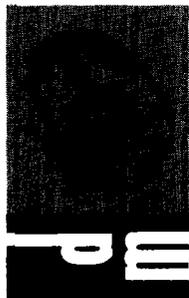


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SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6691 • ALBUQUERQUE, NEW MEXICO



BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
August 11, 1971

Examiner Hearing

IN THE MATTER OF:)

Application of Harvey E. Yates)
Company for a unit agreement,)
Eddy, County, New Mexico.)

) Case No. 4578
)
)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

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1 MR. NUTTER: Call case 4578.

2 MR. HATCH: Case 4578. Application of Harvey E.
3 Yates Company for unit agreement, Eddy County, New Mexico.

4 The applicant has requested that the case be
5 continued to August 18, 1971.

6 MR. NUTTER: Case 4578 will be continued to the
7 Examiner hearing scheduled to be held at this same place at
8 10:00 o'clock.

9 MR. HATCH: Examiner hearing is at 10:00 o'clock.

10 MR. NUTTER: At 10:00 o'clock. August 18, 1971,
11 at this same place.

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1 STATE OF NEW MEXICO)
2)
3 COUNTY OF BERNALILLO)

4 I, LINDA MALONE, Court Reporter, do hereby certify that
5 the foregoing and attached Transcript of Hearing before the
6 New Mexico Oil Conservation Commission was reported by me; and
7 that the same is a true and correct record of the said
8 proceedings, to the best of my knowledge, skill and ability.
9

10 Linda Malone
11 Court Reporter

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I do hereby certify that the foregoing is a true and correct record of the hearing of Case No. 4578 held by me on 8/11, 1971.
[Signature], Secretary
New Mexico Oil Conservation Commission

dearnley-meier reporting service, inc.

SPECIALIZING IN: DEPOSITIONS, HEARINGS, STATEMENTS, EXPERT TESTIMONY, DAILY COPY, CONVENTIONS

209 SIMMS BLDG. • P.O. BOX 1092 • PHONE 243-6491 • ALBUQUERQUE, NEW MEXICO

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
August 18, 1971

EXAMINER HEARING

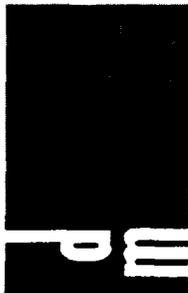
IN THE MATTER OF

Application of Harvey E. Yates Company
for a Unit agreement, Eddy County, New
Mexico.

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) Case No. 4578
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BEFORE: ELVIS A. UTZ, EXAMINER

TRANSCRIPT OF HEARING



1 MR. HATCH: Case 4578, application of Harvev E. Yates
2 Company for Unit agreement, Eddy County, New Mexico.

3 This case does not appear on the docket, but was continued
4 to this date in a hearing held on Wednesday, August 11, 1971.

5 MR. LOSEE: Mr. Examiner, I am A. J. Losee appearing
6 for applicant. I have one witness, Mr. Boling.

7 (Witness sworn)

8 ROBERT E. BOLING

9 DIRECT EXAMINATION

10 BY MR. LOSEE

11 Q Would you state your name, please.

12 A Robert E. Boling.

13 Q Where do you live, Mr. Boling.

14 A Artesia, New Mexico.

15 Q What is your occupation?

16 A Exploration Consultant.

17 Q You have not testified before the Oil Conservation Commission
18 have you?

19 A No, sir.

20 Q What college did you attend and what degree did you obtain.

21 A I obtained a BS in Geology from Oklahoma AM College in 1950.

22 Q What has been your experience since that time?-- your
23 occupational experience?

24 A Five years of scouting geological and land work with --
25 do you want the companies?

- 1 A Surely.
- 2 Q With the Superior Oil Company of California. Eight years
3 of land geological and engineering work with the Carter
4 Drilling Company, Inc., and six years independently
5 unemployed as an Exploration Consultant in Artesia doing
6 land geological and engineering work.
- 7 MR LOSEE: Mr Utz, are Mr. Boling's qualifications
8 acceptable?
- 9 MR. UTZ: Yes, sir, they are.
- 10 Q (Mr. Losee continuing) What is the purpose of the
11 application in this case?
- 12 A Approval of the Empire South Deep Unit Area in Eddy County,
13 New Mexico.
- 14 Q Is that an exploratory unit?
- 15 A Yes sir.
- 16 Q Please refer to what has been marked as Exhibit A.
- 17 A The unit agreement for the development and operation of
18 the Empire South Deep Unit area, Eddy County, State of New
19 Mexico.
- 20 Q What formations are proposed to be unitized under this
21 agreement?
- 22 A All formations below a point below 4200 feet below the top
23 of San Andres formation with is approximately 6500 feet
24 below the surface of the ground.
- 25 In Section thirty of 1729, there are eight Abo Wells, and

1 we were forced by the U. S. G. S. to commence our unit below
2 the water table in those Abo Wells.

