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

11 September 1985

EXAMINER HEARING

IN THE MATTER OF:

Application of Pennzoil Company for pool creation, special pool rules, assignment of a discovery allowable, and the contraction of the East Lovington-Pennsylvanian Pool, Lea County, New Mexico.	CASE 8696
Application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico.	~~CASE~~ 8697

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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I N D E X

E X H I B I T S

E X H I B I T S CONT'D

MR. QUINTANA: We'll call next Case 8696, the application of Pennzoil Company for pool creation, special pool rules, assignment of a discovery allowable, and the contraction of the East Lovington-Pennsylvanian Pool, Lea County, New Mexico.

MR. KELLAHIN: If the Examiner please, we would request that you for purposes of testimony also call the next case, 8697. The subject matter is the same in both cases.

MR. QUINTANA: Based on the applicant's request, we'll also call 86 -- Case 8697, the application of Pennzoil Company for an unorthodox oil well location, Lea County, New Mexico.

Are there other appearances in Case 8696 and 8697?

If not, how many witnesses do you have?

MR. KELLAHIN: I have two.

MR. QUINTANA: I'd like them to stand and be sworn in at this time.

(Witnesses sworn.)

MR. QUINTANA: You may proceed.

MR. KELLAHIN: Thank you, Mr. Examiner.

I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant.

We are requesting in the first case, Mr. Examiner, the establishment of a new Strawn oil pool. We propose to call that the Shipp Pool, S-H-I-P-P.

We propose that the new pool be established on 80-acre spacing and that it have special pool rules that would provide for an operator to drill a well at a location no closer than 330 to any of the boundaries of that 80-acre spacing unit.

Our original application has a typographical error in it, in that it sought special well location no closer than 330 from the quarter quarter line. That should have been quarter line. It has not -- that error has not been repeated in the advertisement. The advertisement is correct.

With regards to the unorthodox oil well location, that application is filed because currently that well if commenced today would be an unorthodox well location under the statewide rules insofar as it's closer than 330 to any quarter quarter line.

We would like to commence this well as soon as possible and would request the Examiner

either to approve the unorthodox location or in the alternative, if we can expeditiously adopt special rules, then we no longer need the unorthodox location.

Mr. Examiner, my first witness this morning is Mr. Greg Hair.

GREGORY L. HAIR,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Hair, for the record would you please identify yourself and describe what it is that you do?

A My name is Greogry L. Hair, District Geologist for Pennzoil in Midland, Texas.

Q In the recent past, Mr. Hair, have you testified before the New Mexico Oil Conservation Division as a petroleum geologist?

A Yes, I've testified several times as such.

Q And pursuant to your employment have you made a geologic investigation of the facts surrounding both of these applications by Pennzoil?

A Yes, I have.

MR. KELLAHIN: We tender Mr. Hair as an expert petroleum geologist.

MR. QUINTANA: He's considered an expert geologist.

You may proceed.

Q Mr. Hair, I'd like to direct your attention first of all to Exhibit Number One.

I'd like to use Exhibit Number One, Mr. Hair, to have you orient us generally as to who the operator and majority working interest owners are in this section and the adjoining properties.

A Okay. Exhibit One is a plat showing the area in question, centered primarily on Section 4, Township 17 South, Range 37 East, in Eddy County.

It shows the current well which we have producing as the Viersen No. 1 as an oil well in the southeast quarter of Section 4, and it shows the current proposed location that we have, which is currently an unorthodox location.

Q The Viersen No. 1 Well, which you've identified, is that the discovery well for this pool?

A Yes, it is the discovery well for the pool.

Q And how would you identify the second well, which is the subject of the unorthodox oil well loca-

tion?

A It would be the Viersen No. 2. Also shown on this plat is the major working interest owners in each of the 160-acre units around this area. There are a few working interest owners that are not identified here; they are very minor and these are just major interest owners.

As you can see, Pennzoil has considerable interest around the area, along with several other companies.

Q All right, sir, let's turn to Exhibit Number Two.

MR. QUINTANA: May I interrupt a second?

MR. KELLAHIN: All right, sir.

MR. QUINTANA: What was the name of that second well?

A Viersen No. 2.

Q Mr. Hair, let's direct your attention to Exhibit Number Two and would you first of all orient the Examiner as to the relationship of this proposed Strawn Pool to the other Strawn Pools in the immediate area?

