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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
September 29, 1976

EXAMINER HEARING

-----  
IN THE MATTER OF: )

Application of Yates Petroleum Corpora- ) CASE  
tion for a unit agreement, Eddy County, ) 5773  
New Mexico. )  
-----

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.  
Legal Counsel for the Commission  
State Land Office Building  
Santa Fe, New Mexico

**sid morrison reporting service**  
*General Court Reporting Service*  
825 Calle Mejia, No. 122, Santa Fe, New Mexico 87501  
Phone (505) 982-9212

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MR. NUTTER: We will next call Case Number 5773.

MR. CARR: Case 5773, application of Yates Petroleum Corporation for a unit agreement, Eddy County, New Mexico.

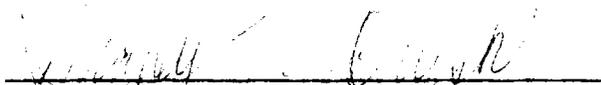
Mr. Examiner, the applicant in this case has requested that it be continued to the October 13 Examiner Hearing.

MR. NUTTER: Case Number 5773 will be continued to the Examiner Hearing scheduled to be held at this same place at nine o'clock A.M., October 13th, 1976.

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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter,  
do hereby certify that the foregoing and attached Transcript  
of Hearing before the New Mexico Oil Conservation Commission  
was reported by me, and the same is a true and correct record  
of the said proceedings to the best of my knowledge, skill and  
ability.

  
\_\_\_\_\_  
Sidney F. Morrish, C.S.R.

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I hereby certify that the foregoing is  
a true and correct copy of the transcript in  
the Examiner's Journal of Case No. 5773  
heard by me on 9/29, 1976.  
  
Examiner  
New Mexico Oil Conservation Commission

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BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
Santa Fe, New Mexico  
October 13, 1976

EXAMINER HEARING

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IN THE MATTER OF:	)	
	)	
Application of Yates Petroleum Corpora-	)	CASE
tion for a unit agreement, Eddy County,	)	5770
New Mexico.	)	
	)	

-----

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil	Lynn Teschendorf
Conservation Commission:	Law Clerk for the Commission
	State Land Office Building
	Santa Fe, New Mexico
For the Applicant:	A. J. Losee, Esq.
	LOSEE & CARSON, P.A.
	Attorneys at Law
	300 American Home Building
	Artesia, New Mexico

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I N D E X

Page

ROBERT E. BOLING

Direct Examination by Mr. Losee

3

EXHIBIT INDEX

Offered

Admitted

Applicant's Exhibit One, Unit Agreement

6

7

Applicant's Exhibit Two, Approval

6

7

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1 MR. STAMETS: We'll call next Case 5773.

2 MS. TESCHENDORF: Case 5773, application of Yates  
3 Petroleum Corporation for a unit agreement, Eddy County,  
4 New Mexico.

5 MR. STAMETS: Call for appearances.

6 MR. LOSEE: Mr. Examiner, A. J. Losee, Losee and  
7 Carson, Artesia. I have one witness, Mr. Boling.

8 MR. STAMETS: Will you stand and be sworn, please?

9 (THEREUPON, the witness was duly sworn.)

10

11

ROBERT E. BOLING

12

called as a witness, having been first duly sworn, was  
13 examined and testified as follows:

14

15

DIRECT EXAMINATION

16

BY MR. LOSEE:

17

Q State your name, residence and occupation?

18

A Robert E. Boling, Artesia, New Mexico and I'm an  
19 independent landman.

20

Q Are you appearing here on behalf of Yates Petroleum  
21 Corporation?

22

A Yes, sir.

23

Q What is the purpose of this application?

24

A To get approval of the North Millman Unit.

25

Q Is that an exploratory unit?

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1 A. Yes, sir.

