

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

19 December 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Cor- CASE
poration for an unorthodox gas well 8431
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
Division:

For the Applicant: Chad Dickerson
Attorney at Law
LOSEE, CARSON & DICKERSON P.A.
Artesia, New Mexico 88210

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I N D E X

RAY BECK

Direct Examination by Mr. Dickerson 4

E X H I B I T S

Yates Exhibit One, Plat 4
Yates Exhibit Two, Isolith 5
Yates Exhibit Three, Cross section 6

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3 MR. STOGNER: We will call next
4 Case 8431.

5 I am again Michael E. Stogner,
6 appointed the Alternate Examiner at today's hearing. This
7 case is being heard in Room 209 of the Oil Conservation
8 Division's offices in Santa Fe.

9 We will now call Case Number
10 8431, which is the application of Yates Petroleum Corpora-
11 tion for an unorthodox gas well location, Eddy County, New
12 Mexico.

13 We will now call for appear-
14 ances in this matter.

15 MR. DICKERSON: Mr. Examiner,
16 I'm Chad Dickerson of Artesia, New Mexico, on behalf of the
17 applicant.

18 And I have one witness to be
19 sworn.

20 MR. STOGNER: Are there any
21 other appearances this morning -- I'm sorry, in this case?

22 Being none, let the record so
23 show that this witness, Mr. Ray Beck, has been sworn in Case
24 Number 8430.

25 Please continue, Mr. Dickerson.

RAY BECK,

being called as a witness and having been previously sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Mr. Beck, will you briefly state what Yates seeks by its application in Case 8431?

A In Case 8431 Yates Petroleum Corporation respectfully requests approval of the unorthodox gas well location of the proposed No. 1 Sylvester "ABC", to be drilled 660 feet from the south and east lines of Section 8, Township 18 South, Range 25 East, Eddy County, New Mexico.

The south half of Section 8 will be dedicated to the well.

The necessity for this nonstandard location is based on geologic conditions prevailing in the Morrow Clastics.

Q Mr. Beck, refer to what we have marked and submitted as Exhibit Number One and tell us what's shown on that exhibit?

A Exhibit Number One is a land plat showing the proposed location and its relationship to the surrounding acreage situation.

Yellow denotes acreage in which Yates has full or partial interest and operating rights.

The proration unit is outlined in red.

Q Please refer to what we have marked as Exhibit Number Two and tell us what's shown on that instrument.

A Exhibit Number Two is a combined structure and sand Isolith map.

The dotted lines are structural contours on top of the Morrow Clastics.

The contour interval is 100 feet.

The solid lines are Isolith contours showing the varying thickness of total clean Morrow sand in the area of these nine contiguous sections. "Clean" is defined as sand with less than 50 gamma ray API units on the neutron density log.

The contour interval is 10 feet.

The proposed location is on the axis of a Morrow sand thick extending sinuously northward from Section 16 through Section 8 and into Section 5. The proposed location should encounter as much or more Morrow sand than the other Morrow well in Section 8, the Federal "CZ", which has produced almost a half a Bcf of gas from the Morrow sands over the past ten years.

The Yates 4-Dinkus "GV" in Section 16 had good reservoir Morrow sand but it was water wet.

The proposed location is positioned along the axis of the Morrow sand thick at a distance from the largely depleted Federal "CZ" Well in Section 8 and 200 feet

1 up-dip from the 4-Dinkus "GV" in Section 16.

2 Q Mr. Beck, point out to the Examiner your
3 cross section shown on Exhibit Number Two, which will form
4 the basis for the next exhibit.

5 A Exhibit Number Three, cross section, is
6 A-A', going from southwest to northeast from the "CX" Well
7 in Section 7 through the Yates "AB" No. 2 Well in Section 5
8 into the Yates Griffin Well in Section 4.

9 Q Okay, turn to your Exhibit Number Three,
10 your cross section, and tell us what you have shown on that?

11 A Exhibit Number Three is a southwest to
12 northeast stratigraphic cross section hung on the top of the
13 Morrow Clastics.

14 The cross section shows the pertinent
15 correlations and the presence of the clean sands in the
16 thick shown on the previous exhibit.

17 Q In your opinion, Mr. Beck, is your pro-
18 posed location the optimum geological location for this pro-
19 ration unit?

20 A Yes, it is.

21 Q Were Exhibits One, Two, and Three pre-
22 pared by you or under your direction and supervision?

23 A I prepared these exhibits.

24 Q In your opinion would the granting of
25 this application be in the interest of conservation, the
prevention of waste, and the protection of correlative
rights?

1
2 A Yes, it would.

3 MR. DICKERSON: Move admission
4 of Applicant's Exhibits One, Two, and Three, Mr. Examiner,
5 and that that concludes our direct case.

6 MR. STOGNER: Exhibits One,
7 Two, and Three will be admitted into evidence.

8 I have no further questions of
9 this witness.

10 Are there any other questions
11 of Mr. Beck?

12 If not, he may be excused.

13 Does anybody else have anything
14 further in Case Number 8431?

15 Being none, this case will be
16 taken under advisement.

17 (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 was reported by tape recorder operated by R. Dan Boyd, under my direction and supervision; that the said transcript is a full, true, and correct record of the hearing, prepared under my direction and supervision to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is a correct and true transcript of the proceedings in the Board of Oil Conservation Case No. 8431 heard by me on 19 December 1984.
Michael E. Hogner, Examiner
Oil Conservation Division

R. Dan Boyd