A Yes. This exhibit shows the outline of the proposed pool as well as the pools in the same general area. You can see it lies between the Casey Field on the

north/northeast; the Lovington Penn East Field on the northwest; the Midway Field on the southwest; and the Humble City Strawn Field on the southeast.

These -- of these fields Casey is still producing. Lovington-Penn is, I believe, an abandoned field. Midway is a producing field and Humble City is, I believe a producing field. It's barely producing.

The proposed Shipp Field is located in Section 4, 17 South, 37 East.

Q Would you identify for the Examiner what the spacing is for the various Strawn pools in the immediate area?

A The Casey Strawn Pool has 80-acre spacing, as does the Humble City Pool.

The Lovington-Penn East and the Midway Pool are on statewide rules. No rules, field rules were ever adopted for those fields.

Q Because of the close proximity of the proposed Shipp Pool to these other Strawn pools, Mr. Hair, do you have a recommendation to the Examiner as to how to set the boundaries or determine what area or acreage is affected and applicable to the proposed Shipp Pool rules?

A Yes, I believe on the Examiner's copy of this exhibit there is a red outline around the proposed area, and we think that that area should be included under

the pool rules. A mile buffer doesn't interfere with the rest, some of the rest of these fields but we feel we can fit within that red outline and not hinder any other field.

Q If we look at the east half of the southeast quarter of Section 4, is that the proposed spacing and proration unit for the discovery well?

A Yes, that is an 80-acre proration unit.

Q And what would be the proposed spacing unit for the Viersen No. 2 Well?

A It would be the west half of the southeast quarter.

Q Would the Commission's standard one mile buffer area around that quarter section be in conflict with the one mile buffer area around the other pools?

A Yes, I believe it would.

Q In your opinion is the proposed limits, then, for the area to be affected by the Shipp Pool rules one that is reasonable in terms of the geology?

A Yes, I think so.

Q All right, let's look, then, at the geology.

I direct your attention to Exhibit Number Three, Mr. Hair, and have you identify that exhibit for us.

A This is a structure map on the top of the Strawn limestone, showing the same general area as we've

shown before with the Viersen No. 1 and the proposed location of the Viersen No. 2 identified.

Q Is this a structure map prepared by you or compiled under your direction?

A Yes, it is.

Q What conclusions do you draw based upon this structure map?

A It's really -- structure is not a terribly significant factor in this area. It shows a gently dipping structure. It dips gently off to the northeast.

Q All right, sir. Would you now turn to Exhibit Number Four, Mr. Hair, and identify this exhibit?

A Exhibit Number Four is an Isopach of the porosity in the Strawn Lime.

As you can see, there are numerous isolated porosity units on this map. We have identified our proposed location again and I can identify for you the other fiels, if necessary. They are ot identified on the exhibit.

Q Is the Isopach map one that was prepared by you or compiled under your direction?

A Yes, it is.

Q Based upon your study of the geology, Mr. Hair, do you have an opinion as to whether or not the Viersen No. 1 Well in Section 4 corstitutes a new Strawn oil discovery?

A Yes, I believe it does. The porosity units out here are very small, isolated pods and we feel that this well has definitely discovered a new unit since it is a considerable distance away from another producing well.

Q In terms of identifying this Shipp Pool as being a separate pool, Mr. Hair, would you describe for us the reasons that you've concluded that this reservoir is not connected with the Casey Strawn Field to the north?

A It is separated by two dry holes, one in Section 34 -- three dry holes -- and two in Section 33. All of those were dry in the Strawn and we feel that that effectively separates us from those -- from that field.

Q What geologic evidence do you have, Mr. Hair, that this discovery pool -- well in this new pool is separated from the Hunble City Field to the south and east?

A The two dry holes in Section 10, both of which are Strawn wells, neither of which produced, and we felt that effectively separates it from the Shipp Field.

Q All right, sir, and as we move then to the south and west, what, if any, is the geologic separation between the Midway Field and the proposed Shipp Pool?

A The Tipperary Well in the southwest quarter of Section 4, the dry hole, had no effective porosity and we feel that that separates us from the Midway Pool.

Q And finally, as we look then to the north

and east at the Lovington-Penn East Pool, what, if any, geologic evidence have you determined separates that field or pool from the Shipp Pool?