3 Q How many acres are included within the unit area boundaries?

4 A 4967.87 acres.

5 Q That area is shown on Exhibit A to the unit agreement.

6 A That is correct.

7 Q What is the projected depth for initial test well provided
8 for in the agreement?

9 A To penetrate 150 feet into the Missourian formation.

10 Q What is the proposed location of this test well?

11 A Well, do you want the exact location that we have now or
12 what the section --

13 Q The section is fine.

14 A Section six of 18S, 29E.

15 Q Who is designated as unit operator under the terms of the
16 agreement.

17 A Midwest Oil Corporation.

18 Q This application was filed in the name of Harvey E. Yates,
19 Company. Would you explain the reason for that filing which
20 is the trade between Harvey E. Yates Company and Midwest.

21 A Yes, sir. I was employed to put this unit together by the
22 Harvey E. Yates Company and then the Harvey E. Yates Company
23 sold an interest in this prospect to Midwest Oil Corporation
24 and part of the trade was that the Harvey E. Yates Company
25 would furnish the unit agreement fully approved and executed.

1 MR. UTZ: Who is going to be the operator?

2 MR. BOLING: Midwest.

3 O (Mr. Losee continuing) What basis will participation be if
4 production is obtained under the terms of the unit agreement?

5 A The royalty owners. --

6 O Well, the unit agreement which actually covers royalty and
7 override, section eleven, page eleven.

8 A This plan is to further the development of operations --

9 O Is that what we are talking about? --

10 No. We are talking about participation and production

11 A Upon completion of the well capable of producing unitized
12 substance in paying quantities or as soon thereafter as
13 required by the Supervisor and the Commissioner, a schedule
14 based on Subdivision of Public Land Surveys or out out parts
15 thereof and of all land deemed therein as reasonably approved
16 to be productive in paying quantities.

17 O So that actually it will be on a participating area bases
18 with the area approved by the Commissioner and Supervisor.

19 A Yes.

20 O Under the terms of the unit operator agreement working interest
21 owners this unit will actually all participate under a
22 beneficial basis?

23 A Yes, sir.

24 O What is the effective date of the unit?

25 A Upon approval of the Commissioner and the Secretary of the

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- 1 Interior.
- 2 Q Has the United Geological Survey given preliminary approval
3 to the unit agreement and the area as being a proper
4 conservation measure?
- 5 A Yes, sir.
- 6 Q Has the State Land Office given preliminary approval to the
7 form of unit agreement?
- 8 A Yes, sir.
- 9 Q Have you contacted all of the working and overwrite and
10 royalty interest owners giving them an opportunity to join
11 in the unit agreement.
- 12 A I have.
- 13 Q Please refer to what has been marked Exhibit two and tell
14 me and tell the Examiner what this is.
- 15 A This is a geological and seismic report on the unit area
16 prepared by Mark D. Wilson, Geologist.
- 17 Q Actually, under the terms of the agreement between the
18 interest owners, the well is proposed to really be dug to
19 the Devonian Formation.
- 20 A That is right, 12,500 feet or test Devonian at lesser depths,
21 whichever is at a lesser depth.
- 22 Q What prospects in oil and gas formations would you expect
23 to encounter?
- 24 A As major objectives, the lower Wolf-camp and Sisco and
25 Canyon and the Devonian and the Onburger.

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1 Q You are not digging to the Onburger.
2 A We could and we might but we don't plan on it at the present
3 time. A second area objective is the lower-most
4 and the Upper Wolf-camp and the upper Sisco and the Upper
5 Strawn.
6 Q Mr. Boling, do you have an opinion as to whether this unit
7 agreement is a proper conservation method and whether it
8 will prevent waste and protect correlative rights?
9 A In my opinion it certainly is.
10 Q The geological report was prepared by Mr. Mark D. Wilson
11 with your assistance, was it not?
12 A Yes, sir.
13 MR. LOSEE: We move the introduction of exhibit one
14 and two.
15 MR. UTZ: Without objection exhibits one and two will
16 be entered into the record of this case.
17 Are there any questions of the witness?
18 You may be excused.
19 (Witness excused)
20 Statements in this case?
21 Case will be taken under advisement.
22 Hearing is adjourned.
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WITNESS

PAGE

ROBERT E. BOLING

2

Direct Examination by Mr. Losee

2

EXHIBITS

MARKED

OFFERED AND
ADMITTED

Applicant's one and two

7

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1 STATE OF NEW MEXICO)
)
2 COUNTY OF BERNALILLO)

3 I, MARCIA HUGHES, Court Reporter, do hereby certify that
4 the foregoing and attached Transcript of Hearing before the
5 New Mexico Oil Conservation Commission was reported by me; and
6 that the same is a true and correct record of the said
7 proceedings, to the best of my knowledge, skill and ability.

Marcia Hughes
Court Reporter

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the regular hearing of Case No. 4528.
made by me on Oct 17 1971.
Marcia Hughes, Examiner
New Mexico Oil Conservation Commission