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## NEW MEXICO OIL CONSERVATION DIVISION

STATE LAND OFFICE BUILDING

STATE OF NEW MEXICO

CASE NO. 10857

IN THE MATTER OF:

The Application of Phillips Petroleum  
Company for an Unorthodox Gas Well  
Location, Lea County, New Mexico.

BEFORE:

DAVID R. CATANACH

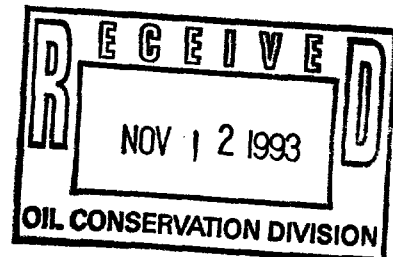
Hearing Examiner

State Land Office Building

November 4, 1993

REPORTED BY:

CARLA DIANE RODRIGUEZ  
Certified Shorthand Reporter  
for the State of New Mexico



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## A P P E A R A N C E S

FOR THE NEW MEXICO OIL CONSERVATION DIVISION:

**ROBERT G. STOVALL, ESQ.**

General Counsel  
State Land Office Building  
Santa Fe, New Mexico 87504

FOR THE APPLICANT:

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Post Office Box 2265  
Santa Fe, New Mexico 87504-2265  
BY: **W. THOMAS KELLAHIN, ESQ.**



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1 EXAMINER CATANACH: Call the hearing to  
2 order this morning for Docket No. 32-93. Let me  
3 go ahead and call the continuances and dismissals  
4 first.

5 [And there were proceedings had which  
6 were off the record.]

7 EXAMINER CATANACH: At this time, we'll  
8 call Case 10857.

9 MR. STOVALL: Application of Phillips  
10 Petroleum Company for an unorthodox gas well  
11 location, Lea County, New Mexico.

12 EXAMINER CATANACH: Are there  
13 appearances in this case?

14 MR. KELLAHIN: Mr. Examiner, I'm Tom  
15 Kellahin of the Santa Fe law firm Kellahin &  
16 Kellahin, appearing on behalf of the Applicant,  
17 and I have one witness to be sworn.

18 EXAMINER CATANACH: Additional  
19 appearances?

20 [And the witness was duly sworn.]

21 MR. KELLAHIN: Mr. Examiner, we're back  
22 before you again today for another unorthodox gas  
23 well location in the West Ranger Lake Devonian  
24 gas pool.

25 Back in March of this year, you heard





1 Mr. Balke's geologic testimony concerning the  
2 Ranger No. 20 well. I provided you a copy of the  
3 order you entered in the prior case.

4 Mr. Balke is back today seeking an  
5 unorthodox location for the Ranger 21; very  
6 similar circumstances to the prior case.

7 We have four exhibits for introduction  
8 today, Mr. Examiner.

9 **SCOTT C. BALKE**

10 Having been first duly sworn upon his oath, was  
11 examined and testified as follows:

12 EXAMINATION

13 BY MR. KELLAHIN:

14 Q. For the record, sir, would you please  
15 state your name and occupation?

16 A. Scott C. Balke. I'm a geologist with  
17 Phillips Petroleum.

18 Q. On prior occasions, Mr. Balke, have you  
19 testified before the Oil Conservation Division as  
20 an expert petroleum geologist?

21 A. Yes, I have.

22 Q. Pursuant to your employment by your  
23 company, have you continued your geologic study  
24 of the geology of the West Ranger Lake Devonian  
25 gas pool in Lea County, New Mexico?



1 A. Yes, I have.

2 Q. Based upon that study, do you have a  
3 conclusion and a recommendation to the Examiner  
4 concerning the optimum place in which to locate  
5 what we've identified as the Lone Ranger 21 Well  
6 in Section 27?

7 A. Yes, I have.

8 MR. KELLAHIN: We tender Mr. Balke as  
9 an expert petroleum geologist.

10 EXAMINER CATANACH: Mr. Balke is so  
11 qualified.

12 Q. Let me ask you, sir, to turn to what is  
13 marked as Exhibit No. 1, and let's use that to  
14 orient the Examiner. First of all, find for us  
15 the approximation of your proposed unorthodox  
16 location for the Lone Ranger 21.

