

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
THE OIL CONSERVATION DIVISION FOR THE)
PURPOSE OF CONSIDERING:) CASE NO. 12,786
)
APPLICATION OF MATADOR OPERATING COMPANY)
FOR AN UNORTHODOX GAS WELL LOCATION AND)
SIMULTANEOUS DEDICATION, EDDY COUNTY,)
NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

January 10th, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, January 10th, 2001, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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January 10th, 2002
Examiner Hearing
CASE NO. 12,786

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A P P E A R A N C E S

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* * *

1 WHEREUPON, the following proceedings were had at
2 10:02 a.m.:

3 EXAMINER CATANACH: Okay, at this time we'll call
4 the hearing back to order, and we'll call Case Number
5 12,786, the Application of Matador Operating Company for an
6 unorthodox gas well location and simultaneous dedication,
7 Eddy County, New Mexico.

8 Call for appearances.

9 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
10 the Santa Fe law firm of Kellahin and Kellahin, appearing
11 on behalf of the Applicant, and I have two witnesses to be
12 sworn.

13 MR. CARR: May it please the Examiner, my name is
14 William F. Carr with Holland and Hart, L.L.P. We represent
15 Chevron/Texaco. We do not I have a witness.

16 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,
17 representing Kerr-McGee Oil and Gas Onshore, L.L.C. I have
18 do not have a witness.

19 EXAMINER CATANACH: Any additional appearances?
20 Okay, will the two witnesses please stand to be
21 sworn in?

22 (Thereupon, the witnesses were sworn.)

23 MR. KELLAHIN: Mr. Catanach, let me give you a
24 short summary of what we're asking you to do this morning.
25 If you'll turn to Exhibit 1, this unfortunately is not a

1 very good representation of where you are.

2 We are in the very southern end of the Indian
3 Basin-Upper Penn Gas Pool. It's the prorated gas pool on
4 640 acres, standard well locations are 1650. We're looking
5 at Section 21.

6 Now, historically, Section 21 has been a
7 nonstandard proration unit. It was approved back in 1969
8 for some fellow named Mershon. And he drilled the Mershon
9 1 well in Section 21, up in the northeast quarter.

10 The Commission then, at his request, issued and
11 approved a 360-acre nonstandard spacing unit for the gas
12 pool. It consists of the north half of Section 21 and then
13 the northern strip, if you will, of the south half. And
14 we'll show you a map in a minute.

15 The subject of this hearing is the Mershon 2
16 well, up in the northwest of 21. It's 415 from the north
17 line, it's 1201 from the west line.

18 That spacing unit was operated until recently by
19 Marathon. Marathon had applied and obtained an APD
20 approved for the Mershon Number 2 well, this same one, had
21 reached a stipulated penalty with Kerr-McGee as the
22 offsetting interest owner, and they utilized what is the
23 conventional penalty in Indian Basin Gas Pool of a
24 productive acreage component, plus a location-encroachment
25 component.

1 Then Marathon made a deal with Matador, and
2 Matador replaced Marathon as the operator. However, in
3 that process Marathon had not yet obtained approval for the
4 well location, and Matador simply overlooked the fact that
5 the location had not been approved, although the APD had
6 been issued. So they have commenced the well, it has, in
7 fact, been drilled, and it's sitting out there waiting for
8 action by you.

9 The Application asks for simultaneous dedication.
10 You may delete that, because the Number 2 well, the new
11 well, is in fact a replacement well.

12 So Matador has gone through the process of
13 getting all the people affected to reconfirm the penalty
14 formula that Marathon and Kerr-McGee stipulated to, we've
15 gone through all the notices again, and we're here to
16 demonstrate that we have a settlement as to the penalty in
17 terms of correlative rights. And Mr. Mark Virant is the
18 principal landman for Matador that accomplished all that
19 for us.

20 And then we have a short presentation to confirm
21 for you Matador's geology about the location, which simply
22 supports what Marathon had determined was the appropriate
23 location.

24 So that's what we're asking you to do, is to
25 approve a location for a drilled well.

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MARK A. VIRANT,

the witness herein, after having been first duly sworn upon his oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Mr. Virant, for the record, sir, would you please state your name and occupation?

