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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
January 5, 1972

EXAMINED HEARING

IN THE MATTER OF:

Application of Jack L. McClellan)
for a unit agreement,)
Chaves County, New Mexico)

Case No. 4609

BEFORE: Daniel S. Nutter,
Alternate Examiner.

TRANSCRIPT OF HEARING

1 MR. HATCH: Case 4609, The Application of Jack L.
2 McClellan--

3 MR. KELLAHIN: Jason Kellahin, Kellahin & Fox, Santa
4 Fe, appearing on behalf of the Applicant.

5 We have one witness we would like to call and have sworn.

6 WILLIAM J. LeMAY

7 a witness, having been first duly sworn according to law, upon
8 his oath, testified as follows:

9 DIPECT EXAMINATION

10 BY MR. KELLAHIN

11 Q Would you state your name, please?

12 A William J. LeMay.

13 Q What business are you engaged in?

14 A I am a consulting geologist in Santa Fe, New Mexico.

15 Q In connection with your work have you been contacted by
16 Jack L. McClellan in connection with Case 4609?

17 A Yes.

18 Q What does Mr. McClellan propose in this Application?

19 A Mr. McClellan, in Case 4609, proposes to set before the
20 Commission a unit agreement which was previously heard, as
21 far as water flood is concerned, this particular case sets
22 out his units of 1,520 acres of Federal lands for approval
23 by the Oil Conservation Commission of the State of New
24 Mexico.

25 Q All of the lands are Federal; is that correct?

- 1 A That is correct.
- 2 Q You referred to the water flood project. Was that last
- 3 heard as a Case 4610 in October, 1971?
- 4 A Yes, sir, it was.
- 5 Q Is it your understanding that the water flood project is
- 6 now under way?
- 7 A I understand that the water flood was approved and it is
- 8 being presently put under operation.
- 9 Q Referring to what has been marked as Applicant's Exhibit No.
- 10 1, that is the proposed unit agreement?
- 11 A Yes, sir.
- 12 Q Does that agreement have the usual provisions for
- 13 commencement of unit designation of normal provisions
- 14 found in the unit agreement, it is a standard for a unit
- 15 agreement, is Jack L. McClellan designated as the operator?
- 16 A Yes, sir.
- 17 Q Are there any features in the unit agreement you would care
- 18 to point out?
- 19 A No, the unit has been approved, I understand, by the U. S.
- 20 G. S., and a hundred per cent of the working interest
- 21 parties have signed the agreement and over 75 per cent of
- 22 the royalty owners have signed, so it is a common type of
- 23 unit agreement in such cases as this water flood.
- 24 Q Is it your information that efforts to obtain signatures
- 25 of the other royalty owners who have not signed are

1 continuing?

2 A I understand that is still under way, yes, sir.

3 Q The U. S. G. S. has approved it subject to approval of
4 this Commission; is that correct?

5 A Yes.

6 Q Now, referring to what has been marked Exhibit No. 2,
7 would you identify that exhibit?

8 A Exhibit 2 is a cooperative agreement of working interest
9 owners, and has been circulated by Mr. McClellan to the
10 working interest owners, and the owners have signed on
11 appropriate places on the back of this form.

12 Q And?

13 A It also sets out, I believe, the percentage of ownership in
14 each lease. It breaks down the total working interest per
15 individual or company in each tract, and the unit
16 participation percentages in Phase 1 and Phase 2.

17 Q This agreement has been signed by all of the working
18 interest owners; is that correct?

19 A To my understanding.

20 MR. KELLAHIN: At this time I would like to offer into
21 evidence Applicant's Exhibit 1 and 2.

22 MR. NUTTER: Applicant's Exhibits 1 and 2 will be
23 admitted in the evidence.

24 MR. KELLAHIN: That concludes the direct examination.

25 CROSS-EXAMINATION

1 BY MR. NUTTER

2 Q I believe you mentioned in your testimony this was for the
3 utilization of 1,600 acres?

4 A 1,520, sir.

5 Q I was noticing Exhibit B attached to the unit agreement
6 listed 1,480 acres.

7 I tried to count them and I get 1,440 acres.

8 A I didn't count the acreage myself. I went according to
9 what was advertised in the docket.

10 Q I wonder if the unit has been changed in some manner in
11 the abstract it has been added or deleted.

12 MR. KELLAHIN: There may have been one tract deleted.
13 I haven't checked that. It came on the bus this morning. I
14 didn't have a chance to look at it, but the acreage is set out
15 in front of the unit agreement, which is covered.

16 MR. NUTTER: Maybe we can tell from that what the
17 acreage should be.

18 MR. KELLAHIN: At the time this was submitted it
19 included the total acreage as advertised.

20 MR. NUTTER: Section 2 there of the unit agreement is
21 defined as 1,480 acres, Section 13--

22 MR. KELLAHIN: Mr. McClellan was unable to get here.
23 He sent that up by bus last night.

24 MR. NUTTER: I see here now. The description on page
25 2 of the unit agreement for Section 25 defines A as being the

1 north half of the northwest and the southwest of the northwest
2 and the plat, Exhibit A attached to the unit leaves out that
3 northwest of the southwest of the northwest, so we will have to
4 find out if that should be included in Exhibit A or if the
5 description as outlined in the unit area on page 2 of the unit
6 agreement is correct. There is a discrepancy between the unit
7 agreement and the exhibit.

