

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 15 October 1987

7 COMMISSION HEARING

8 IN THE MATTER OF:

9 Application of Benson-Montin-Greer CASE
10 Drilling Corporation For the amend- 8951
11 ment of Division Order No. R-8124,
12 Rio Arriba County, New Mexico.

13 BEFORE: William J. LeMay, Chairman
14 Erling A. Brostuen, Commissioner
15 William R. Humphries, Commissioner

16 TRANSCRIPT OF HEARING

17 A P P E A R A N C E S

18 For the Division: Jeff Taylor
19 Attorney at Law
20 Legal Counsel to the Division
21 State Land Office Bldg.
22 Santa Fe, New Mexico 87501

23 For the Applicant: William F. Carr
24 Attorney at Law
25 CAMPBELL & BLACK P. A.
P. O. Box 2207
Santa Fe, New Mexico 87501

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MR. LEMAY: Case Number 8951.
Application of Benson-Montin-Greer Drilling Corporation for
the amendment of Division Order No. R-8124, Rio Arriba
County, New Mexico.

MR. CARR: May it please the
Commission, Benson-Montin-Greer Drilling Corporation
requests that this case be dismissed.

MR. LEMAY: Thank you, Mr.
Carr.

Without objection, Case Number
8951 will be dismissed.

(Hearing concluded.)

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO
HEREBY CERTIFY the foregoing Transcript of Hearing before
the Oil Conservation Division (Commission) 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

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SEPTEMBER 24, 1987

COMMISSION HEARING

[IN THE MATTER OF:]
[]
[Application of Benson-Montin-Greer]
[Drilling Corporation for the amendment]
[of Division Order No. R-8124, Rio]
[Arriba County, New Mexico.]
[]

CASE 8951

BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Jeff Taylor
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

MR. LEMAY: Call next Case 8951.

MR. TAYLOR: Case 8951, the application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico.

MR. LEMAY: At the request of the applicant this case will be continued to the Commission hearing to be held on October 15, 1987.

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
SEPTEMBER 24, 1987

COMMISSION HEARING

[IN THE MATTER OF:]

[Application of Benson-Montin-Greer]
[Drilling Corporation for the amendment]
[of Division Order No. R-8124, Rio]
[Arriba County, New Mexico.]

CASE 8951

BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Jeff Taylor
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

MR. LEMAY: Call next Case 8951.

MR. TAYLOR: Case 8951, the application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico.

MR. LEMAY: At the request of the applicant this case will be continued to the Commission hearing to be held on October 15, 1987.

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

16 July 1987

COMMISSION HEARING

IN THE MATTER OF:

Disposition of Cases 9134, 9068, 9073,
8951, and 9111

*Transcript in
Case 9134*

BEFORE: William J. Lemay, Chairman
Erling Brostuen, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Commission:

For the Applicant:

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
MAY 21, 1987

COMMISSION HEARING

[IN THE MATTER OF:]

[Application of Benson-Montin-Greer Drilling]
[Corporation for the amendment of Division Order]
[Nc. R-8124, Rio Arriba County, New Mexico.]

CASE 8951

BEFORE: William J. LeMay, Director

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil
Conservation Commission:

Jeff Taylor
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

MR. LEMAY: The hearing will come to order. Call Case 8951.

MR. TAYLOR: Case 8951, the application of Benson-Montin-Greer Drilling Corporation for the amendment of Division Order No. R-8124, Rio Arriba County, New Mexico.

MR. LEMAY: At the request of the applicant this case will be continued to June 18, 1987.

1 STATE OF NEW MEXICO
2 ENERGY AND MINERALS DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BLDG.
5 SANTA FE, NEW MEXICO

6 3 April 1987

7 COMMISSION HEARING

8 IN THE MATTER OF:

9 Application of Benson-Montin-Greer CASE
10 for the expansion of the EMG West 9111
11 Puerto Chiquito-Mancos Pressure Main-
12 tenance Project Area, Rio Arriba
13 County, New Mexico, and
14 Application of Benson-Montin-Greer CASE
15 Drilling Corporation for the amendment 8951
16 of Division Order No. P-8124, Rio
17 Arriba County, New Mexico.