A. Mark Virant, I'm the Permian land manager for Matador Petroleum in Dallas.

Q. On prior occasions have you testified before the Division?

A. I have.

Q. And on behalf of your company have you assumed the responsibility for handling the various agreements and settlements concerning the location of what is now the Matador Mershon Number 2 well?

A. Yes, sir.

Q. And all this is stuff that you know?

A. That's correct.

MR. KELLAHIN: We tender Mr. Virant as an expert witness.

EXAMINER CATANACH: Any objection?

MR. CARR: No objection.

EXAMINER CATANACH: Mr. Virant is so qualified.

Q. (By Mr. Kellahin) When we look at Exhibit 1, Mr.

1 Virant, what are we looking at?

2 A. It's a location map that shows the location of --
3 as Mr. Kellahin said, of the Mershon Gas Com Number 2 in
4 the northwest quarter of Section 21.

5 Q. Does Matador also operate the spacing unit in
6 Section 20, just to the west?

7 A. Yes, Matador is the operator of the spacing unit
8 in Section 20.

9 Q. All right, it's the I.B. Federal Com well --

10 A. That's correct.

11 Q. -- and that was the subject of a compulsory
12 pooling hearing heard by Mr. Catanach back in February of
13 last year, right?

14 A. That's correct.

15 Q. That's a 640-acre spacing unit?

16 A. Yes, sir.

17 Q. All right. Let's set aside the locator. Exhibit
18 Number 2, I'm not going to ask you to go through this,
19 other than simply to identify it for Mr. Catanach as a
20 summary of your communications and efforts to get a
21 stipulated penalty for the well.

22 A. That's correct, that's a communication summary.

23 Q. All right. Let's turn to the specific
24 documentation now, so Mr. Catanach can see the chronology
25 of how we have resolved any potential rights issues.

1 Starting with the August 4th letter, Exhibit Number 3, what
2 does this represent?

3 A. This is a letter between Kerr-McGee and Marathon.
4 When Marathon had permitted the Mershon Gas Com Number 2,
5 this letter -- Kerr-McGee waives its objection to the
6 unorthodox location.

7 Q. Okay. All right, let's go past that letter.
8 What is Exhibit Number 4?

9 A. Exhibit Number 4 is the voluntary agreement
10 between Matador and Chevron regarding Section 20, which is
11 the unit for the I.B. Federal.

12 Q. All right, there was a force pooling for the I.B.
13 Federal in Section 20, force-pooled Chevron's interest?

14 A. That's correct.

15 Q. And the force-pooling later was substituted by a
16 voluntary letter agreement?

17 A. That's correct.

18 Q. And this is that agreement?

19 A. Yes.

20 Q. Okay. Is there anything in the letter agreement
21 about the Federal Com well that links it in any way to the
22 Mershon Number 2?

23 A. Yes, the agreement provides that Matador will
24 drill the Mershon Gas Com Number 2 well prior to the I.B.
25 Federal. Chevron will receive, and has received, all well

1 data from the Mershon Gas Com Number 2 well. After 30 days
2 of production, Chevron has an election to either
3 participate in the I.B. Federal for their 50-percent
4 interest, or they've agreed to farm out to us.

5 Q. So Chevron has an interest in Section 20 --

6 A. That's correct.

7 Q. -- when we look at the locator map?

8 A. That's correct.

9 Q. When we look at the spacing units towards whom
10 the Mershon 2 well encroaches --

11 A. Uh-huh.

12 Q. -- it would encroach towards the north, Section
13 16?

14 A. Which is operated by Chevron.

15 Q. All right, and it would encroach on the diagonal
16 to 17?

17 A. Which is operated by Kerr-McGee.

18 Q. All right. And you have obtained ratifications
19 of the stipulations with those companies as to the
20 production allowable for the Mershon Number 2?

21 A. Yes.

22 Q. All right, let's turn past Exhibit Number 4 and
23 have you identify Exhibit Number 5.

24 A. Exhibit Number 5 is the agreement between
25 Marathon and Matador stating that the Mershon Gas Com

1 Number 2 is a replacement well for the Number 1 well.

2 Q. The purpose of this letter is to remove any doubt
3 about having more than a single operator in a spacing unit
4 in the same pool?