A A well in the northeast -- northwest quarter of Section 4 has a considerably thinner Strawn section than the other wells in that field. It also was a very marginal producer; I believe it made 19,000 barrels to depletion, and we feel it's on the edge of a pod and I'll develop that later when we look at the cross sections.

Q In terms of looking at the reservoir under the discovery well, can you describe for us why Pennzoil seeks approval of the unorthodox oil well location in the west of the southeast quarter?

A Yes. We feel it's an optimum location for drilling another well. These porosity pods tend to have very steep sides. They can disappear in one standard proration unit and we feel we'd like to get right in the middle of the pod to reduce our risk.

Q Under current statewide spacing rules for a well of this type, would this be at a standard location?

A No, it would not.

Q Is the proposed location a more optimum location in relationship to the reservoir than the closest standard location?

A Yes, it is.

Q With regards to special rules for this Shipp Pool, Mr. Hair, do you have recommendations to the Examiner as to the number of acres to dedicate to a well?

A We feel 80 acres is the optimum proration unit.

Q And with regards to well locations under the special rules, do you have a recommendation to the Examiner?

A Yes, 330 feet from the proration unit boundaries.

Q What's the reason that you have for desiring 330 feet from the edge of the spacing unit?

A Because of the limited extent and steep sides of these porosity pods, we feel you need quite a bit of flexibility in placing your wells so as to reduce your risk.

Q Do you have a recommendation to the Examiner as to whether or not there should be any requirement as to how the 80-acre units are oriented --

A No.

Q -- within a quarter section?

A No.

Q Let me now direct you to the cross section A-A', which we've placed on the wall, Mr. Hair. I believe it's marked as Exhibit Number Five. Would you ident-

ify and describe that exhibit for us?

A Yes, I will. A-A' is a cross section that runs from the southwest on this end to the northeast on that end. It runs Midway Field, through our proposed discovery, over to Casey Field, and there are five wells shown here.

The well in Midway Field which is closest to the proposed Shipp Field here. The porosity unit is shown in green; very marginal porosity in the top of the unit; somewhat better in the lower, but we feel that this shows significant pinchout of porosity as we move to the northeast.

As you move to the Tipperary Well it has absolutely no porosity directly between the Viersen No. 1 and the Midway Field. This well was drill stem tested, recovered no oil, no gas, no show.

This is the Viersen No. 1 recently completed in the Strawn. Here's the porosity section for that well.

As we move off to the northeast, the next well which we feel is a dry hole which separates us from the Casey is the TXO Carter. It has very marginal porosity but was not completed as an oil well. It was a dry hole.

Then the next well is the C&K Shipp, and it shows excellent porosity build-up and was a Strawn producer.

Q In terms of defining a separate reservoir for the Viersen No. 1 Well, Mr. Hair, have you drawn any conclusions in terms of the structurals relationship of the Viersen No. 1 as opposed to the David Fasken well in the Midway Field and the Shipp 34-A Well in the Casey, Pool?

A The David Fasken well is located in part of the field which is also a Devonian field, Midway Devonian, and it's located on a significant structure which we feel is fault bounded.

We are not going to purport at this time that that fault separates us from them, but it certainly had a tremendous influence on the sedimentation of this rock, and you can see how significantly up-dip you are. We feel that that also helps separate the two reservoirs, that there was such a signficance difference in elevation that those reservoirs could not be connected.

And as you can see, there's no huge drop up here but the Casey Field is significantly down dip, which we feel is separating us.

Q Now I'll direct your attention to Exhibit Number Six, which is the B-B' cross section, and identify that describe that exhibit.

A Okay. This cross section runs from the northwest to the southeast. It starts in the abandoned Lovington-Penn Field, goes through the Viersen Well again and down to the Humble City Field.

This cross section better illustrates how we feel we're separated from the Lovington-Penn Field. We have a considerable thickness in porosity, very important porosity -- these are not porosity logs; none were available -- in the major well in that field, which is up in Section 32, was the best producer.

As you go out to the edge well in Section 4, the porosity is considerably reduced and obviously permeability must have been also, because the well was a marginal producer even though it did have porosity in it, so we feel it was an edge well in that field.

Come on over, porosity develops very thick again in the Viersen No. 1, thickness way up.

Then as you drop down in the Humble City, we have a well here with some porosity but no completion attempt was made, again; it was a dry hole.