17 A. The location is labeled there in green,  
18 with a green circle, "Lone Ranger 21." The blue  
19 circles there are the orthodox locations.

20 Q. What is your proposal for the  
21 orientation of the 320-acre gas spacing unit for  
22 this well?

23 A. It would be the east half/west half.

24 Q. This would be in the east 320 then?

25 A. That's correct.



1 Q. I made reference to the prior case for  
2 the Ranger 20.

3 A. Uh-huh.

4 Q. Where is that well located, sir?

5 A. That well is located in the northwest  
6 quarter of Section 26.

7 Q. How is it identified on this exhibit?

8 A. It has the well number above, with a  
9 producing well symbol, as you can see. There are  
10 two producing wells within this field currently,  
11 within the Devonian. That's the Ranger 20 and  
12 the Ranger 17, which is in the southwest quarter  
13 of Section 26.

14 Q. What is the production information  
15 shown below each of the well symbols?

16 A. It will be current or cumulative  
17 production up until last month, and the Ranger  
18 No. 20 has only one month's worth of production.

19 Q. What is the footage location for your  
20 proposed Lone Ranger Well 21?

21 A. It's 2260 from the south, 450 feet from  
22 the east.

23 Q. To which boundary, then, is it  
24 unorthodox?

25 A. It would be unorthodox to the eastern



1 boundary. It should be 660 feet from the east.

2 Q. The color shading, the yellow shading  
3 on the display, what does that signify?

4 A. The yellow shading signifies the  
5 leasehold that Phillips Petroleum has 100 percent  
6 leasehold of.

7 Q. Let me have you turn now to Exhibit No.  
8 2, would you identify that for us?

9 A. That's the survey of the Lone Ranger  
10 No. 21 location.

11 Q. Summarize for us why you're proposing  
12 to move this well approximately 200 feet to the  
13 east.

14 A. The other exhibits will demonstrate  
15 this, but essentially we're going to be in a more  
16 structurally favorable position; to eliminate any  
17 type of water encroachment, which will make our  
18 well more favorable, economically; and to be in  
19 the structurally highest position.

20 Q. From the closest standard location to  
21 the proposed unorthodox location, approximate for  
22 us your interpretation of the structural gain  
23 that you achieve by moving to this proposed  
24 location.

25 A. The structure map will show we should





1 gain approximately 25 to 35 foot of structure.

2 Q. Why is that of significance to you in  
3 this reservoir?

4 A. We see a direct correlation between  
5 structure and produceability and water  
6 encroachment. The higher we are in the  
7 structure, the less water we'll produce, and the  
8 better, the more favorable the well will be.

9 Q. Let's turn now to Exhibit No. 3.  
10 Before we discuss the details, tell us what we're  
11 looking at.

12 A. We're looking at a structure map of the  
13 Devonian reservoir itself. (There's a small cap  
14 in some places to a very thick cap in some  
15 places, but we're looking at the reservoir  
16 itself, a structure map of the reservoir.

17 Q. What's the significance of the color  
18 codes?

19 A. Essentially, those are depicting the  
20 structure itself. The purples, both in the  
21 northwest portion of the map and the southwest  
22 portion of the map, are the deeper, low areas.

23 As you go from your greens, your  
24 yellows, to your reds, you're increasing in  
25 height. So your highest point is going to be

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text suggests that organizations should implement robust systems to track every aspect of their operations, from procurement to sales, to ensure that all data is captured and stored securely.

2. The second part of the document addresses the challenges of data management in a rapidly changing environment. It highlights the need for flexible and scalable solutions that can adapt to new technologies and evolving business requirements. The author argues that organizations must invest in training and development to ensure that their staff are equipped with the skills necessary to manage complex data sets effectively. Additionally, the text stresses the importance of regular audits and reviews to identify potential weaknesses and areas for improvement.

3. The third part of the document focuses on the role of technology in enhancing operational efficiency. It explores various digital tools and platforms that can streamline processes, reduce errors, and improve communication. The author notes that while technology offers significant benefits, it also presents challenges, such as data security and integration with existing systems. Therefore, organizations must carefully evaluate their options and implement a balanced approach that maximizes the advantages of technology while mitigating its risks.

