

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
Oil Conservation Division
State Land Office Building
Santa Fe, New Mexico
23 May 1979

EXAMINER HEARING

IN THE MATTER OF:

Application of Roy L. McKay for a) CASE
unit agreement, Lea County, New) 6559
Mexico.)

BEFORE: Richard L. Stamets

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation Division: Ernest L. Padilla, Esq.
Legal Counsel for the Division
State Land Office Bldg.
Santa Fe, New Mexico 87503

For the Applicant: George H. Hunker, Jr.
HUNKER, FEDRIC, P. A.
P. O. Box 1837
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I N D E X

ROBERT W. BECKER

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E X H I B I T S

Applicant Exhibit One, Plat 4

Applicant Exhibit Two, Seismic Map 5

Applicant Exhibit Three, Seismic Map 6

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1 MR. STAMETS: We'll call next Case 6559.

2 MR. PADILLA: Application of Roy L.
3 McKay for a unit agreement in Lea County, New Mexico.

4 MR. HUNKER: I'm George Hunker, Hunker,
5 Fedric, Roswell, New Mexico. I have one witness and I'm
6 appearing on behalf of the applicant.

7 MR. STAMETS: I'd like to have the witness
8 stand and be sworn, please.

9
10 (Witness sworn.)

11
12 ROBERT W. BECKER
13 being called as a witness and being duly sworn upon his
14 oath, testified as follows, to-wit:

15
16 DIRECT EXAMINATION

17 BY MR. HUNKER:

18 Q Mr. Becker, will you identify yourself
19 for the Examiner and for the record?

20 A I'm Robert W. Becker. I'm a consulting
21 geologist in Roswell, New Mexico.

22 Q How long have you been a consulting
23 geologist in Roswell?

24 A Since about 1970.

25 Q And before that time who were you with?

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1 A. I worked twenty years for Texaco and a
2 couple of years for a smaller company, Southern Petroleum.

3 Q. Have you ever testified as a geologist
4 before the Conservation Division and have your qualifications
5 been found acceptable?

6 A. Yes.

7 MR. HUNKER: Are the qualifications of
8 the witness to testify as a geologist acceptable?

9 MR. STAMETS: They are.

10 Q. (Mr. Hunker continuing.) Are you familiar
11 with the application that's been filed by Roy L. McKay in
12 connection with this matter?

13 A. Yes, I am.

14 Q. And what is Mr. McKay seeking?

15 A. He seeks approval of a 2-1/4 section unit
16 in Township 15 South, 34 East, Lea County, New Mexico.

17 Q. Referring to what's been marked Exhibit
18 One, will you tell the Examiner whether or not this plat
19 depicts that?

20 A. The proposed unit doesn't cover all of
21 the acreage but it does cover the primary part of a
22 structural nose.

23 Q. And -- but the exhibit shows the lands
24 that are to be included in the unit, is that correct?

25 A. Yes. The unit would be the west half of

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1 Section 3, all of Section 4, north half of Section 9, and
2 northwest --

3 Q North half of Section 10, you mean, don't
4 you?

5 A No, sir, 9.

6 Q 9, correct.

7 A And northwest of Section 10, a total of
8 1479.98 acres.

9 Q Does the plat that's been furnished to
10 the Examiner show the proposed location of the well?

11 A Yes, it does.

12 Q And where is that location?

13 A That well would be in the northwest
14 quarter of Section 4.

15 Q Turning to what's been marked Exhibit
16 Number Two, will you tell the Examiner what -- what that
17 exhibit shows?

18 MR. STAMETS: Excuse me, George. Do you
19 have a copy of the unit agreement?

20 MR. HUNKER: Yes, I do. I'd like very
21 much to give it to you.

22 A Exhibit Two is a seismic map contoured
23 on the top of the Bursom, which is Lower Wolfcamp, with a
24 superimposed Isopach map of Zone B of the Bursom. This
25 study was a study of the Bursom, which would be the primary

1 prospect of the proposed location.

2 The Bursom has been zoned into four zones,
3 A, B, C, and D, with A at the top and D at the bottom.
4 These are depicted on the map by colors with the red being
5 Zone B, Blue Zone C, green Zone D, and brown is the Zone A.

6 Q Turning to what's been marked Exhibit
7 Three, tell the Examiner what this exhibit shows.

8 A Zone 3 is the same seismic structure map
9 contoured on the top of the Bursom with an Isopach super-
10 imposed of Zone C. Exhibit Two was Zone B.