Then you come into the Humble City Field, nice porosity development.

Q Were both of those cross sections, Exhibits Five and Six, prepared by you?

A Yes, they were.

Q What is Pennzoil's anticipated commencement date for the Viersen No. 2 Well, Mr. Hair?

A We feel the fourth quarter of this year on this well.

MR. KELLAHIN: That concludes my examination of Mr. Hair, Mr. Quintana.

We'd move the introduction of his Exhibits One through Six.

MR. QUINTANA: Exhibits One through Six will be entered as evidence.

I have a couple of questions.

CROSS EXAMINATION

BY MR. QUINTANA:

Q Let me reiterate some of your requests.

You seek no orientation of the 80-acre spacing units?

A No.

Q And the reason you want 330-foot distance from the outer boundaries is you need a lot of flexibility for the wells because of the way the Shipp, the proposed Shipp Pool is designed, the way it's set up?

A Yes, the way the porosity in the units abruptly terminates; we need a lot of flexibility to be able to hit those small porosity units.

MR. QUINTANA: I have no further questions.

Are there further questions of the witness?

You may be excused.

MR. KELLAHIN: If the Examiner please, we'll call Mr. Ralph A. Williams as our engineering witness.

RALPH A. WILLIAMS,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q Mr. Williams, for the record would you please state your name and occupation?

A My name is Ralph A. Williams. I'm a Supervising Petroleum Engineer for Pennzoil Company in Midland.

Q Within the last 18 months, Mr. Williams, have you testified before the New Mexico Oil Conservation Division as a petroleum engineer?

A Yes, I have.

Q And pursuant to your employment by Pennzoil Company have you as an engineer made a study of the engineering facts and data surrounding this application?

A Yes, I have.

MR. KELLAHIN: We tender Mr. Williams as an expert engineer.

MR. QUINTANA: He is considered an expert engineer.

You may proceed.

Q Mr. Williams, let me direct your attention to Exhibit Number Seven and have you identify that exhibit.

A This exhibit is a Hoerner Plot of build-up data obtained from the Viersen No. 1 and it serves as a basis for permeability calculations and pressure information.

Q What is the purpose of such a calculation and the compilation of the parameters to make that calculation?

A The purpose of obtaining these parameters from this type of analysis is for the drainage radius calculations which we will submit.

Q And have you done such drainage radius calculations for the discovery well?

A Yes, I have.

Q Would you describe for us, then, the information contained on Exhibit Number Seven?

A The information contained on Exhibit Number Seven pertinent to the drainage radius calculations is the permeability using the calculation was obtained from Slope 1, the Hoerner straight line portion of the curve.

The P-star, or P effective drainage radius, or the static reservoir pressure, is extrapolated to 2473 from this plot. And another point of interest on the plot is the -- is some type of a boundary anomaly which occurs at approximately .2 on the Hoerner time, and at a radius of investigation of approximately 1200 feet.

Q What was the source of the data used from which to make the Hoerner plot?

A The source of the data was an Amerada-type gauge, which was run to a point -- to close to the bottom hole mid-perfs.

Q How long was the pressure information taken for the well?

A It was a 91-1/2 hour build-up.

Q In your opinion was the method for taking the test and deriving the pressure information reasonable in terms of methodologies used by a petroleum engineer?

A Yes, sir, it was.

Q All right. What are the points, then, shown on the Hoerner plot as the little dots on the graph?

A They are -- they are pressure points with the corresponding Hoerner time, which were read from the gauge recorder.

Q Based upon the calculation of the Hoerner plot, Mr. Williams, what do you conclude about the permeabi-

lity for the discovery well?

A The permeability of the discovery well calculates to an average permeability of 43 millidarcies.

Q In terms of the magnitude of that type of permeability, 43 millidarcies, can you give us a general range of what you anticipate would be the type of reservoir involved with such permeability?

A The permeability, this type of permeability is indicative of a -- of a well with high productivity, which is shown, which the well has shown.

Q Have you been able to confirm your Hoerner plot calculations of the permeability with any core information?

A Yes, we have a slight amount of core information, whice we'll enter as the next exhibit.

Q Let's turn then to Exhibit Number Eight, Mr. Williams, and have you identify that exhibit for us.

A This is an exhibit of an analysis prepared by CORE Laboratories on a core that we had in the Viersen No. 1.