4. The fourth part of the document discusses the importance of collaboration and teamwork in achieving organizational goals. It argues that no single department or individual can succeed in isolation; instead, success requires a concerted effort from all members of the organization. The text provides several strategies for fostering a collaborative culture, including encouraging open communication, setting clear roles and responsibilities, and providing regular feedback and recognition. The author concludes that a strong team spirit and a commitment to shared success are essential for long-term growth and sustainability.

5. The fifth and final part of the document offers a summary of the key points discussed and provides a call to action for the reader. It reiterates the importance of maintaining accurate records, embracing change, leveraging technology, and fostering collaboration. The author encourages organizations to take immediate steps to address the issues identified and to continuously monitor and improve their performance. The document ends with a statement of confidence that these efforts will lead to a more efficient, transparent, and successful organization.

1 your reds, going down from your reds, oranges,  
2 yellows, to your greens, being the lowest  
3 structure point.

4 Q. How have you identified the proposed  
5 location on this display?

6 A. Identified it with a green dot, and a  
7 label above it, saying "Lone Ranger No. 21."

8 Q. The significance of the red dots in  
9 that area?

10 A. Red dots signify the orthodox  
11 locations.

12 Q. There is a black line running northwest  
13 to southeast on the display through the Lone  
14 Ranger 21 location. What is that?

15 A. We took a seismic cross-section across  
16 the area to depict what we're looking at,  
17 structurally, which, if you could look at Exhibit  
18 No. 4, that's Exhibit No. 4.

19 Q. Okay. On Exhibit No. 3, what is meant  
20 by the red lines?

21 A. Those are faults which we have found to  
22 be separating the reservoir.

23 Q. How is a display like this generated,  
24 Mr. Balke?

25 A. This was generated through a 3-D

1 seismic survey, which was shot two and a half  
2 years ago.

3 Q. Let's start with the Ranger 20 in the  
4 northwest quarter of 26, and give us some  
5 background about that well and what you propose  
6 to have accomplished with that well.

7 A. With that well we cored the Devonian  
8 reservoir, which was very significant, because  
9 we've learned evidence of the cap, possible cap  
10 string, and other information.

11 That well did show, essentially, virgin  
12 pressure, excess of 5,000 pounds within the  
13 reservoir. It's currently producing somewhere  
14 between 900 and a million on gas, and about 150  
15 barrels of condensate, choked back, I believe, on  
16 a 10/64" choke.

17 Q. Does the Ranger 20 appear to have  
18 penetrated a portion of the Devonian reservoir  
19 that had not yet been produced?

20 A. That's the way it looks, from all  
21 evidence.

22 Q. Was there any indication of depletion  
23 of the reservoir within that portion of the  
24 reservoir for which Ranger 20 is producing?

25 A. None that we could see this far.



1 Q. Tell us, now, the objective of Lone  
2 Ranger 21.

3 A. Well, Lone Ranger 21, as you see, is  
4 essentially isolated by faults and by structural  
5 position. We're locating ourselves on what we  
6 feel is the top of the structure, the isolated  
7 fault block. And structure end being isolated,  
8 we should see virgin pressures, and we should  
9 have an ideal position for the well, which will  
10 allow for less water encroachment in that  
11 location.

12 Q. The darker pink, or the light red  
13 shading at the structural closure where Lone  
14 Ranger 21 is located, what does that signify in  
15 relation to the closest standard location  
16 identified by that red dot?

17 A. The red dot is south and a little bit  
18 west of the green dot. You lose approximately 25  
19 to 35 foot of structure.

20 And the orthodox location will show, if  
21 we were to drill that, would have water  
22 encroachment much sooner than our unorthodox  
23 location.

24 Q. Can you demonstrate for us how you  
25 reach the concerns about water encroachment?



1           A.       Well, each of the wells within the  
2 field, before they were plugged, saw water  
3 encroachment.

4           The Ranger 17, for an example, which is  
5 located in the southwest portion of 26, saw no  
6 water, initially. Several months into its  
7 production, we've seen water gradually increase.

8           The Ranger 20, in the northwest, also  
9 shows the same type of production pattern. And I  
10 believe that's historical through the field.