11 Both of these Isopachs are limited by
12 2-foot Isopach interval in the 10-foot zone and they are
13 located on a structural nose, which is based on a small
14 structure in the northwest quarter of Section 4. This is
15 based on seismic.

16 MR. HUNKER: Mr. Examiner, for your
17 information, we have sent to the Commissioner of Public
18 Lands an application for approval of this unit, and he's
19 indicated that the Commission's order is necessary in con-
20 nection with this matter inasmuch as all of the lands are
21 State of New Mexico lands. He has made certain requirements
22 with regard to filing materials but has approved the area
23 as having -- as being logical, and has found that the test
24 well is appropriate under the circumstances and that the
25 unit agreement will be approved, all else being regular.

1 Q Mr. Becker, getting back to the geological
2 feature here involved, you said that substantially all of
3 the features included within the unit area, but is there
4 part of it that is not in the unit area?

5 A On Exhibit Two we show a long pullout of
6 the 2-foot contour line going around another small feature
7 in Section 14 to the southeast. This pulls the whole area
8 of greater than 2 percent or 2 feet of porosity. It -- it
9 makes a larger area; however, the unit itself is located
10 on the better part of the nose.

11 Q In your opinion is the area that's been
12 selected one which can be logically developed under a
13 unitization plan?

14 A Yes, I believe so.

15 Q If the agreement is approved and an order
16 is entered in this matter, is it your opinion that the
17 unit can be operated in the interest of conservation and
18 the preservation of waste?

19 A Yes, certainly.

20 Q And prevention of waste, excuse me.

21 What does Mr. McKay intend to do in con-
22 nection with this particular well in Section 4? How deep
23 will the well be and what formation does he plan to test?

24 A The well --

25 Q Or formations?

1 A. The well will be an 11,200 foot Ranger
2 Lake test. The primary prospect would be the Bursom, which
3 would be encountered at about 10,400 feet. The Ranger Lake
4 is about 500 feet deeper in the section and 11,200 would
5 adequately test both zones.

6 The Range Lake Zone A is in the area in
7 the No Nombre Field to the north and in this general area
8 on structure, and of course, we have structure here that
9 although it is a low relief structure, it could be a pay
10 in both Bursom and Ranger Lake.

11 Q. And the Ranger Lake.

12 MR. HUNKER: At this time I'd like to
13 introduce into evidence the applicant's Exhibits One, Two,
14 and Three, and I have no further questions for the witness.

15 MR. STAMETS: These exhibits will be
16 admitted.

17
18 CROSS EXAMINATION

19 BY MR. STAMETS:

20 Q. Mr. Becker, in looking at the unit agree-
21 ment, in part five, talking about successor to the unit
22 operator, the unit agreement only provides that the suc-
23 cessor be approved by the Commissioner of Public Lands.
24 Would the applicant have any objection to a requirement
25 that that also be approved by the Division?

1 A. I haven't seen the unit agreement. I
2 went over the geology but I have not seen the unit agreement
3 at all.

4 MR. HUNKER: Mr. Examiner, we have no
5 objection to the Commission including in its order a provi-
6 sion to the effect that the successor unit operator be ap-
7 proved by the Conservation Division.

8 MR. STAMETS: And also would the same be
9 true as to the annual plans of development?

10 MR. HUNKER: As to annual plans of devel-
11 opment that is correct.

12 MR. STAMETS: And the participation, I
13 gather in reading part ten here, is the entire unit parti-
14 cipates in any well --

15 MR. HUNKER: That's correct. That's
16 correct, as to the committed acreage.

17 MR. STAMETS: Okay. Any other questions
18 of the witness?

19 MR. HUNKER: This form was furnished to
20 us by the State Land Office with their blessing and I
21 trust that it's satisfactory.

22 MR. STAMETS: Okay. If there are no
23 other questions the witness may be excused. Anything
24 further in this case?

25 The case will be taken under advisement.

(Hearing concluded.)

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REPORTER'S CERTIFICATE

I, SALLY W. BOYD, a court reporter, DO HEREBY
 CERTIFY that the foregoing and attached 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, knowledge, and skill, from my notes taken at the
 time of the hearing.

Sally W. Boyd C.S.R.
 Sally W. Boyd, C.S.R.

I do hereby certify that the foregoing is
 a complete and correct transcript of the hearing in
 the Examination of _____, No. 6559,
 heard by me on 5-23-79.
Richard L. Stem Examiner
 Oil Conservation Division

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