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

EXAMINER HEARING

IN THE MATTER OF:

Application of Richmond  
petroleum, Inc., for  
compulsory pooling and an  
unorthodox coal gas well  
location, San Juan County,  
New Mexico

Case 9745

TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

October 4, 1989

**ORIGINAL**

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

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3 FOR THE DIVISION:

ROBERT G. STOVALL  
Attorney at Law  
Legal Counsel to the Divison  
State Land Office Building  
Santa Fe, New Mexico

5

6 FOR THE APPLICANT:

HINKLE, COX, EATON  
COFFIELD & HENSLEY  
Attorneys at Law  
218 Montezuma  
Santa Fe, New Mexico 87504  
BY: OWEN M. LOPEZ, ESQ.

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8

9

10 FOR MERIDIAN OIL,  
INC:

KELLAHIN, KELLAHIN & AUBREY  
Attorneys at Law  
117 N. Guadalupe  
Santa Fe, New Mexico 87504  
W. THOMAS KELLAHIN, ESQ.

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1 HEARING EXAMINER: Call next case, No.  
2 9745.

3 MR. STOVALL: Application of Richmond  
4 Petroleum, Inc., for compulsory pooling and an  
5 unorthodox coal gas well location, San Juan County,  
6 New Mexico.

7 HEARING EXAMINER: Call for appearances.

8 MR. LOPEZ: If it please the Examiner, my  
9 name is Owen Lopez with the Hinkle law firm in Santa  
10 Fe, New Mexico, appearing on behalf of the Applicant,  
11 and I have three witnesses to be sworn.

12 HEARING EXAMINER: Are there any other  
13 appearances?

14 MR. KELLAHIN: Mr. Examiner, I'm Tom  
15 Kellahin appearing on behalf of Meridian Oil, Inc. I  
16 have no witnesses to present in this case.

17 MR. STOVALL: Mr. Lopez, this case is  
18 continued from the September 6 hearing; is that  
19 correct?

20 MR. LOPEZ: Yes, Mr. Stovall. The initial  
21 case that was applied for and advertised was for the  
22 north half of Section 9.

23 MR. STOVALL: I'm just asking a simple  
24 procedural question. Were these the same witnesses  
25 that were sworn at that time?

1           MR. LOPEZ: Two of them were. One is a new  
2 witness.

3           MR. STOVALL: Mr. Examiner, because this is  
4 an ongoing case, and two witnesses were sworn, we only  
5 need to swear the additional witness for that purpose.

6           HEARING EXAMINER: Thank you, Mr. Stovall.

7           Any other appearances?

8           Will the witness stand and be sworn?

9                           (Witness sworn.)

10          HEARING EXAMINER: Let the record show that  
11 the other two witnesses that will be appearing in this  
12 matter have been previously sworn at the hearing on  
13 September 6, 1989.

14          Gentlemen, you are under that oath from  
15 that time.

16          Mr. Lopez?

17          MR. LOPEZ: Thank you, Mr. Examiner.

18          Just by way of explanation, I might explain  
19 that Case 9745 since the September 6th hearing was  
20 amended to include the east half of Section 9 rather  
21 than the north half, and with a well to be dedicated  
22 as an unorthodox well location in the northeast  
23 northeast, 360 feet from the north line and 120 feet  
24 from the east line.

25          I'd now like to call our first witness, Mr.

1 Fullerton.

2 JAMES B. FULLERTON,  
3 the witness herein, after having been first duly sworn  
4 upon his oath, was examined and testified as follows:

5 DIRECT EXAMINATION

6 BY MR. LOPEZ:

7 Q. Would you please state your name and where  
8 you reside.

9 A. James B. Fullerton, Denver, Colorado.

10 Q. What is your occupation, Mr. Fullerton?

11 A. I'm an independent petroleum landman.

12 Q. Are you familiar with the Case No. 9745?

13 A. Yes, I am.

14 Q. Did you testify at the September 6 hearing,  
15 and were your qualifications as a landman at that time  
16 accepted as a matter of record?

17 A. Yes, they were.

18 MR. LOPEZ: Mr. Examiner, do you consider  
19 the witness still qualified?

20 HEARING EXAMINER: Yes, he is.

21 Q. (BY MR. LOPEZ) Mr. Fullerton, I would like  
22 you to refer to what's been marked Exhibit No. 1 and  
23 ask you to identify it.

24 A. This is a plat map showing the outline of  
25 the proposed spacing unit to be pooled and the

1 location of the unorthodox well requested in Case  
2 9745.

3 Q. Referring to this map and the location of  
4 the well, what is the reason that dictates the  
5 location of the well?

6 A. The boundaries of the Navajo Lake are  
7 within most of the entire remaining portion of the  
8 spacing unit of the east half of Section 9, and  
9 therefore there was only one location that was  
10 plausible at this time.

11 Q. Have you tried to obtain the consent of all  
12 working interest and other mineral owners in the  
13 proposed spacing unit?

14 A. Yes, I have.

15 Q. Have you been successful in getting  
16 everyone to join?

17 A. No. There's three parties that as of yet  
18 have failed to join.

19 Q. I'd now like you to refer to Exhibit No. 2  
20 and ask you to identify and explain this exhibit.

21 A. Exhibit 2 is a letter dated October 1,  
22 1989, stating basically the three parties in the east  
23 half of Section 9 that have failed to agree to  
24 participate in the drilling of the well or otherwise  
25 dedicate their interest in this proposed well. And

1 their working interests are stated as on the letter.