11          Q.       Are these wells acting like gas wells  
12 in a gas reservoir?

13          A.       Yes, they are. They have a very high  
14 GOR.

15          Q.       Now, looking at the east half of  
16 Section 27, describe for us, again, why this is  
17 the optimum location within that spacing unit.

18          A.       The well located, essentially, letter O  
19 of Section 27, that well that's southwest of the  
20 southeast quarter there, that was one of the  
21 better wells within the field.

22                 As you go updip to the Lone Ranger 21  
23 location, we should be higher on the structure,  
24 still contain the reservoir itself, and have no  
25 depletion effects from that well within the





1 southwest of the southeast quarter of 27. We  
2 should be an isolated pool there.

3 Q. Let's turn now to Exhibit No. 4. Tell  
4 us what we're looking at.

5 A. You see a cross-sectional view of the  
6 3-D seismic survey itself. A - A', A being  
7 located on Exhibit No. 3, in the northwest, just  
8 beyond the fault in the dark area.

9 Going northwest to southeast, being A'  
10 down in the southeast quarter.

11 Exhibit No. 4 also shows the location  
12 of A to A' over there and our Lone Ranger 21  
13 location, located approximately on that  
14 cross-section.

15 Q. What's the horizontal scale? What are  
16 we looking at across the top of the display?

17 A. It has no horizontal measurement.

18 Q. But you have approximated for us where  
19 we would find, on this display, the Lone Ranger  
20 21?

21 A. That is correct. Because of the shot  
22 records you see at the top, we know where the  
23 shot records are on the field, and the shot  
24 records within the cross-sectional display.

25 Q. The points across the horizontal scale

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text suggests that organizations should implement robust systems to track every detail, from small expenses to major investments.

2. The second part of the document addresses the challenges of data management in a rapidly changing environment. It highlights the need for flexible and scalable solutions that can adapt to new technologies and evolving requirements. The author argues that investing in modern data infrastructure is not just a technical necessity but a strategic imperative for long-term success.

3. The third part of the document explores the role of leadership in driving organizational change. It stresses that effective leaders must communicate a clear vision and inspire their teams to embrace new initiatives. The text provides practical advice on how to foster a culture of innovation and continuous improvement, where employees are encouraged to take ownership of their work and contribute to the organization's growth.

4. The fourth part of the document discusses the importance of collaboration and teamwork in achieving organizational goals. It notes that no single individual can succeed in today's complex world; instead, teams must work together, leveraging their diverse skills and perspectives. The author offers strategies for building strong teams, including clear communication, mutual respect, and shared responsibility.

5. The fifth part of the document focuses on the importance of staying current in a fast-paced industry. It encourages organizations to regularly assess their competitive landscape and identify areas for improvement. The text suggests that ongoing learning and development for both the organization and its employees are crucial for maintaining a competitive edge.

6. The sixth part of the document discusses the importance of risk management. It acknowledges that uncertainty is an inherent part of business, but it argues that proactive risk management can help organizations anticipate potential challenges and develop effective mitigation strategies. The author provides a framework for identifying, assessing, and managing risks across the organization.

7. The seventh part of the document addresses the importance of ethical considerations in business operations. It emphasizes that organizations have a responsibility to act with integrity and transparency, not only to their stakeholders but also to society at large. The text offers guidance on how to establish a strong ethical framework and ensure that all business decisions align with the organization's core values.

8. The eighth part of the document discusses the importance of customer satisfaction and loyalty. It argues that understanding and meeting customer needs is the key to long-term success. The author provides insights into how organizations can gather feedback, analyze customer behavior, and implement strategies to enhance the customer experience.

9. The ninth part of the document focuses on the importance of financial management. It stresses that sound financial practices are the foundation of a successful business. The text covers topics such as budgeting, forecasting, and financial reporting, offering practical advice on how to manage the organization's finances effectively.

10. The tenth part of the document discusses the importance of sustainability and social responsibility. It argues that organizations have a duty to contribute positively to the environment and society. The text provides examples of sustainable practices and offers guidance on how to integrate social responsibility into the organization's overall strategy.

1 are shot points?

2 A. That's correct.

3 Q. The vertical scale, what does that  
4 represent?

5 A. The vertical scale represents time.  
6 You're looking from 1,100 milliseconds down to  
7 2,000 milliseconds; with your Devonian being at  
8 approximately 1,800, your Mississippian being  
9 approximately 1,700.