18 BEFORE: William J. LeMay, Chairman
19 Erling A. Brostuen, Commissioner
20 William R. Humphries, Commissioner

21 TRANSCRIPT OF HEARING

22 A P P E A R A N C E S

23 For the Commission: Jeff Taylor
24 Legal Counsel for the Division
25 Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For Benson-Montin-Greer: William F. Carr
Attorney at Law
CAMPBELL & BLACK P.A.
P. O. Box 2208
Santa Fe, New Mexico 87501

1 MR. CARR: May it please the
2 Commission, at this time I'd request that the next two cases
3 on the docket be continued and readvertised and scheduled at
4 a later date. They're applications for Benson-Montin-Greer,
5 and we would request that they be rescheduled following the
6 entry of an order in this matter.

7 MR. LENAY: Thank you. Is
8 there any objection to that request?

9 If none, then that request is
10 noted and it will be followed.

11
12 (Hearing concluded.)
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C E R T I F I C A T E

I, SALEY S. BOYD, C.S.E., DO HEREBY CERTIFY the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record prepared by me to the best of my ability.

Saley S. Boyd CSE

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
Santa Fe, New Mexico

18 March 1987

EXAMINER HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer	CASE
Drilling Corporation for the amend-	8951
ment of Division Order No. R-8124,	
Rio Arriba County, New Mexico.	

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For the applicant:

1
2
3 MR. CATANACH: Call next Case
4 Number 8951.

5 MR. TAYLOR: Case Number 8951,
6 application of Benson-Montin-Greer Drilling Corporation for
7 the amendment of Division Order No. R-8124, Rio Arriba
8 County, New Mexico.

9 MR. CATANACH: At the request
10 of the applicant this case will be continued to the
11 Commission Hearing March 30, 1987.

12
13 (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 the foregoing Transcript of Hearing before
the Oil Conservation Division (Commission) 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 true and correct copy of the
transcript of the hearing of C. 8951
held on March 18 1987
David L. Catanzaro, Examiner
Oil Conservation Division

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

24 October 1986

COMMISSION HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer CASE
Drilling Corporation for the amend- 8951
ment of Division Order No. R-8124,
Rio Arriba County, New Mexico.

BEFORE: Richard L. Stamets, Chairman
Ed Kelley, Commissioner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

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

For BMG Drilling Corp: William F. Carr
Attorney at Law
CAMPBELL & BLACK P. A.
P. O. Box 2208
Santa Fe, New Mexico 87501

I N D E X

ALBERT R. GREER

Direct Examination by Mr. Carr

4

Cross Examination by Mr. Stamets

9

STATEMENT BY MR. FITZGERALD

11

STATEMENT BY MR. BLANDFORD

13

STATEMENT BY MR. CARR

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RULING OF COMMISSION

14

E X H I B I T S

BMG Exhibit One, Notices

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MR. STAMETS: Let's call Case
Number 8951.

MR. TAYLOR: The application of
Benson-Montin-Greer Drilling Corporation for the amendment
of Division Order No. R-8124, Rio Arriba County, New Mexico.

MR. CARR: May it please the
Commission, my name is William F. Carr, with the law firm
Campbell & Black, P.A., of Santa Fe. We represent Benson -
Montin-Greer Drilling Corporation in this case.

I have one witness who needs to
be sworn.

MR. STAMETS: Any other appear-
ances in this case?

MR. FITZGERALD: Kevin Fitzger-
ald with Mallon Oil Company and I'd just like to read a
statement.

MR. STAMETS: Okay, Mr. Fitz-
gerald, thank you.

MR. BLANDFORD: I'm David
Blandford with Mesa Grande Resources and I have a short
statement.

MR. STAMETS: What was your
first name?

MR. BLANDFORD: David Bland

1 ford.

2

3

(Witness sworn.)

4

5

ALBERT R. GREER,

6

being called as a witness and being duly sworn upon his

7

oath, testified as follows, to-wit:

8

9

DIRECT EXAMINATION

10 BY MR. CARR:

11

Q

Will you state your full name for the re-

12

cord, please?

13

A

Albert R. Greer.

14

Q

Mr. Greer, where do you reside?

15

A

Farmington.

16

Q

And what is your occupation?

17

A

Petroleum Engineer.

18

Q

Mr. Greer, are you the applicant in this

19

case?

20

A

Yes, sir, Benson-Montin-Greer is.

21

Q

Are you familiar with the application

22

filed on behalf of Benson-Montin-Greer in this case?

23

A

Yes, sir.

24

Q

Are you familiar with the subject area?

25

A

Yes, sir.

1 Q Have you previously appeared before this
2 Commission and had your credentials as a petroleum engineer
3 accepted and made a matter of record?