The core is a 58-foot core. The recovery on the core was only the top three feet and the remaining portion of the core was unrecovered. It was crumbling, or some of it.

And the permeability exhibited in the two

samples that did have permeability, were 218 millidaries and 17 millidarcies, and I feel these tie in with the -- if this permeability trend was continued across the whole interval would correlate with the 43 millidaries obtained from the Hoerner build-up.

Q Would you now turn to Exhibit Number Nine, Mr. Williams, and describe for us the source of the reservor parameters that went into the drainage calculation?

A The permeability of 43 -- .043 Darcies again was obtained from the Hoerner plot.

The thickness, H, of 74 feet was obtained from the (not understood) in the Garrison No. 1.

The static reservoir pressure, Pe, of 2473 also was obtained from the Hoerner analysis.

Flowing bottom hole pressure of 2258 was obtained by measurement prior to the shut-in of the well.

The oil viscosity and the formation volume factors were obtained from a similar oil from the Lovington Northeast Fields from the PVT analysis.

The wellbore radius is .33 feet and the flow rate of 878 barrels per day was the 24-hour average of the production prior to the shut-in.

Q Using these reservoir parameters, Mr. Wilson, have you conducted -- have you calculated a drainage for the discovery well?

A Yes, I've calculated an effective drainage radius of 9090 feet.

Q Based upon your calculation of the drainage radius and the permeability of the reservoir, do you have any opinions or conclusions about well spacing for the proposed pool?

A Yes, I do. 80-acre spacing would be an adequate well spacing for this type of permeability.

Q Have you made an investigation to determine from an engineering point of view whether the Shipp Pool is separated from the Humble City Strawn Pool to the south and east?

A Yes, I have.

Q Let's turn now, sir, to Exhibit Number Ten, and have you identify that exhibit for us.

A Exhibit Number Ten is a plot of production versus time of the Humble City Strawn Field, which illustrates the well began producing -- or the field began producing in 1972 and has -- is producing up until the present time and only the '84 is missing because it's below the scale of the -- and it's only produced 47 barrels of oil in 1984.

Q All right. For 1983 what was the total production?

A It averaged 4 barrels per day.

Q In 1984 what is the reported production?

A 47 barrels for the whole year.

Q How would you use this information to reach a conclusion with regards to the separation of the Shipp reservoir, or the Shipp Pool from the Humble City Pool?

A If a similar type of permeability which is displayed by the Viersen No. 1 was continuous throught the Humble City Strawn Field, then the Humble City Strawn Field would have drained the proposed Shipp Field.

Q If the Humble City Strawn had been in communication with the Shipp Pool, would you have encountered pressures to the magnitude displayed by the Viersen No. 1 Well?

A No, we would not. We would have -- we would have seen pressures of only several hundred pounds at the most.

Q When we look at the relationship of the Shipp Pool to the reservoir to the northwest, I believe that's the Lovington East?

A That's correct.

Q All right, let's turn now to Exhibit Number Eleven, Mr. Williams, and have you identify that exhibit.

A This exhibit is a composite decline curve

of the Barton No. 1, the State P No. 1, the State U No. 1, and the State V No. 1, and it illustrates the production of -- in barrels per day plotted versus time.

It illustrates that the production began in 1951 and the last reported production was in 1982.

Q What was the average production in 1982, the last year of reporting?

A Approximately 5 barrels a day.

Q What is the relationship with this information to the information that you have studied for the Shipp Pool?

A This is also similar to the Humble City Field in that if a permeability connection would have existed between the Lovington-Penn East Field and the proposed Shipp Field that we would have -- this field would have effectively drained the Shipp Field.

Q Based upon your studies of the engineering data available, Mr. Williams, what conclusion do you reach with regards to whether or not the Shipp Pool, the Viersen No. 1, has encountered a new Strawn pool?

A I believe from all the information that I've examined that the Shipp Field is a new Strawn oil reservoir.

Q Were Exhibits Seven through Eleven prepared by you or compiled under your direction and supervi-

sion?

A Yes, they were.

MR. KELLAHIN: That concludes my examination of Mr. Williams.

MR. QUINTANA: Do you want to enter those exhibits?

MR. KELLAHIN: Yes, would you, please, Seven through Eleven.

MR. QUINTANA: Exhibits Seven through Eleven will be entered as evidence in Cases 8696 and Case 8697.