10 The Mississippian, as you can see,  
11 we've highlighted in yellow, and the Devonian  
12 we've highlighted in pink on Exhibit No. 4.

13 Q. What's the significance of those yellow  
14 lines that generally trend vertically on this  
15 display?

16 A. Those are faults, and those are  
17 corresponding faults that you see on Exhibit No.  
18 3.

19 Q. Interpret the display for us and help  
20 us understand, then, what you propose to  
21 accomplish with the Lone Ranger 21.

22 A. Both exhibits read from left to right,  
23 A to A'. As you move from A, you see that things  
24 are substantially lower, structurally, until you  
25 get to that first fault, that upthrown oersted



1 feature there, which we would drill our 21  
2 location in.

3 Then you see a slight depression there  
4 created by the graben of two faults, coming back  
5 to another oersted up feature, which we drilled  
6 our Ranger 17 location.

7 Then, getting onto the final fault, you  
8 see complete structural loss right there, with  
9 well locations that have shown that to be  
10 correct, also.

11 Q. On each side of Lone Ranger 21, that  
12 line, you have a fault?

13 A. That's correct.

14 Q. What do you achieve by putting yourself  
15 in this position, between those two faults?

16 A. Those faults separate the reservoir  
17 itself. There would be no communication between  
18 the reservoir, on either side of those faults.

19 Q. As you move down, then, on Lone Ranger  
20 21 on that line--

21 A. Uh-huh.

22 Q. --between the two faults, and you get  
23 to the horizontal, yellow line, that is the  
24 Devonian reservoir at that point?

25 A. Which? On exhibit number--



1 Q. There's a color code between about  
2 1,600 and 1,700.

3 A. Okay. That would be your Mississippian  
4 top.

5 Q. That's the Mississippian top?

6 A. That's correct.

7 Q. Okay. Now, as we move down and you get  
8 to the pink?

9 A. That would be the Devonian.

10 Q. When you look at the Devonian line  
11 then, the pink, what do you achieve, then, at  
12 this location?

13 A. You achieve the maximum structural  
14 position within the Devonian.

15 Q. Are there any offset operators towards  
16 whom this well encroaches, other than Phillips  
17 Petroleum Company?

18 A. No, there are not.

19 Q. To the best of your knowledge,  
20 understanding and belief, Mr. Balke, are the  
21 geologic displays true and accurate?

22 A. Yes, they are.

23 MR. KELLAHIN: That concludes my  
24 examination of Mr. Balke. We would move the  
25 introduction of Exhibits 1 through 4.



1 EXAMINER CATANACH: Exhibits 1 through  
2 4 will be admitted as evidence.

3 MR. KELLAHIN: Exhibit 5, Mr. Examiner,  
4 is the certificate of notice. While this well  
5 only encroaches towards Phillips, we did, in  
6 fact, notify all of the operators that would  
7 adjoin the spacing unit, and they're set forth on  
8 the certificate.

9 In addition, while I have not presented  
10 her as a witness, Ms. Simone Gutberlet was the  
11 petroleum engineer who testified back at the  
12 prior hearing, in Ranger 20, and she's available  
13 should you have any questions about the reservoir  
14 engineering aspects of this pool or either of  
15 these wells.

16 EXAMINATION  
17 BY EXAMINER CATANACH:

18 Q. Mr. Balke, what is the current status  
19 of the well in Section 27, the No. 1 well?

20 A. It is currently plugged. It was  
21 plugged back in the late 1970s, I believe.

22 Q. Do you know why that well was plugged?

23 A. It became uneconomical, due to water  
24 encroachment.

25 Q. Is the No. 21 well being drilled right



1 on the shot line?

2 A. If it's not, it's within 50 feet of a  
3 shot line. I know that, based upon the survey.  
4 I don't have the shot line spacing here with me,  
5 but the shot lines are positioned so that every  
6 150 feet I'm sure there'll be a shot line.

7 Q. Am I correct in understanding that  
8 the--is it the No. 20?--was it drilled based on  
9 the information obtained from the same type of  
10 seismic data?