4 A Yes, sir.

5 MR. CARR: Are the witness'
6 qualifications acceptable?

7 MR. STAMETS: They are.

8 Q Would you briefly state what Benson-Mon-
9 tin-Greer seeks with this application?

10 A Yes, sir. The Commissin approved the --
11 an interference test a little over a year ago to be conduc-
12 ted -- or about a year ago, to be conducted between some
13 wells in the Gavilan -- what later became the Gavilan Exten-
14 sion and the Canada Ojitos Unit E-6 Well in Section 6, Town-
15 ship 25 North, Range 1 West.

16 In that order there was provision made
17 for wells to be shut in and allowable to be accumulated and
18 the allowable that was accumulated would be permitted to be
19 made up within six months after completion of the test. The
20 test was allowed to be continued for a period of not more
21 than four months. Actually, we considered the test com-
22 pleted in three months, the months of December, 1985,
23 January and February, 1986.

24 The test showed some strange results and
25 as a consequence we voluntarily kept the E-6 Well shut in

1 beyond the completion of the test to try to determine, if we
2 could, the strange behavior that was found.

3 As a consequence we did not have the op-
4 portunity to make up the allowable that we might otherwise
5 have had, so we would ask that the period be extended for a
6 year.

7 Wells which I understand would be affec-
8 ted under the order would be the Canada Ojitos Unit E-6, the
9 Dugan Production Company Tapacitos No. 4, and Mallon's How-
10 ard 1-8 and possibly the Howard 1-11, depending upon the in-
11 terpretation of Aztec OCD Office as to which wells qualify
12 to -- for allowable to be made up under the test.

13 Q Now, Mr. Greer, this order that was en-
14 tered by the Division is Order R-8124, is that correct?

15 A Yes, sir.

16 Q It was entered in January of this year?

17 A I believe it was.

18 Q What was the testing period?

19 A It was from December '85, January and
20 February of '86.

21 Q Are you requesting this -- that the addi-
22 tional time period for making up this accumulated under pro-
23 duction be made available to all the wells that were affec-
24 ted by that original order?

25 A Yes, sir, all wells that qualified under

1 the order.

2 Q Now, you have talked about the Aztec Dis-
3 trict Office being involved in this process. How do you re-
4 commend that the actual -- proposal actually work?

5 A Well, the order, I believe, itself states
6 that the operator of a well asking for make-up allowable go
7 directly to the Aztec Office and provide the Aztec Office
8 with the information and the Aztec Office will review the
9 information and make the determination as to which wells
10 qualify under the order and how much allowable can be made
11 up.

12 Just for some general information in that
13 respect, I believe that the Canada Ojitos Unit E-6 was under
14 the West Puerto Chiquito Mancos Pool allowables, which I be-
15 lieve was about 600 barrels a day.

16 The wells in the -- on the Gavilan side
17 of the pool that are in the test had a, I believe it was a
18 40 or 80-acre allowable up until December 31, 1985, and I
19 believe effective January 1, '85 the Gavilan Pool was exten-
20 ded to the north. Those wells, then, would have an allow-
21 able right at 700 barrels a day.

22 One of the chores of the Aztec OCD Office
23 will be to determine whether wells could have made 600/700
24 barrels a day or if they actually had a capacity of less
25 than that, and the same for our E-6 Well, whether it actual-

1 ly had a capacity of to produce its top allowable or not.
2 Then whatever the OCD Office determines was the lost produc-
3 tion, that's the intent of the order when the -- when it was
4 entered, was that whatever production was lost as a conse-
5 quence of participating in a test, that an operator would
6 have an opportunity to recover that allowable.

7 Q And this change is only to bring -- af-
8 fect the intent of the original order, bring that about.

9 A Right. All this does is extend the time
10 from which the allowable might be made up.

11 Q Was notice of this application provided
12 as required by Oil Conservation Division rules?

13 A Yes, sir.

14 Q And are copies of the letters giving
15 notice what has been marked as Benson-Montin-Greer Exhibit
16 Number One?

17 A Yes, sir.

18 Q In your opinion will granting this appli-
19 cation be in the best interest of conservation, the preven-
20 tion of waste, and the protection of correlative rights?

21 A Yes, sir, I believe it will. I think it
22 would encourage the accumulation of information such as
23 this, which is absolutely necessary to analyze the reservoir
24 of this kind.

25 Q Do you have anything further to add to

1 your testimony?

