

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 Sun Exploration and CASE
Production Company for the amendment 8441
of Division Order No. R-7677, Lea
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: Karen Aubrey
Attorney at Law
KELLAHIN & KELLAHIN
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D. J. McCONNELL

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MR. STOGNER: The hearing will
come to order.

We will now call Case 8441
which is the application of Sun Exploration and Production
Company for the amendment of Division Order No. R-7677, Lea
County, New Mexico.

We will now call for appear-
ances.

MS. AUBREY: Karen Aubrey, Kel-
lahin and Kellahin, representing the applicant.

MR. STOGNER: Are there any
other appearances in this matter?

There being none, would you
please proceed, Ms. Aubrey.

MS. AUBREY: Thank you.

State your name, please.

MR. McCONNELL: My name is
Donald J. McConnell.

I'm a geologist employed by Sun
Exploration and Production Company.

MS. AUBREY: Mr. McConnell, how
long have you been employed by Sun?

MR. McCONNELL: I've been em-
ployed for eight years.

MR. STOGNER: Excuse me. Ms.
Aubrey, is this the only witness that we have?

MS. AUBREY: Yes, sir.

MR. STOGNER: Would you please stand to be sworn, and raise your right hand?

(Witness sworn.)

MR. STOGNER: Would you please start over again, Ms. Aubrey.

DONALD J. McCONNELL,
being called as a witness and having been sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MS. AUBREY:

Q State your name for the record, please.

A Yes. Mr. Examiner, my name is Donald J. McConnell.

I'm a geologist employed by Sun Exploration and Production Company.

Q And Mr. McConnell, have you testified previously before the Commission and had--

A No, I--

Q --your qualifications made a matter of record?

A No, I haven't.

1
2 Q Can you state for the Examiner what your
3 educational background is?

4 A Okay. I was--got my B. S. from Arizona
5 State. Went to graduate school at the University of Mis-
6 souri.

7 I've worked for Kerr McGee Corporation
8 for sixteen years, and for Sun Company for eight years as a
9 geologist.

10 MS. AUBREY: Mr. Examiner, are
11 the witness' qualifications acceptable?

12 MR. STOGNER: Mr. McConnell,
13 what did you receive your B. S. degree in?

14 A In geology.

15 MR. STOGNER: And your post-
16 graduate work?

17 A Just thirty hours of course work.

18 MR. STOGNER: Towards geology?

19 A Towards geology.

20 MR. STOGNER: Mr. McConnell is
21 so qualified.

22 MS. AUBREY: Thank you.

23 Q Mr. McConnell, are you familiar with the
24 application of Sun which is being heard hear today?

25 A Yes, I am.

Q And can you briefly state for the record
what Sun seeks to accomplish by that application?

A We seek to amend the location of our U. D.

1 Sawyer No. 11 well.

2 Q Mr. McConnell, is that a well which has
3 been drilled?

4 A Yes, it has.

5 Q Has it been completed?

6 A No. We're just starting to test shortly.

7 Q Can you give the Examiner a brief history
8 of the reason that we need an amendment to that Commission
9 order?

10 A Yes. The well--when we first came here
11 the Exhibit One shows the location of the well as was ori-
12 ginally presented to the offset operators. And as we came
13 up here it was brought to our attention that the location
14 was in Unit J and since the well was a replacement for No.
15 9, it was suggested at that time that we move the location
16 to Unit letter H, and the case -- the location was presented
17 in Unit H and was subsequently approved by the Commission.

18 However, the paperwork on the company le-
19 vel did not get down to the district and the well was
20 drilled in the original location.

21 Q So that the record is clear, Mr. McCon-
22 nell, you sought an unorthodox location at a hearing before
23 the Commission in September, is that right?

24 A That's true.

25 Q And the location about which you put on
testimony would have been unorthodox at 2630 feet from the
north line of the section?

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A That's true.

Q And then the well was subsequently drilled at a location 2561 feet from the south, which was the location you originally requested in that case in September?

A That is right.

Q But not the location which the Commission approved?

A Yes.

Q Let me refer you again to Exhibit One. There is a red arrow and a red dot. Do those show the present location of the well and the location for which we are seeking approval today?

A Yes.

Q What formation will this well be completed in?

A The Devonian. It was drilled to the Granite Wash, but there was no porosity.

Q Let me refer you to Exhibit Two now. Can you look at that and tell the Examiner what it shows?

A The Exhibit Two is a northeast-southwest cross section showing the two wells in the area of the Crossroads Field that were drilled through the Granite Wash, and we have projected the Montoya, the Simpson, and the Granite Wash from the Shell No. 2 Bluit and the Ralph Lowe No. 1 TP State through the Crossroads Field. So we would-- this was our target. The Granite Wash had never been drilled in the Crossroads area.