11 A. It was, and the No. 20 was before we  
12 had any kind of reservoir information, core, or  
13 any type of rock information. We knew there was  
14 a cap there, but since all these were old  
15 electric logs with no core information, we had no  
16 understanding about the reservoir, previous to  
17 the No. 20 well.

18 The No. 20 well provided a lot of  
19 information as far as the reservoir rock itself.  
20 That's why this Exhibit No. 3 is of the reservoir  
21 itself and not the top of the Devonian, because  
22 there is a difference there, and that's what  
23 we've learned on the No. 20 location.

24 There was a well spotted in the  
25 orthodox location on that. Some of the reasoning

1. The first part of the document discusses the importance of maintaining accurate records of all transactions and activities. It emphasizes that proper record-keeping is essential for transparency and accountability, particularly in financial matters. The text suggests that organizations should implement robust systems to track every detail, from small expenses to major investments.

2. The second section focuses on the role of technology in modern record-keeping. It highlights how digital tools can streamline the process, reducing the risk of human error and making data more accessible. The author argues that while technology is a powerful aid, it must be used responsibly, with appropriate safeguards in place to protect sensitive information.

3. The third part of the document addresses the challenges of data management. It notes that as the volume of data grows, it becomes increasingly difficult to maintain its integrity and relevance. The text advises organizations to regularly review their data storage practices and to ensure that only necessary information is retained for the required period.

4. The fourth section discusses the legal implications of record-keeping. It points out that various regulations govern how data is collected, stored, and shared. Organizations must stay informed about these laws to avoid potential penalties and to ensure they are in full compliance with all applicable standards.

5. The fifth part of the document explores the ethical considerations of data management. It raises questions about privacy and the potential for misuse of collected data. The author stresses that organizations have a moral obligation to protect the personal information of their users and to be transparent about how that data is being used.

6. The sixth section provides practical advice for implementing a successful record-keeping strategy. It suggests that organizations should start by identifying their specific needs and then choose tools and processes that align with those requirements. Regular training and updates are also recommended to ensure the system remains effective over time.

7. The seventh part of the document discusses the importance of data security. It outlines various threats, such as cyberattacks and data breaches, and provides recommendations for how to mitigate these risks. The text emphasizes that security should be a top priority in any data management strategy.

8. The eighth section of the document touches upon the future of record-keeping. It predicts that as technology continues to advance, the way we manage data will evolve significantly. The author encourages organizations to stay ahead of the curve by embracing innovation and being prepared for future changes.

9. The final part of the document is a conclusion that summarizes the key points discussed. It reiterates that while record-keeping can be a complex task, it is a necessary one for any organization that values transparency and accountability. The author ends with a call to action, urging readers to take the steps necessary to improve their own record-keeping practices.

1 for the No. 20 is that there's a house located  
2 just to the north and slightly to the east, that  
3 we're trying to stay away from.

4 Q. And you use the 3-D seismic in terms of  
5 identifying the structure?

6 A. Yes, we did.

7 Q. How accurate did you find that to be?

8 A. Within the top of the Devonian, we  
9 found it to be very accurate. Our error, if  
10 there was an error, was in the understanding of  
11 the reservoir itself, which is beyond the  
12 information that 3-D gives you. Now, with the  
13 core information, and we are planning to core the  
14 21 location, we can fine-tune and even get more  
15 accurate our depiction of the structure within  
16 the field.

17 The cap, for instance, on the well  
18 within Section 27, is in excess of 70 feet. The  
19 well within the southwest of 26, Ranger 17, had  
20 no cap at all. So, you have divergence of the  
21 reservoir that you're not going to see on  
22 seismic, that with core and good geologic  
23 information, you should be able to fine-tune.

24 Q. Is your seismic information detailed  
25 enough to where you can make the determination



1 that you're losing 35 feet of structure?

2 A. Yes.

3 Q. It is that accurate?

4 A. It is that accurate.

5 Q. You are anticipating that you're going  
6 to get virgin pressure in the No. 21 well?

7 A. That's our intentions, yes, our  
8 conclusions.

9 Q. It's your opinion that it's  
10 geologically separate from the No. 1 well?

11 A. Separate from which well?

12 Q. No. 1.

13 A. Yes. Yes, it is.

14 Q. By faults?

15 A. By faults, and by your difference in  
16 structure right there. We're feeling about the  
17 reservoir that it's very similar to an  
18 Ellenburger reservoir, where there's a lot of  
19 caving going on in through here, and we have  
20 both faults and structural changes which would  
21 allow us to conclude that there would be  
22 separation between the 21 location and the one  
23 location there in Section 27.