2 A No, sir.

3 MR. CARR: At this time, Mr.
4 Stamets, we would offer Benson-Montin-Greer Exhibit Number
5 One.

6 MR. STAMETS: The exhibit will
7 be admitted.

8 MR. CARR: That concludes my
9 direct examination of Mr. Greer.

10

11 CROSS EXAMINATION

12 BY MR. STAMETS:

13 Q The only change, as I understand it, in
14 Order R-8124, would be to substitute twelve months for six
15 months at the appropriate place in that order.

16 A Yes, sir.

17 Q And what will that accomplish, Mr. Greer?
18 What's the benefit of doing that?

19 A Okay, the benefit of that will be to give
20 the operators who participated in the test an opportunity to
21 make up allowable that they otherwise might not have -- have
22 had the opportunity to do.

23 For instance, as to our well that we op-
24 erate, our Canada Ojitos Unit E-6, during the test period
25 was shut in about ninety days. It's allowable was about 600

1 barrels a day, about 54,000 barrels of oil.

2 In addition we voluntarily kept it shut
3 in a little bit longer than that. The price of oil at that
4 time varied but might have been around \$20.00 a barrel.
5 We're looking at \$1,000,000 of lost income to make the test.

6 There's no way that we can make it all
7 up. We can make up, perhaps, one-fourth of it but that's
8 about all we're looking at on our side.

9 On Mallon's wells I don't know the de-
10 tails of how Mallon's allowable stood and how much Mallon
11 has made up, but we're currently under a reduced allowable
12 and that affects the Gavilan wells more than it does the
13 Unit wells because of the gas/oil ratio restriction.

14 In the Unit wells the gas is gathered,
15 returned to the reservoir and in a sense their allowable is
16 not affected.

17 The Mallon wells, along with other Gav-
18 ilan wells, are reduced substantially on allowables and
19 therefore as I see it at this point the main beneficiary, of
20 course, is Mallon, but I think all the operators, Mallon,
21 the Canada Ojitos Unit, and Dugan, are entitled to some kind
22 of an opportunity to recover part of their -- their lost
23 production.

24 Q This change will simply approve the oper-
25 ator's ability to recover allowable which was not produced

1 during this test period.

2 A Yes, sir.

3 MR. STAMETS: Are there other
4 questions of the witness?

5 He may be excused.

6 We'll take the Mallon and Mesa
7 Grande statements now.

8 MR. FITZGERALD: My name is
9 Kevin Fitzgerald. I'm the petroleum engineer working for
10 Mallon Oil Company.

11 We oppose BMG's position in
12 this to amend the previous order because BMG has had suffi-
13 cient time to make its lost production.

14 We operate producing wells in
15 the Gavilan Pool, which are affected by this request and we
16 actively participated in this test as authorized by the Com-
17 mission.

18 Benson-Montin-Greer's wells are
19 directly offsetting the wells in the Gavilan Pool operated
20 by Mallon and others, and the monitoring well, the E-6, is
21 producing from the same reservoir as certain of these wells.

22 Benson-Montin-Greer appeared
23 before the Commission two months ago in a matter to cause
24 the reduction of production allowables in the Gavilan and
25 West Puerto Chiquito Pools, due to what Mr. Greer at that

1 time referred to as a crisis, and a pool in serious trouble.

2 Mallon Oil Company wishes to
3 make the Commission aware that we do not in any way agree
4 with this position or this characterization of the reservoir
5 or that there is any crisis, and remind you of our strong
6 opposition to these reductions.

7 With production from the reser-
8 voir now cut back Benson-Montin-Greer requests additional
9 time to make up the lost production.

10 The reduction of allowables as
11 ordered by the Commission now in fact makes it convenient
12 for Benson-Montin-Greer to make its lost production.

13 It is our understanding at Mal-
14 lon Oil Company that the order reducing allowables is to al-
15 low a committee of operators time to analyze the reservoir
16 and determine a plan for development.

17 Benson-Montin-Greer has suppor-
18 ted this cutback even though this cutback does not protect
19 Mallon Oil Company's correlative rights. It's concerns ap-
20 pear to have wandered away from one of preserving reservoir
21 energy for conservation now to one of primarily correlative
22 rights.

23 Again, Mallon Oil Company op-
24 poses this application to the E-6, which is the primary well
25 affected by Benson-Montin-Greer, has a productivity index

1 that is more than capable of making up that allowable in the
2 six month period of time.