MR. MARK MARTIN: May I ask a general question, please?

MR. QUINTANA: Yes.

MR. MARK MARTIN: My name is Mark Martin and I'm with Tipperary and we're involved in the land covered by this application and we don't -- we don't propose at this time to oppose it, but I was wondering if these exhibits would be available to us to use?

MR. QUINTANA: Yes, the exhibits are available to you.

MR. KELLAHIN: We have a limited number of copies of exhibits today, Mr. Quintana, but we will do our best to give you a set, Mr. Dickerson a set, and --

MR. QUINTANA: Pass around a piece of paper that people would like copies of that and put it down there and we'll have copies sent to the individual people.

MR. MARK MARTIN: If we concluded that we did want to oppose it, would we have to oppose it here and now or could it be later?

MR. QUINTANA: It could -- we have -- it could go de novo, I guess, you have a month, is that right, Mr. Kellahin? A month to -- I think you have a month from the date of the hearing or date of the order to go de novo.

MR. KELLAHIN: There is an interesting little wrinkle in the statute, Mr. Quintana, that in my understanding would limit de novo hearings to those parties that had participated at the Examiner level and if Mr. Martin desires to participate in this case, I guess now is the time to oppose the proposed spacing.

I have not stated earlier, and I will state now, that we propose these rules to be in effect for a temporary period of one year to give us an opportunity to obtain additional information.

MR. QUINTANA: Was that a satisfactory answer?

MR. MARK MARTIN: Yeah, that's

fine.

As I say, we don't -- we don't foresee any problem but I would like to be able to (not audible).

MR. QUINTANA: Yes, I have a question dealing with -- and I'm not sure whether either one of you would answser this question -- dealing with the contraction of the East Lovington-Pennsylvanian Pool, what portion do you wish to contract in?

MR. KELLAHIN: Mr. Examiner, that portion of the advertisement was not placed on the docket at our request. I believe Mr. Stogner made the determination that it was necessary to somehow contract the East Lovington-Penn.

We believe the way to address the possible overlap or conflict with the adjoining Strawn pools would be to declare the area outlined in red on Exhibit Number Two to be the area controlled by the Shipp Strawn Pool and correspondingly contract any of the adjoining pools or their buffer areas so that they're excluded from this Shipp Pool.

MR. QUINTANA: That's fine. And at this point in time the red outline does not overlap any area that I can see. Correct me if I'm wrong.

MR. KELLAHIN: That is correct.

I think Mr. Stogner's concern was about the Lovington East Penn dry hole in the northwest of the northwest of 4. There's a 40-acre tract there. We've excluded that from our pool and I think his concern was that there was an overlap in terms of the (not clearly understood).

MR. QUINTANA: Bear with me a second.

CROSS EXAMINATION

BY MR. QUINTANA:

Q What is the producing depth of the discovery well?

A It's approximately 11,100 feet, I believe.

MR. HAIR: 11,138 to 11,255.

Q And the official name of this pool you want to be the Shipp Pool or the Shipp Strawn Pool?

A Greg?

MR. KELLAHIN: Shipp Strawn, Mr. Examiner.

MR. QUINTANA: I have no further questions of the witness.

Are there further questions of the witness?

If not, he may be excused.

Is there anything further in Cases 8696 and Case 8697?

MR. KELLAHIN: Yes, Mr. Examiner, we have for your reference obtained and will submit copies of the special rules where they are in effect for all the adjoining Strawn pools. That may be of some information to you.

In addition we have received from various working interest owners in the area affected letters indicating they have no objection to the spacing. We have waivers from David Fasken, Yates, et al, Superior, and Amerind Oil Company, Mr. Examiner. I submit those to you also for your file.

That concludes our presentation.

MR. QUINTANA: Mr. Kellahin, based on the fact that you do like -- you would like this case expedited, would you submit to me a proposed order?

MR. KELLAHIN: I'd be happy to.

MR. QUINTANA: And let me clarify another point. If we do expedite Case 8696 then we're not going to need 8697.

MR. KELLAHIN: That's correct.

MR. QUINTANA: If there is nothing further, these cases, Cases 8696 and Case 8697 will be

taken under advisement.

(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 me; that the said transcript 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. 8696 & 8697 heard by me on SEPT. 11 19 85.

Gilbert P. Quintana Examiner
Oil Conservation Division