1
2 MR. STOGNER: Mr. McConnell,
3 before we proceed, would you please refer back to those two
4 previous wells that you just mentioned --

5 A Yes, sir.

6 MR. STOGNER: -- and restate
7 them and spell both of them, please?

8 A Okay. The Shell No. 2 Bluit, B-L-U-I-T-
9 Unit, and the Ralph Lowe, L-O-W-E, No. 1 T. P. State.

10 MR. STOGNER: Thank you, Mr.
11 McConnell.

12 Q Have you attempted a completion in the
13 Granite Wash, Simpson, or the Montoya?

14 A No.

15 Q And you intend to complete the well--

16 A In --

17 Q --in the Devonian?

18 A Yes.

19 Q Let me refer you to Sun Exhibit Number
20 Three now, which is a copy of the order entered in Case No.
21 8311.

22 Is this the order which approved the un-
23 orthodox location at 2630 feet from the north line of the
24 section?

25 A Yes, it is.

26 Q Let me refer you now to Exhibit Number
27 Four. Can you tell the Examiner what this is?

28 A This is a letter from VF Petroleum, In-

1 incorporated, the offset operator, stating that he had no ob-
2 jection to such well location and wished Sun well in its ef-
3 forts to increase production in the Crossroads Field.

4 This location Jerry Fullinwilder with V &
5 VF Petroleum is referring to is the amended location we are
6 seeking.

7 MR. STOGNER: Who?

8 A The president of VF Petroleum Company.

9 MR. STOGNER: And his name and
10 spell it, please?

11 A J. M. Fullinwilder, F-U-L-L-I-N-W-I-D-E-
12 R.

13 MR. STOGNER: Thank you, Mr.
14 McConnell.

15 Q And he is the only offset operator that
16 would have cause to complain about the proposed location, is
17 that correct?

18 A That's true.

19 Q By your application, you're also seeking
20 simultaneous dedication of the production from this well to
21 the proration unit currently assigned to the Sawyer UD No.
22 7, is that correct?

23 A That's correct.

24 Q In terms of the amount of that allowable,
25 is your allowable higher than the deliverability of the
wells?

A It is.

1
2 Q Will the approval of your application for
3 an unorthodox location permit Sun to produce hydrocarbons
4 which would not otherwise be produced?

5 A Yes.

6 Q And will it--will granting of the appli-
7 cation protect correlative rights, promote conservation, and
8 prevent waste.

9 A Yes, it will.

10 Q With reference to the four exhibits we've
11 talked about, were those prepared by you or prepared and
12 submitted from your company records?

13 A Submitted from my company records.

14 MS. AUBREY: Mr. Examiner, I
15 offer Exhibits One through Four, and I have no further
16 questions of the witness.

17 MR. STOGNER: Exhibits One
18 through Four will be admitted into evidence.

19 CROSS EXAMINATION

20 BY MR. STOGNER:

21 Q Mr. McConnell, if we will look at Exhibit
22 Number Four, which was dated August 7, 1984, it referred to
23 the application for unorthodox well location. What was the
24 location, the footage location, that was -- that they were
25 referring to?

26 A 2561 feet from the south line and 1610
27 feet from the east line of Section 27, Township 9 South,

1 Range 36 East.

2 Q And that is the amended application which
3 you're seeking today?

4 A Yes, sir.

5 Q Let me see if I can get this straight.
6 The well will still be known as the U. D. Sawyer Well No.
7 11? That is U. D. S-A-W-Y-E-R?

8 A Yes, sir.

9 Q Okay. And that will have a northwest
10 quarter, southeast quarter dedication. I believe that is
11 Unit J?

12 A Yes.

13 MR. STOGNER: Do you still
14 wish to try for a completion in the Montoya, Simpson, and
15 Granite Wash formations or--and the Crossroads-Devonian oil
16 pool--or just for the Crossroads-Devonian oil pool?

17 A I would like to leave the option open to
18 complete in the Granite Wash although the geologists and en-
19 gineers do not view it as a viable target.

20 MR. STOGNER: Mr. McConnell, do
21 you wish me to issue an order for all four formations or
22 just for the Granite Wash and Devonian?

23 A I would like to have an order issued for
24 the--for the Granite Wash, the Simpson, Montoya, and Devon-
25 ian.

MR. STOGNER: Thank you, sir.

I have no further questions of

1 this witness.

2
3 Are there any other questions
4 for Mr. McConnell?

5 MS. AUBREY: I have nothing.

6 MR. STOGNER: He may be ex-
7 cused.

8 Is there anything further in
9 Case No. 8441?

10 MS. AUBREY: That's all I have,
11 Mr. Examiner.

12 MR. STOGNER: Ms. Aubrey, do
13 you--are you aware, was there an amendment or a nunc pro
14 nunc to this particular order number?

15 MS. AUBREY: As I understand
16 it, Mr. Examiner, there has been no amendment to Order 7677.

17 When it was discovered that the
18 well had been spudded at a location which was different than
19 the location set out in the order we filed an application
20 seeking to amend Order 7677 to properly reflect the unor-
21 thodox location at which the well has been drilled.

22 MR. STOGNER: Thank you, Ms.
23 Aubrey.

24 Is there anything further in
25 Case No. 8441? If not, this case will be taken under ad-
visement.

(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 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 complete record of the proceedings in the Examiner's hearing of Case No. 8441, heard by me on Dec. 19 19 84.

Michael E. Stogner, Examiner
Oil Conservation Division

R. Dan Boyd