3 If the Commission sees fit to
4 grant this petition, then it should also consider allowing
5 make up of under production during the past year when a sig-
6 nificant amount of reservoir work has been done by all the
7 operators in Gavilan Pool, and if that was the case and this
8 was allowed to made up, then it would defeat the purpose of
9 the reduction of allowables that was installed in the begin-
10 ning of September, because in most cases these wells have
11 been cut back primarily for the prevention of waste.

12 MR. STAMETS: Mr. Blandford.

13 MR. BLANDFORD: As an operator
14 in the Gavilan Mancos Oil Pool, Mesa Grande Resources sup-
15 ports Mallon's statement they just made, and we also feel
16 that based on the productive capacity of the Canado Ojitos
17 E-6, that they've had sufficient time to make up their under
18 production, and we therefore request that this amendment to
19 the order be denied.

20 MR. STAMETS: Let me ask a
21 question. When is or was the six month period over?

22 A We wrote the Commission at the end of --
23 early in March, saying that we felt like the test as ordered
24 by the Commission was completed effective March 1.

25 MR. STAMETS: And so September

1 I would have been the completion of the six month period.

2 Mr. Carr, do you have a closing
3 statement?

4 MR. CARR: The only thing I
5 would say in closing is I would remind the Commission that
6 statements are not sworn testimony and on the record before
7 you I submit you have really one choice to make and that is
8 to grant the application and grant the extension of time.

9 If other operators are
10 interested in requesting opportunity to make up under
11 production that's accumulated during tests or any other kind
12 of -- any other period of time, then that is something which
13 they should bring before the Commission. It's not before you
14 in this proceeding and isn't an issue that you should
15 consider.

16 We would ask that an order be
17 entered by you granting the application of Mr. Greer,
18 Benson-Montin-Greer Drilling Corporation at the earliest
19 possible time.

20 MR. STAMETS: Well, the
21 Commission just last month had four and a half days of
22 testimony from the Gavilan and about all the problems
23 related to the production rates in the Gavilan Pool, and
24 given that, which of course is not a part of this case
25 today, we are concerned about supplying additional

1 production in the reservoir at this time.

2 Because of that we are going to
3 continue this case until the Gavilan case should be re-
4 opened, either at the March, 1987, Commission Hearing, or in
5 another hearing which might be convened before that time,
6 and at that time we'll entertain engineering evidence that
7 this underproduction can be made up in an additional six-
8 month period without harm to the reservoir and without caus-
9 ing waste.

10 MR. CARR: You are continuing
11 the case until when?

12 MR. STAMETS: Until March,
13 1987, or such other date as we call in the --

14 MR. CARR: The original Gavilan
15 application?

16 MR. STAMETS: Yes. So it would
17 be scheduled at the same time that the rehearing would be on
18 our last order in the Gavilan Pool, not the rehearing but
19 the next hearing on it.

20 This case will be so continued.

21

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23 (Hearing concluded.)

24

25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of this portion of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

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

18 September 1986

COMMISSION HEARING

IN THE MATTER OF:

Application of Benson-Montin-Greer CASE
Drilling Corporation for the amend- 8951
ment of Division Order No. R-8124,
Rio Arriba County, New Mexico.

BEFORE: Richard L. Stamets, Chairman
Ed Kelley

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Commission: Jeff Taylor
Legal Counsel for the Division
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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MR. STAMETS: This hearing will come
to order. I'd like to announce that every case on today's
docket, except for Case 8781, has been continued to the
October 23 date.

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY the foregoing Transcript of Hearing before the Oil Conservation Division (Commission) was reported by me; that the said transcript is a full, true, and correct record of this portion of the hearing, prepared by me to the best of my ability.

Sally W. Boyd CSR

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

23 July 1986

EXAMINER HEARING

IN THE MATTER OF:

The disposition of Cases 8912, 8936, 8820,
8939, 8940, 8946, 8948, 8950, 8951, 8952,
8932, and 8933, which were called and for
which no testimony was offered.

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

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

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I N D E X

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Case Number 8912

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Case Number 8936

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Case Number 8820

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Case Number 8939

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Case Number 8940

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Case Number 8946

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Case Number 8948

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Case Number 8950

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Case Number 8951

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Case Number 8952

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MR. STOGNER: This hearing will come to order for Docket No. 22-86. Today is July 23rd, 1986. I'm Michael E. Stogner, examiner for today's hearing.

We will begin this morning by calling first Case 8912.

MR. TAYLOR: Application of Parabo, Inc, for salt water disposal, Lea County, New Mexico.