5 A. That's correct.

6 Q. All right. So the Merston Number 2 well is to be
7 a replacement well, and the Number 1 well continues to be
8 temporarily abandoned?

9 A. That's correct.

10 Q. Yet Marathon has control of the wellbore for
11 other formations?

12 A. That's correct.

13 Q. Or other uses?

14 A. Uh-huh.

15 Q. All right. Exhibit Number 6, identify and
16 describe that for us.

17 A. Exhibit Number 6 is the waiver between Matador
18 and Kerr-McGee whereby Kerr-McGee waived its objection to
19 the unorthodox location. Attached to this January 3rd
20 letter is the August 4th letter. Matador merely ratified
21 the August 4th agreement between Kerr-McGee and Marathon.

22 Q. Okay. Now turn to Exhibit Number 7. What's
23 that?

24 A. Exhibit Number 7 is the waiver whereby Chevron
25 has waived any objection to the unorthodox location.

1 Q. As part of that waiver process, the companies
2 have agreed on what I've characterized to be a stipulated
3 penalty?

4 A. That is correct.

5 Q. When we turn to Exhibit 8, turn to the second
6 page. Under numbered paragraph (5) it sets out the
7 penalty, the corresponding allowable, if you will, and it
8 shows how the calculation was made?

9 A. That's correct.

10 Q. Is that a calculation that is an agreement, to
11 the best of your knowledge, between Matador, Kerr-McGee and
12 Chevron/Texaco?

13 A. Yes, sir, all the parties have agreed to it.

14 Q. All right. Now, let's go to the subject of the
15 existing nonstandard proration unit for the Mershon Number
16 1 well, 360 acres. Does research of the records reflect a
17 Commission action on that nonstandard proration unit?

18 A. Yes, Exhibit 9.

19 Q. Yes, sir, and what is this?

20 A. That's the order of the Commission whereby the
21 Application of Paul Mershon for the Mershon Gas Com Number
22 1 was approved for the nonstandard location.

23 Q. Okay. Let's turn to Exhibit 10 and show Mr.
24 Catanach the configuration of the 360-acre nonstandard
25 proration unit.

1 A. It's the north half, and then -- It's the north
2 half of 21, and then it's the north half of the north half
3 of the north half of the south half of 21, being 40 acres.

4 Q. Okay, all right. Following that, Exhibit Number
5 11 is what?

6 A. That is the BLM permit of Marathon for the
7 Mershon Gas Com Number 2 well.

8 Q. All right. And then attached to that is their
9 filing of a C-102 that shows the location 415 by 1201?

10 A. Yes, sir.

11 Q. There's a typographical error on that C-102 as to
12 acreage, is there not?

13 A. Yes, sir.

14 Q. It should be --

15 A. Should be 360.

16 Q. All right. Following the application for permit
17 to drill, Exhibit Number 12 represents what, Mr. Virant?

18 A. That's the sundry notice whereby the BLM extended
19 the Marathon permit for the Mershon Gas Com Number 2. But
20 more importantly, it transferred it to Matador Operating
21 Company.

22 Q. Okay. At this point, then, Mr. Virant, does
23 Matador believe that we have accomplished an agreed
24 stipulated penalty for the producing allowable on the
25 Mershon Number 2 well?

1 A. Yes, sir, we have.

2 Q. Do you believe we have solved the correlative-
3 rights concerns of all affected parties?

4 A. Yes, sir.

5 Q. And the well, in fact, now has been drilled, has
6 it not?

7 A. That is correct.

8 Q. Okay. Exhibit Number 13 is my certificate of
9 notice. It was sent to Chevron. In addition, we've got
10 the approvals of Kerr-McGee as to the location and the
11 proceeding today?

12 A. (Nods)

13 MR. KELLAHIN: All right, that concludes my
14 examination of Mr. Virant. We move the introduction of
15 Exhibits 1 through 13.

16 EXAMINER CATANACH: Exhibits 1 through 13 will be
17 admitted as evidence.

18 Mr. Carr, any questions?

19 MR. CARR: No questions.

20 EXAMINER CATANACH: Mr. Bruce?

21 MR. BRUCE: No questions.

22 EXAMINATION

23 BY EXAMINER CATANACH:

24 Q. Mr. Virant, this is a 360-acre nonstandard
25 proration unit.

1 A. That's correct.

2 Q. It's not a result of a short section, it's just
3 the way this unit was established, right?

4 A. That's correct.

5 Q. This proration unit, being 360 acres, would not
6 normally receive a full allowable in the Indian Basin-Upper
7 Pennsylvanian Pool; is that correct?