24 Q. Would the darker blue and purple  
25 shading indicate that that's not reservoir?





1           A.       Well, that has been our case. We also  
2 have some well control. It's difficult to see  
3 because of the color scheme, but if you go to the  
4 north and slightly to the west, just west of that  
5 northeast red dot there, you see a well there  
6 with the dry hole symbol. They did penetrate the  
7 Devonian reservoir, but they found that to be  
8 uncommercial.

9           Q.       So, your proposed well should  
10 effectively drain the remaining portion of the  
11 east half of that section?

12          A.       That is correct, yeah.

13          Q.       Did you testify that the yellow-shaded  
14 acreage was all Phillips-owned?

15          A.       That is correct.

16          Q.       Do you know if that's entirely  
17 Phillips-owned?

18          A.       It is entirely Phillips-owned.

19          Q.       Is that state lease or federal lease,  
20 do you know?

21          A.       It's all state lease.

22          Q.       Within the portion of the reservoir you  
23 seek to penetrate with the No. 21 well, do you  
24 have any idea where the gas-water contact may be?

25          A.       That's what we're trying to establish



1 and find out ourselves. We're basing that upon,  
2 each one of the wells, like the No. 1 well in  
3 Section 27, watered out; and so we're basing  
4 probably an approximate gas-water contact at  
5 approximately 8710. If we know that the  
6 structure at 8714 watered out, that's going to be  
7 our approximate gas-water contact.

8 Q. At the point where you're drilling the  
9 No. 21 well, what is the structural position  
10 there, approximately?

11 A. Let's see here now. Constraint interval is  
12 25 feet, so it will be 8625. I don't have that  
13 here; but, if I can count back up, I think it's  
14 8625.

15 Q. That's approximate?

16 A. Yeah.

17 EXAMINER CATANACH: I think that's all  
18 I have of the witness. You may be excused.

19 Is there anything further?

20 MR. KELLAHIN: No, sir. That concludes  
21 our presentation.

22 EXAMINER CATANACH: There being nothing  
23 further, Case 10857 will be taken under  
24 advisement.

25 (And the proceedings concluded.)

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 10857  
heard by me on November 1 1993.

7/10/2009 9:01:10 AM 11/11/2009 10:00:00 AM

DATE: 2015-05-20

## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
COUNTY OF SANTA FE ) ss.

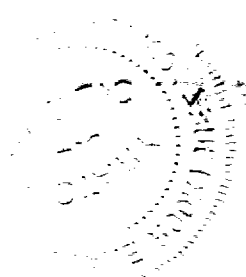
I, Carla Diane Rodriguez, Certified  
Shorthand Reporter and Notary Public, HEREBY  
CERTIFY that the foregoing transcript of  
proceedings before the Oil Conservation Division  
was reported by me; that I caused my notes to be  
transcribed under my personal supervision; and  
that the foregoing is a true and accurate record  
of the proceedings.

I FURTHER CERTIFY that I am not a  
relative or employee of any of the parties or  
attorneys involved in this matter and that I have  
no personal interest in the final disposition of  
this matter.

WITNESS MY HAND AND SEAL November 11,  
1993.

  
CARLA DIANE RODRIGUEZ, RPR  
CSR No. 4





## NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date NOVEMBER 4, 1993 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
William L. San	Empire, San Eng + Sheridan	Santa Fe
Randall Bond	Collins & WARE	Midland TX
Directly	Yates Pet. Corp	Artesia NM
Scott Balke	Phillips Pet.	Odessa, TX
Simon Gutberlet	Phillips Pet	Odessa, TX
Maurice Trimmer	Byrum Co	SF
W. Kellhorn	Kellhorn & Kellhorn	Santa Fe
Prisca McWhort	Yates Pet.	Artesia NM
MIKE BOLINS.	ARMSTRONGS Eng	Roswell
HARRY SQUIRS	Snyder Ranch	HOBBS
Tim Kelly	Geohydrology Assoc	Albuquerque