2 Q How many acres are included within the unit area?

3 A. Two thousand and sixteen point seventy-nine acres.

4 Q And in what township and range?

5 A. Township 19 South, Range 28 East, Eddy County.

6 Q Are there any depth limitations in the unit agreement?

7 A. Yes, the unit agreement covers depths below three

8 thousand feet.

9 Q Are these leases issued by the State of New Mexico?

10 A. Yes, all the acreage in the unit is State acreage.

11 I mean, State minerals.

12 Q How many tracts are involved in this unit?

13 A. Eleven tracts and twenty working interest owners.

14 Q Has the State of New Mexico given tentative approval

15 to the form of the unit agreement?

16 A. Yes.

17 Q I'll hand you a letter and ask if that is the

18 tentative approval by the State, a copy of it?

19 A. Yes.

20 Q When does Yates propose to commence the test well on

21 this unit agreement?

22 A. By midnight this Sunday night.

23 Q What is the reason for this hurry?

24 A. There is one lease that expires at midnight Sunday

25 night.

24 Q Are there any intermediate objectives?

25 A. Yes, the Bone Springs and the Wolfcamp and the Cisco.

1           It's dated 10-18-66 and expires at midnight on  
2 the seventeenth.

3           Q.     That's tract number eight in the unit area?

4           A.     I believe it's tract number ten. Yes, sir, it's  
5 tract number ten.

6           Q.     How many tracts are there in your unit area?

7           A.     Eleven, yes.

8           Q.     Have all of the lessees of record joined the unit  
9 agreement?

10          A.     Yes.

11          Q.     And have all of the working interest owners in  
12 the depths below three thousand feet joined the unit agreement?

13          A.     Yes.

14          Q.     Under the terms of the unit agreement how is  
15 production allocated?

16          A.     On an acreage basis.

17          Q.     In relation to the entire surface acres in the  
18 unit?

19          A.     Yes.

20          Q.     What is the objective depth of the test well  
21 proposed?

22          A.     Eleven thousand, five hundred feet to test the  
23 Morrow.

24          Q.     Are there any intermediate objectives?

25          A.     Yes, the Bone Springs and the Wolfcamp and the Cisco,

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1 Strawn, Atoka.

2 Q Would you explain the geology on the Morrow in this  
3 area?

4 A Well, this unit is located in an area that we believe  
5 to be a delta in the Morrow, particularly up the Upper and there  
6 is one delta in the Upper Morrow and another one in the Middle  
7 and Lower Morrow and in the Morrow time there was a big  
8 drainage system coming down from the northwest and it started  
9 depositing in this area and on down to the south in the Burton  
10 Flats Field.

11 Q Do you believe that the formation of this unit is  
12 in the interest of conservation?

13 A I do.

14 Q And the form of the unit agreement, which incidentally  
15 is a form approved by the Commissioner of Public Lands, will  
16 it protect correlative rights?

17 A It will.

18 Q Exhibit One has been marked and it is an executed  
19 copy of the unit agreement, is it not?

20 A Yes, sir.

21 Q And Exhibit Two is the consent to the tentative  
22 approval of the unit agreement by the Land Commissioner?

23 A Yes, sir.

24 MR. LOSEE: That's all we have at this time.

25 MR. STAMETS: Are there any questions of this

1 witness? He may be excused.

2 (THEREUPON, the witness was excused.)

3 MR. STAMETS: Mr. Losee, are you offering Exhibits  
4 One and Two?

5 MR. LOSEE: Yes, we move that they be offered.

6 MR. STAMETS: They will be admitted.

7 (THEREUPON, Applicant's Exhibits One and  
8 Two were admitted into evidence.)

9 MR. STAMETS: Is there anything further in this  
10 case? The case will be taken under advisement.

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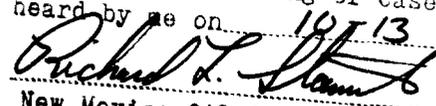
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\_\_\_\_\_, Examiner  
New Mexico Oil Conservation Commission

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