8 A. That's correct.

9 Q. It would receive an allowable based upon its
10 acreage?

11 A. Yes, sir.

12 Q. Okay. My question is, is the penalty -- which I
13 understand to be 59.3-percent penalty -- is that to be
14 applied against the reduced allowable because of the
15 acreage?

16 A. It's a combination of the acreage and the
17 footage.

18 Q. Okay. So the acreage is included in the penalty
19 for the well?

20 A. That's correct.

21 Q. Okay, I see. And that was simply averaged?

22 A. Yes, sir.

23 Q. Do you by any chance know what the current
24 allowable is for a standard well?

25 A. 6.6 million a day.

1 Q. 6.6. So you would simply take 40.7 percent of
2 that --

3 A. That's correct.

4 Q. -- to arrive at your allowable production for
5 this well?

6 A. Yes, sir.

7 Q. And that will remain the same; as long as the
8 allowable doesn't change, the allowable for your well will
9 not change?

10 A. That's correct.

11 Q. Okay. Mr. Virant, will Matador continue to
12 monitor the production to make sure that your production
13 does not exceed that allowable?

14 A. Absolutely.

15 Q. The reason I ask is that I'm not sure that the
16 Division is going to be able to police this allowable and
17 production from your well, and so I would suggest that the
18 parties present monitor the production to make sure that it
19 remains below that allowable.

20 What is your well -- Have you tested your well?

21 A. We have not. We spudded the well on December
22 5th, we set pipe and released the rig on Christmas day.
23 It's currently sitting out there.

24 Q. Okay. And it's my understanding that the Number
25 1 well is currently temporarily abandoned?

1 A. That is correct.

2 Q. And it will not be produced simultaneously with
3 the Number 2?

4 A. That is correct.

5 Q. And that's part of the agreement with the
6 parties?

7 A. Yes, sir, that's -- the letter from Marathon.

8 Q. Okay. Is there an additional well in the south
9 half of 21 that you know of?

10 A. Not that I'm aware of.

11 EXAMINER CATANACH: Okay, I think that's all I
12 have, Mr. Kellahin.

13 MR. BROOKS: I just have one question.

14 EXAMINER CATANACH: Yes, sir.

15 EXAMINATION

16 BY MR. BROOKS:

17 Q. How is this formula arrived at? How do you get
18 from these components, 56.15 percent and 25.15 percent, to
19 40.7 percent?

20 A. Let's see, that is Exhibit --

21 Q. Exhibit Number 8.

22 A. Merely take the sum of those two numbers and
23 divide it by two.

24 MR. BROOKS: Okay, I guess that will work. I
25 thought it was something far more occult than that.

1 EXAMINER CATANACH: Okay, this witness may be
2 excused.

3 MR. KELLAHIN: Mr. Miller.

4 MIKE MILLER,

5 the witness herein, after having been first duly sworn upon
6 his oath, was examined and testified as follows:

7 DIRECT EXAMINATION

8 BY MR. KELLAHIN:

9 Q. Mr. Miller, would you please state your name and
10 occupation?

11 A. Yes, Mike Miller, geologist for Matador Petroleum
12 in Midland.

13 Q. On prior occasions, Mr. Miller, have you
14 qualified as an expert geologist before the Division?

15 A. Yes, I have.

16 Q. And part of your employment for Matador, have you
17 made a study of the geologic components around the Mershon
18 Number 2 well?

19 A. Yes, I have.

20 Q. And that's what you're about to present to us?

21 A. Yes.

22 MR. KELLAHIN: We tender Mr. Miller as an expert
23 geologist.

24 EXAMINER CATANACH: Any objection?

25 MR. CARR: No objection.

1 EXAMINER CATANACH: Mr. Miller is so qualified.

2 Q. (By Mr. Kellahin) Mr. Miller, let's turn to the
3 isopach. It's Exhibit 14. Help us find Section 21.

4 A. The bottom middle portion of the map.

5 Q. Okay. Historically, back in 1969, the Commission
6 subdivided Section 21, based upon a productive acreage
7 presentation where there was a geologic discussion about
8 the transition between the productive dolomite and the
9 limestone. When we look at Section 21 as you have the data
10 now, is there a logical geologic explanation to why we
11 continue to subdivide Section 21 into 360 acres to the
12 north?