MR. STOGNER: At the applicant's request Case 8912 will be continued to the Examiner's hearing scheduled for August 6th, 1986.

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MR. STOGNER: Call next Case 8936.

MR. TAYLOR: Application of Santa Fe Energy Company for compulsory pooling, Eddy County, New Mexico.

The applicant has requested that this case be continued.

MR. STOGNER: Case Number 8936 will be continued to the Examiner's hearing scheduled for August 6th, 1986.

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2 MR. STOGNER: Call next Case
3 number 8820.

4 MR. TAYLOR: Application of
5 Santa Fe Energy Company for compulsory pooling, Eddy County,
6 New Mexico.

7 The applicant has requested
8 that this case be continued.

9 MR. STOGNER: Case Number 8820
10 will be continued to the Examiner's hearing scheduled for
11 August 6th, 1986.

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15 MR. STOGNER: Call next Case
16 Number 8939.

17 MR. TAYLOR: Application of
18 Yates Petroleum Corporation for salt water disposal, Lea
19 County, New Mexico.

20 The applicant has requested
21 that this case be continued.

22 MR. STOGNER: Case Numbear 8939
23 will be continued to the Examiner's hearing scheduled for
24 August 6th, 1986.

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MR. STOGNER: We will call next
Case Number 8940.

MR. TAYLOR: Application of
Yates Petroleum Corporation for salt water disposal, Lea
County, New Mexico.

The applicant has requested
that this case be continued.

MR. STOGNER: Case 8940 will
also be continued to the Examiner's hearing scheduled for
August 6th, 1986.

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MR. STOGNER: Call next Case
Number 8946.

MR. TAYLOR: Application of
Jerome P. McHugh and Associates for an amendment to the
special rules and regulations of the Gavilan-Mancos Oil Pool
promulgated by Division Order Number R-7407, Rio Arriba
County, New Mexico.

The applicant has requested
that this case be continued.

MR. STOGNER: Case Number 8946
will be continued to the Commission hearing scheduled for
August 7th, 1986.

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2 MR. STOGNER: Call next Case
3 Number 8948.

4 MR. TAYLOR: Application of
5 Mesa Grande Resources, Inc., for compulsory pooling, Rio Ar-
6 riba County, New Mexico.

7 The applicant has requested
8 that this case be continued.

9 MR. STOGNER: Case Number 8948
10 will be continued to the Examiner's hearing scheduled for
11 August 6th, 1986.

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15 MR. STOGNER: We will call next
16 Case Number 8950.
17 8950.

18 MR. TAYLOR: Application of
19 Benson-Montin-Greer Drilling Corporation for the amendment
20 of Division Order Number R-3401, Rio Arriba County, New Mex-
21 ico.

22 The applicant has requested
23 that this case be continued.

24 MR. CATANACH: Case Number 8950
25 will be continued to the Commission hearing scheduled for

1 August 7th, 1986.

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MR. STOGNER: Call next Case

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Number 8951.

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MR. TAYLOR: Application of

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Benson-Montin-Greer Drilling Corporation for the amendment

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of Division Order Number R-8124, Rio Arriba County, New

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Mexico.

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The applicant has requested

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that this case be continued.

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MR. STOGNER: Case Number 8951

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will be continued to the Commission hearing scheduled for

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August 7th, 1986.

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MR. STOGNER: Call next Case

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Number 8952.

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MR. TAYLOR: Application of

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Benson-Montin-Greer Drilling Corporation for statutory unit-

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ization, Rio Arriba County, New Mexico.

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The applicant has requested

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that this case be continued.

1 MR. STOGNER: Case Number 8952
2 will also be continued to the Examiner -- I'm sorry, to the
3 Commission hearing scheduled for August 7th, 1986.

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7 MR. STOGNER: We will call
8 Cases 8932 and 8933.

9 MR. TAYLOR: Application of
10 GeoEngineering, Inc., for exceptions to Division general
11 rules 104 (F) and 104 (c)(1), McKinley County, New Mexico.

12 The applicant has requested
13 that these two cases be continued.

14 MR. STOGNER: Both Cases 8932
15 and 8933 will both be continued to the Examiner hearing
16 scheduled for August 20th, 1986.

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20 (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 the foregoing Transcript of Hearing before the Oil
Conservation Division (Commission) 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 Nos. 8912, 8936, 8920, 8939,
heard by me on 23 July 1986. 8940, 8946,
8948, 8950,
8951, 8952,
8932, & 8933
Michael R. Rogers, Examiner
Oil Conservation Division