

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

19 September 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Chama Petroleum	CASE
Company for an unorthodox gas well	8343
location, Eddy County, New	
Mexico.	

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Jeff Taylor
Division:	Attorney at Law
	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:	William F. Carr
	Attorney at Law
	CAMPBELL AND BLACK P. A.
	P. O. Box 2208
	Santa Fe, New Mexico 87501

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I N D E X

MARK K. NEARBURG

Direct Examination by Mr. Carr

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E X H I B I T S

Chama Exhibit One, Land Map

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Chama Exhibit Two, Topographic Map

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Chama Exhibit Three, Letter

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3 MR. STOGNER: We will now call  
4 Case Number 8343.

5 MR. TAYLOR: The application of  
6 Chama Petroleum Company for an unorthodox gas well location,  
7 Eddy County, New Mexico.

8 MR. CARR: May it please the  
9 Examiner, my name is William F. Carr, with the law firm  
10 Campbell and Black, P. A., of Santa Fe, appearing on behalf  
11 of Chama Petroleum Company.

12 I have one witness, Mark Near-  
13 burg, who was the witness in the previous case and I will  
14 request that the record reflect that the witness is sworn,  
15 remains under oath, and is qualified as a petroleum landman.

16 MR. STOGNER: The record will  
17 so show.

18 Is there any other appearances  
19 for this matter? Being none, please continue, Mr. Carr.

20 MARK NEARBURG,  
21 being called as a witness and being previously sworn upon  
22 his oath, testified as follows, to-wit:

23 DIRECT EXAMINATION

24 BY MR. CARR:

25 Q Mr. Nearburg, are you familiar with the  
application of Chama in this case?

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A Yes.

Q Are you familiar with the subject acreage?

A Yes.

MR. CARR: Mr. Examiner, at this time I would like to note that the way the case has been advertised is for a well location 1200 feet from the south line and 400 feet from the east line. I'm sorry, 1400 feet from the east line of Section 10.

The location has had to be moved. The location for the well will be 1170 from the east line, 1640 feet from the south line.

We are moving the location toward a standard location from that which was advertised. We submit that the legal notice is adequate and we request that the application be amended to reflect the new well location.

MR. STOGNER: It is still unorthodox, is it not?

MR. CARR: It is still unorthodox. It is less so than advertised.

MR. STOGNER: Mr. Carr, at this time it might be nice to bring up, in the docket we had advertised for an unorthodox Morrow gas well location; however, I noticed in the written ad, we -- we got the Morrow off of a phoned-in ad, but in the written ad you asked for an unorthodox location for the Pennsylvanian formation.

MR. CARR: We're looking at the

1 whole Pennsylvanian, Mr. Examiner, and if it was advertised  
2 for just the Morrow, it will have to be readvertised in this  
3 regard.  
4

5 MR. STOGNER: Okay. We will go  
6 ahead and readvertise this as the Pennsylvanian formation  
7 and the correct location, and that is 1170 foot from the  
8 east line?

9 MR. CARR: Yes.

10 MR. STOGNER: 1640 foot from  
11 the south line?

12 MR. CARR: That's correct.

13 MR. STOGNER: In the Pennsyl-  
14 vanian formation?

15 MR. CARR: That's correct.

16 MR. STOGNER: This will be re-  
17 advertised for the next available hearing but we'll go ahead  
18 and take testimony on this today.

19 Q Mr. Nearburg, will you briefly state what  
20 Chama seeks with this application?

21 A Chama seeks an unorthodox Pennsylvanian  
22 well location 1170 feet from the east line, 1640 feet from  
23 the south line, Section 10, Township 22 South, Range 24  
24 East, the east half of Section 10 to be dedicated to the  
25 well.

26 Q Would you please refer to what has been  
27 marked for identification as Chama Exhibit Number One and  
28 review this for the Examiner?

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2           A           Exhibit Number One is a land plat showing  
3 Section 10, east half unit outlined in yellow and the red  
4 dot indicates the location of the well.

5           Q           Does this also indicate the owners of  
6 offsetting acreage?

7           A           Yes. The only offset ownership which is  
8 not held by Chama is the Pennzoil acreage in Section 2.

9           Q           Would you now refer to what has been  
10 marked Chama Exhibit Number Two and review this for us?

11           A           Exhibit Number Two is a topographic map  
12 of the area. The dotted line on the right that's highlight-  
13 ed in yellow is the existing road. The yellow line moving  
14 west is the proposed road contributed by the BLM for the lo-  
15 cation, and the red dot shows the approved BLM location.

16           Q           So the unorthodox location is necessi-  
17 tated by topographical conditions.

18           A           Yes.

19           Q           Toward whom are you moving this well lo-  
20 cation?

21           A           Toward our own acreage.

22           Q           Would you refer to what has been marked  
23 for identification as Chama Exhibit Number Three?

24           A           Yes. Exhibit Number Three is a letter  
25 from Florida Exploration Company saying they have no objec-  
tion to the proposed well.

          Q           And where does Florida own acreage in re-  
gard to the proposed unorthodox location?

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2           A           Florida has a farmout from Chama in the  
3 north half of 11. They're drilling a well in the northeast  
4 quarter.

5                   MR. CARR: In your opinion will  
6 approval of this application be in the best interest of con-  
7 servation, prevention of waste, and the protection of corre-  
8 lative rights?

9           A           Yes.

10           Q           Were Exhibits One through Three prepared  
11 by you or compiled under your direction and supervision?

12           A           Yes.

13                   MR. CARR: At this time, Mr.  
14 Stogner, we would offer into evidence Chama Exhibits One  
15 through Three.

16                   MR. STOGNER: Exhibits One  
17 through Three will be admitted into evidence.

18                   MR. CARR: That concludes my  
19 direct of Mr. Nearburg.

20                   MR. STOGNER: Is there any fur-  
21 ther questions of this witness?

22                   If not, he may be excused.

23                   Is there anything further this  
24 morning in Case Number 83443?

25                   MR. CARR: Nothing further.  
Just one second.

That's all.

MR. STOGNER: If there is no-

1  
2 thing further in Case Number 8343 this case will remain open  
3 pending readvertisement for the next available Division  
4 hearing.

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6 (Hearing concluded.)  
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