13 A. Yes, as you can see, the dolomite/limestone line
14 cutting across Section 21 in an east-west, more or less,
15 fashion, is actually a transition line of about 1000- to
16 1500-foot-wide of interfingering members of the Cisco
17 formation, dolomite and limestone.

18 Q. Do you find Indian Basin-Upper Penn gas
19 production south of this transition line?

20 A. No, you do not.

21 Q. When we look at the color shading, you're
22 isopaching on a net-pay basis?

23 A. Yes, that's correct, that would be a 4-percent
24 cutoff, using a 4-percent cutoff, the rock that extends
25 beyond that into the transition zone, both the matrix rock

1 and the fractures within the rock, in the dolomite members,
2 continue to contribute gas to the 360-acre unit.

3 Q. So when I look at the zero contour line on the
4 isopach and look south of that line, am I looking at an
5 area for which there would be no gas contribution?

6 A. No, the area between the net cutoff and the blue
7 transition line, which should actually appear to be much
8 wider, still contributes.

9 Q. Okay. The purpose, then, is trying to find the
10 area of greatest thickness, then, within the spacing unit
11 in which to best locate this replacement well?

12 A. Correct.

13 Q. And where is that place?

14 A. That would be in the northwest quarter.

15 Q. And why so?

16 A. Because of the form of the isopach and
17 additionally the subsurface control, the structural
18 component.

19 Q. When I look in Section 21, in the northwest
20 quarter, down in the southern portion of that 160 acres,
21 there looks to be a dryhole symbol.

22 A. Yes, there is.

23 Q. What is that?

24 A. That was a well drilled by Hanagan Petroleum in
25 1967. It actually flowed a million cubic feet of gas per

1 day and then was overstimulated and brought in water,
2 excess amount of water production. The well was abandoned
3 because of that.

4 Q. So the dryhole symbol should not be an indication
5 of nonproductivity at that point?

6 A. No.

7 Q. Can you conclude now, based upon current geology,
8 that it's appropriate to continue to subdivide Section 21
9 into a nonstandard proration unit consisting of the
10 northern 360 acres?

11 A. Oh, yes.

12 Q. Let's turn -- Is there a structural component?

13 A. Yes, there is.

14 Q. Let's turn to Exhibit 15 and have you describe
15 that for us.

16 A. If you examine the northwest quarter of Section
17 21, you'll see a small satellite structure that we believe
18 to have existed there due to trends in the structural
19 geology. And indeed the Mershon Number 2 did confirm that.
20 We attempted to drill in that location because a structural
21 advantage is important in this area to capture attic gas
22 and also to prevent water production.

23 Q. Marathon originally picked this location based
24 upon their own geologic investigation?

25 A. Correct.

- 1 Q. Your investigation is independent of their work?
- 2 A. Yes, it was.
- 3 Q. And you've come to the same conclusion?
- 4 A. Same conclusion.
- 5 Q. Let's take a moment and look at the cross-
- 6 section. Skip the topo map for a minute, and let's look at
- 7 the cross-section so that we can see what the interval is
- 8 that you're mapping on your structure map and on your
- 9 isopach.
- 10 A. Yes. If you look in the lower portion of this
- 11 structural cross-section, you'll see the Cisco pay
- 12 identified. The area between the purple and the light blue
- 13 lines is the dolomite pay interval. You'll see that this
- 14 well on the left into your cross-section connects up to the
- 15 north, into the Indian Basin Gas Pool. You'll see our
- 16 Mershon Com Number 2 log there, and you'll see the BTA dry
- 17 hole in the section to the west of the Mershon, Section 20.
- 18 Q. Now, the center log on the cross-section is, in
- 19 fact, the subject well?
- 20 A. Correct.
- 21 Q. And you have used the log data, then, to prepare
- 22 your structure map and the isopach?
- 23 A. That is correct, we have incorporated those new
- 24 data points into the maps.
- 25 Q. Let's turn now to Exhibit 17, which is the

1 topographic map. Is there any surface or topographic
2 restrictions, limitations, that affected picking this
3 location?

