

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

6 June 1984

EXAMINER HEARING

IN THE MATTER OF

Application of Coastal Oil & Gas
Corporation for an unorthodox oil
well location, Lea County, New
Mexico.

CASE
8209

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

James G. Bruce
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P. O. Box 2068
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I N D E X

HERMAN C. LUTHER

Direct Examination by Mr. Bruce 3

E X H I B I T S

Coastal Exhibit One, Structure Map 3

Coastal Exhibit Two, Isopach 5

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3 MR. STAMETS: We'll call next
4 Case 8209.

5 MR. PEARCE: That case is on
6 the application of Coastal Oil & Gas Corporation for an un-
7 orthodox oil well location, Lea County, New Mexico.

8 MR. BRUCE: Mr. Examiner, my
9 name is Jim Bruce from the Hinkle Firm, representing Coastal
10 Oil & Gas and I have one witness to be sworn. It's Mr.
11 Luther again.

12 MR. STAMETS: Let the record
13 show that Mr. Luther has previously been sworn, qualified,
14 and remains so in this case.

15 MR. BRUCE: For the record,
16 Coastal is seeking another unorthodox oil well location,
17 1980 feet from the south line and 990 feet from the east
18 line in Section 27, Township 14 South, Range 32 East.

19 The southeast quarter of Sec-
20 tion 27 is to be dedicated to the well and what we'll intro-
21 duce as Exhibit Number One, if you will look briefly at
22 that, the well in the southeast quarter of the southeast
23 quarter should be noted as a plugged and abandoned.

24 MR. LUTHER: Well, it's tempo-
25 rarily abandoned. It hasn't produced in years. It should
have just a TA by it but I've been out in the field and I
got in to look at these maps here just a brief while ago,
but it is -- it hasn't produced in quite a few years.

1
2 It's just been temporarily
3 abandoned there and there is no production in that, right.

4
5 HERMAN C. LUTHER,
6 being called as a witness and being duly sworn upon his
7 oath, testified as follows, to-wit:

8 DIRECT EXAMINATION

9 BY MR. BRUCE:

10 Q Would you please again refer to Exhibit
11 One and describe that briefly, Mr. Luther?

12 A Well, we're in Tulk Field, which you can
13 see Baum right at the top of your map up there, those wells,
14 so we're just along -- we're southwest trend from Baum.

15 This is a structure map again on top of
16 Bough C in the East Tulk Field, or the Tulk Field in Lea
17 County, New Mexico, and of course this is a structure map on
18 the Bough C, which is similar to Baum up there. This field
19 produces out of the Bough A, which is the top zone, the
20 Bough B, and the Bough C, and we have in the last year and a
21 half drilled four wells in this field, some of them on regu-
22 lar locations because we feel like the wells have been aban-
23 doned and the 160 has no wells on it.

24 We've drilled the 3-27 in the northeast
25 quarter of 27.

26 We've drilled the 4 -- 26 No. 4 in the
27 northeast quarter of Section 26.

1
2 We've drilled the 26 No. 5 in the south-
3 west quarter of Section 26, and we've drilled the 22 No. 2
4 in the southeast quarter of 22.

5 The proposed location that we are seeking
6 there, the 27 No. 4, there again if you notice in the south-
7 west quarter of Section 26 we have the 26 No. 3. That has
8 been producing for years. It's produced around 290,000 bar-
9 rels of oil.

10 We have recently drilled the 27 No. 3,
11 which looks like it's going to potential for 100 or 200 bar-
12 rels. We're wanting to move this well over farther from the
13 26 No. 3 for another -- for again the drainage problems.

14 We moved the 3 -- 27 No. 3 away from the
15 26 No. 1 up there, which had made over 200,000 barrels of
16 oil, and we have recovered oil out of the same zone.

17 So we feel like by moving these over we
18 can get additional oil and not -- and not have severe drain-
19 age.

20 So that is why we propose to move this
21 over 990 from the lease line to get away from the drainage
22 of the 26 No. 3.

23 Q Thank you. Would you please refer brief-
24 ly to Exhibit Number Two and describe that?

25 A Number Two is an Isopach of the Bough C
and as you see, the main reason we want to drill this well
is that we're sitting right in the thick part of the Bough C
zone and also we will have the Bough B as a backup in this

1 particular location.

2 Q Thank you. Were Exhibits One and Two
3 prepared by you or under your direction?

4 A Yes.

5 Q And in your opinion will the granting of
6 this application be in the interest of conservation, the
7 prevention of waste, and the protection of correlative
8 rights?

9 A That is right.

10 MR. BRUCE: Mr. Examiner, I
11 move the admission of Exhibits One and Two.

12 MR. STAMETS: The exhibits will
13 be admitted.

14 MR. BRUCE: I have no further
15 questions.

16 MR. STAMETS: What is the spac-
17 ing in this pool?

18 A It's 160 and the same as Baum. In 1960,
19 when Shell drilled the discovery well there, they -- it went
20 to 160 with options to drill eighties and the same allow-
21 able. They cut in half into same as the Baum.

22 MR. STAMETS: Okay. Any other
23 questions of the witness?

24 He may be excused.

25 Anything further in this case?

The case will be taken under
advisement.

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 Con-
servation Division was reported by me; that the said tran-
script 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. 8209
heard by me on 6-6 19 84
Richard D. Plam, Examiner
Oil Conservation Division