mexico?

4 A. Yes, I am.

5 Q. Are your recommendations prepared in the form  
6 of an exhibit?

7 A. Yes, they are, and that exhibit is denoted as  
8 Exhibit Number 1.

9 Q. Would you please refer to Exhibit Number 1  
10 and to the docket that's been distributed for the  
11 hearing today and point out any differences that may  
12 exist between the two?

13 A. By the way, that's Exhibit Number 1 in Case  
14 Number 10,027. There are some changes.

15 I refer to the docket on today's hearing to  
16 case Number 10,027, paragraph (b). That's the creation  
17 of a Devonian pool to be known as the Clark Springs-  
18 Devonian Pool. That is to be dismissed at this time.

19 I refer to paragraph (c), as in cat. There  
20 is a change there. Where it is denoted the north half  
21 of Section 2, that should be the south half of Section  
22 32.

23 EXAMINER CATANACH: Should be the south half  
24 of Section 32?

25 THE WITNESS: Right, instead of the north

1 half.

2 Refer to paragraph (i). This is the  
3 extension of the East Burton Flat-Morrow Gas Pool.  
4 Where it says Section 13, the north half, that should  
5 be deleted. And the north half of Section 15 should be  
6 included.

7 Q. (By Mr. Carroll) Are there any further  
8 corrections or deletions or additions?

9 A. Not in Case Number 10,027.

10 Q. And what about 10,026?

11 A. 10,026, Mr. Examiner, if you'll refer to my  
12 Exhibit Number 1, this is a land plat of this portion  
13 of Chaves County that takes in 10,026, 10,027, 10,028,  
14 11,026, 11,027 and 11,028.

15 I've denoted in the blue color the present  
16 boundary of the Comanche Springs-PrePermian Gas Pool  
17 and in pink the present boundary of the Rabbit Flats-  
18 PrePermian Gas Pool. Due to inadvertence during the  
19 creation of the Comanche Springs Pool, this was the  
20 result.

21 Refer to Exhibit Number 2, which is Order  
22 Number R-8945, which was a similar case such as this  
23 today, heard on May 24th, 1989, I believe heard before  
24 you, Mr. Examiner.

25 Paragraph C, which created the Comanche

1 Springs-PrePermian Gas Pool, included in Section 36 of  
2 10 South 27 East, Section 36, the west half; and in 11  
3 South, 27 East, the north half of 5.

4 As you can see, there is no north half of 5.  
5 5 is made up of approximately 348 acres, more or less,  
6 comprising lots 1 through 4 in the south half of 5.

7 With the changes today in previous Case  
8 10,027, which is -- will abolish certain pools and  
9 extend the boundary of the Comanche Springs Pool -- if  
10 you will refer to Exhibit Number 3, maybe that will  
11 help us follow along.

12 I've denoted in the green hatch-markings,  
13 that is the proposed contraction of the Comanche  
14 Springs-PrePermian Gas Pool in Case 10,027. In the  
15 solid red markings, which takes in the south half of  
16 25, the west half of 36 and the north half of Section 8  
17 on the western portion of this exhibit, that is the  
18 proposed extension of the Comanche Springs-PrePermian  
19 Gas Pool, as provided for in 10,027.

20 The Rabbit Flats-PrePermian Pool is proposed  
21 to be abolished in its entirety, and that's denoted as  
22 the purple hatch-marks in the west half of 36.

23 And I propose to amend Order Number R-8945, a  
24 nunc pro tunc, if you will, to include instead of the  
25 north half of 5, to say all of Section 5. All of

1 Section 5 is being produced at this time under a  
2 nonstandard proration order on the discovery well of  
3 the Comanche Springs-Bone Springs Pool.

4 That is all I have at this time, Mr.

5 Examiner.

6 MR. CARROLL: Mr. Examiner, I move at this  
7 time we dismiss Paragraph (b) of Case 10,027, related  
8 to the creation, designation of the Clark Springs-  
9 Devonian Pool.

10 EXAMINER CATANACH: Okay, Paragraph (b) in  
11 Case Number 10,027 is hereby dismissed. And the  
12 corrections made on the record by Mr. Stogner are  
13 hereby incorporated into the record Order in this case.

14 Do you have anything further, Mr. Carroll?

15 MR. CARROLL: Mr. Examiner, I would note that  
16 the corrections which Mr. Stogner has made basically in  
17 the descriptions of these pools were advertised  
18 properly so as not to create any deficiency in the  
19 notice published in this case.

20 EXAMINER CATANACH: So noted.

21 MR. CARROLL: I have nothing further.

22 I move that Exhibits 1 through 3 be admitted  
23 into evidence.

24 EXAMINER CATANACH: I have a slight problem.  
25 We've got -- Is it two exhibits -- two Exhibit Number

1 1's in both of these cases?

2 THE WITNESS: One Exhibit in Case Number  
3 10,027, that is the nomenclature for that case, and  
4 Exhibit Number 1 for the combined Case 10,027 and  
5 10,026. If you could note, I will just propose that  
6 that be Exhibit Number 1 in Case Number 10,026.

7 EXAMINER CATANACH: Exhibit Number 1 in Case  
8 10,026 is hereby admitted into evidence, and Exhibits  
9 Number 1, 2 and 3 in the combined Cases 10,026 and  
10 10,027 are hereby admitted into evidence.

11 And is there anything further in this case?

12 MR. CARROLL: I have nothing further.

13 EXAMINER CATANACH: If not, Case 10,026 and  
14 Case 10,027 will be taken under advisement.

15 And this hearing is adjourned.

16 (Thereupon, these proceedings were concluded  
17 at 2:50 p.m.)

18 \* \* \*

19

20

21

22

23

24

25