4 A. Yes, in an effort to penetrate the satellite
5 structure, which straddles the line between 16 and 21, we
6 chose a surface location on a point of land in the
7 northwest quarter. We are restricted by cliffs, 20-foot
8 bluffs from moving north, west or south. The only way we
9 could move, in fact, at the surface location would have
10 been to the southeast, away from the satellite structure.

11 Q. Okay. In your opinion, is the location of the
12 Mershon Number 2 well the optimum geologic location?

13 A. Yes, it is.

14 Q. And it represents the best opportunity for a
15 replacement well in the spacing unit?

16 A. Correct.

17 MR. KELLAHIN: That concludes my examination of
18 Mr. Miller. We move the introduction of his Exhibits 14
19 through 17.

20 EXAMINER CATANACH: Exhibits 14 through 17 will
21 be admitted as evidence.

22 Mr. Carr, any questions?

23 MR. CARR: No questions.

24 EXAMINER CATANACH: Mr. Bruce? Mr. Bruce is not
25 present.

EXAMINATION

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BY EXAMINER CATANACH:

Q. Mr. Miller, why is it necessary to replace the Number 1 well?

A. The Number 1 well appears to have successfully or effectively drained an area, a small area, around its wellbore.

Q. It's your opinion that it has not drained the entire section?

A. No.

Q. And is this well currently uneconomic to produce, or do you know what the status is?

A. It's temporarily abandoned. And yes, I would assume that it is uneconomic.

Q. By drilling at the location that you've drilled the well at, how much structural position did you gain, do you think?

A. Actually quite a bit. If you examine the map here, you go from roughly a minus-3200-foot contour on the top of the Cisco, to a minus-2928, which -- it comes to roughly 275 feet of advantage, structural advantage.

Q. And you mentioned something about water production. Is that common in this area?

A. Yes, not only from the limestone members of the Cisco pay which exist to the south of the transition line,

1 but it's commonly know that to the east water is
2 encroaching up the Indian Basin structure. I'm not sure of
3 the exact rate, but it's currently approximately at the
4 minus-3600-foot level on my map, which is actually off the
5 map.

6 Q. Well, by drilling this structurally higher, will
7 that just give you more time to produce before --

8 A. It should buy us some more time in the long run.
9 That is, a period, perhaps five to ten years from now.

10 Q. Did you gain anything in terms of thickness in
11 the reservoir?

12 A. The predicted thickness from prior to drilling
13 was approximately 30 feet of net pay above the cutoff. We
14 actually achieved 26 feet of net pay. The net pay in the
15 Mershon Number well [sic] was 10. So yes, the answer is,
16 we gained substantially in that manner also.

17 Q. Would that have gained from a standard location
18 in the northwest part of 21?

19 A. No. In fact, using my cutoffs you would have
20 achieved a zero net pay, in effect, although as we have
21 shown by the Hanagan Number 1 dry hole, you still have gas
22 production at that point.

23 Q. Okay. A well at a standard location would have
24 achieved less net pay than the one you actually --

25 A. Oh, yes. Under my mapping techniques, yes, zero.

1 EXAMINER CATANACH: Okay, I have nothing further,
2 Mr. Kellahin.

3 MR. KELLAHIN: All right, sir. That concludes
4 our presentation.

5 EXAMINER CATANACH: There being nothing further,
6 Case Number 12,786 will be taken under advisement.

7 (Thereupon, these proceedings were concluded at
8 10:34 a.m.)

9 * * *

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17 I do hereby certify that the foregoing is
18 a complete record of the proceedings in
19 the Examiner hearing of Case No. 12,786
20 heard by me on January 10, 1982.
21 *David R. Catanch*
22 *David R. Catanch*, Examiner
23 Soil Conservation Division
24
25

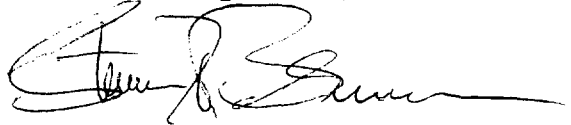
CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; 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 January 13th, 2002.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002