8 MR. KELLAHIN: I will check that and call you back.

9 MR. NUTTER: The forty shows a dry hole on the changes
10 in the description in the unit --is in error. Are there any
11 further questions from the witness?

12 You may be excused.

13 Do you have anything further, Mr. Kellahin?

14 Do anyone--does anyone have anything further they wish to
15 present?

16 We will take the case under advisement.
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1 STATE OF NEW MEXICO)
2) ss.
3 COUNTY OF BERNALILLO)

4 I, RICHARD STURGES, a Certified Shorthand Reporter, in and
5 for the County of Bernalillo, State of New Mexico, do hereby
6 certify that the foregoing and attached Transcript of Hearing
7 before the New Mexico Oil Conservation Commission was reported
8 by me; and that the same is a true and correct record of the
9 said proceedings to the best of my knowledge, skill and ability.

10
11 
12 CERTIFIED SHORTHAND REPORTER

22 I hereby certify that the foregoing is
23 a true and correct record of the proceedings of
24 the hearing of Case No. 4609
25 dated by me on 1/5, 1972

New Mexico Oil Conservation Commission

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I N D E X

WITNESS

PAGE

WILLIAM J. LeMAY

Direct Examination by Mr. Kellahin

3

Cross-Examination by Mr. Nutter

6

E X H I B I T S

APPLICANT'S

OFFERED

Exhibits 1 and 2

5

Exhibits A and B

7 & 6

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO
November 17, 1971

IN THE MATTER OF:

Application of Jack L.
McClellan for a unit
agreement, Chaves County,
New Mexico.

Case No. 4609

BEFORE:

Elvis A. Utz, Examiner

TRANSCRIPT OF HEARING

CASE 4609

1 MR. HATCH: Application 4609: Application of Jack L.
2 McClellan for a unit agreement, Chaves County, New Mexico. The
3 Commission has received a request from the applicant that the
4 case be continued until January 5th, 1972.

5 HEARING EXAMINER: Case 4609 will be continued to
6 January 5th, 1972.

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 2)
 3 COUNTY OF BERNALILLO)

4 I, RICHARD STURGES, CERTIFIED SHORTHAND REPORTER, do
 5 hereby certify that the foregoing and attached Transcript of
 6 Hearing before the New Mexico Oil Commission was reported by
 7 me; and that the same is a true and correct record of the said
 8 proceedings, to the best of my knowledge, skill and ability.

9 Richard Sturges -
 10 CERTIFIED SHORTHAND REPORTER

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 22 I do hereby certify that the foregoing is
 23 a complete and correct transcript of the
 24 and Examiner's report of the hearing held
 25 before me on April 17, 1968 at 466
Albuquerque, New Mexico
Richard Sturges, Reporter
 New Mexico Oil Conservation Commission

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BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Roswell, New Mexico

October 13, 1971
Examiner Hearing

IN THE MATTER OF:)
)
)

Application of Jack L. McClellan)
for a unit agreement, Chaves)
County, New Mexico.)

Case No. 4609

BEFORE: DANIEL S. NUTTER, EXAMINER

TRANSCRIPT OF HEARING

1 MR. NUTTER: Case 4609.

2 MR. HATCH: Case 4609. Application of Jack L.
3 McClellan for a unit agreement, Chaves County, New Mexico.

4 MR. KELLAHIN: If the Examiner please, at this time
5 we would like to request that Case 4609 be continued. We have
6 encountered a few problems in connection with the formation of
7 the unit agreement, and as will be explained in the following
8 Case 4610, we anticipate at least for the present time we will
9 proceed on a cooperative water flood basis, and we have to form
10 the unit at a later date.

11 MR. NUTTER: I see.

12 MR. KELLAHIN: So we would like to have the case
13 continued, rather than dismissed, because we do anticipate
14 there will be further action on the case.

15 MR. NUTTER: Do you have a date that would be
16 continued to, Mr. Kellahin?

17 MR. KELLAHIN: I would say thirty days would do it,
18 or to the December hearing would be all right.

19 MR. NUTTER: Case No. 4609, then, will be continued
20 to the Examiner Hearing scheduled to be held at 9:00 o'clock
21 A.M., Oil Conservation Commission conference room, State Land
22 Office Building, Santa Fe, New Mexico on November 17, 1971.

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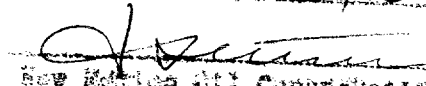
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1 STATE OF NEW MEXICO)
)
 2 COUNTY OF BERNALILLO)

3 I, LINDA MALONE, 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;
 6 that the same is a true and correct record of the said
 7 proceedings, to the best of my knowledge, skill and ability.

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 12 Court Reporter

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 22 I do hereby certify that the foregoing
 23 is a correct record of the hearing of
 the Executive Hearing of Case No. 4609
 heard by me on 10/13/71
 24 
 25 New Mexico Oil Conservation Commission

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 heard by me on 10/13/1971
 24  Examiner
 New Mexico Oil Conservation Commission
 25

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