2 Q. Now I'd like you to refer to what's been  
3 marked Exhibit No. 3 and ask you to explain what this  
4 shows.

5 A. Exhibit 3 is a copy of the letters sent out  
6 to the parties as stated on the October 1st letter.  
7 And along with the letters to these parties were  
8 copies of the amended applications, AFE for the well,  
9 and the operating agreement to be used.

10 Q. Would you refer to Exhibit No. 4, and  
11 please explain it.

12 A. Exhibit No. 4 is a copy of the letter sent  
13 to basically, again, the unleased mineral owners,  
14 people who have failed to join in the proposed well at  
15 this time.

16 Q. So if I understand you correctly, Exhibit 3  
17 and Exhibit 4 are copies of the actual letters sent to  
18 the two nonconsenting working interest owners for whom  
19 you had addresses?

20 A. That's correct.

21 HEARING EXAMINER: Mr. Lopez, I don't seem  
22 to have Exhibit No. 4 that you're referring to.

23 I do have Exhibit No. 4 in front of me at  
24 this time.

25 Q. (BY MR. LOPEZ) I'd now like you to refer

1 to what's been marked Exhibit No. 5 and have you  
2 explain it.

3 A. This is a copy of the letter sent to, in  
4 this case, Meridian, and Exhibit No. 6 is a copy of  
5 the same letter sent to basically the offsetting  
6 operators, advising them of our application for  
7 compulsory pooling in a nonstandard location for the  
8 northeast quarter of Section 9.

9 Q. Which directions do Meridian and Tiffany  
10 offset the proposed location?

11 A. Tiffany Gas Company offsets the proposed  
12 location to the north in Colorado, and Meridian Oil,  
13 Inc., offsets the location to the south and the west  
14 of the proposed well.

15 Q. And who offsets to the east?

16 A. Richmond Petroleum.

17 Q. The Applicant in this case.

18 I'd now like you to refer to what's been  
19 marked Exhibit No. 7 and ask you to identify it.

20 A. Exhibit No. 7 are copies of the receipts  
21 for certified mail used and sent to the parties who  
22 had failed to join in the well, and also the parties  
23 who were notified of the nonstandard location.

24 Q. The offset operators?

25 A. The offset operators, yes.

1 Q. Were Exhibits 1 through 7 prepared by you  
2 or under your supervision?

3 A. Yes, they were.

4 Q. Is the granting of this application in the  
5 interests of conservation, the prevention of waste,  
6 and the protection of correlative rights?

7 A. Yes.

8 MR. LOPEZ: Mr. Examiner, I'd like to  
9 introduce Exhibits 1 through 7.

10 HEARING EXAMINER: Exhibits 1 through 7  
11 will be admitted into evidence.

12 DIRECT EXAMINATION

13 BY HEARING EXAMINER:

14 Q. Mr. Fullerton, what was the risk penalty  
15 factor presented on -- not the risk penalty factor,  
16 the overhead charges for this well? Were you the one  
17 who testified to those charges?

18 A. No, Mr. Examiner, I was not.

19 HEARING EXAMINER: Was it one of your other  
20 witnesses that testified to that?

21 MR. LOPEZ: Yes.

22 HEARING EXAMINER: I'm sorry, Mr.  
23 Fullerton. Thank you.

24 I have no other questions for this  
25 witness. He may be excused.

1 Mr. Lopez?

2 MR. LOPEZ: I'd like to call Mr. Adams.

3 JAMES L. ADAMS,

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

6 DIRECT EXAMINATION

7 BY MR. LOPEZ:

8 Q. Would you please state your name and where  
9 you reside.

10 A. My name is James L. Adams. I live in the  
11 vicinity of Dallas, Texas.

12 Q. By whom are you employed, and in what  
13 capacity?

14 A. I am the Executive Vice President of  
15 Richmond Petroleum, Inc.

16 Q. And your occupation is?

17 A. I am a petroleum engineer, my background.

18 Q. Did you testify in this hearing on  
19 September 6, and were your qualifications as a  
20 petroleum engineer accepted as a matter of record?

21 A. Yes, they were.

22 MR. LOPEZ: Would you consider the witness  
23 so qualified?

24 HEARING EXAMINER: Yes, sir.

25 Q. (BY MR. LOPEZ) Mr. Adams, I believe you

1 testified at the September 6th hearing with respect to  
2 the proposed risk penalty that you would recommend to  
3 the examiner. I would also like you to address the  
4 charges that you would request for supervision.

5           First, with respect to the risk factor that  
6 should be applied to those owners who failed to  
7 consent to the proposed well, what do you think it  
8 should be, and why?

9           A.       We would ask that the examiner would grant  
10 the 200 percent nonconsent penalty in this case for  
11 two primary reasons. First, our operating agreement  
12 that exists on this property that we have sent out  
13 calls for a 400 percent nonconsent penalty for those  
14 people that elect not to participate under our  
15 operating agreement. This operating agreement has  
16 been accepted by ourselves and three other San Juan  
17 Basin operators that are knowledgeable of the area,  
18 and they feel that it is a reasonable risk factor, as  
19 we do.

20           Second, there is a certain degree of risk  
21 involved with the drilling of these wells, primarily  
22 of a reservoir nature. There is some mechanical risk,  
23 but that is usually not a high portion of the risk.  
24 Probably 25 percent would be mechanical risk; 30  
25 percent would be reservoir risk.

1           The coal in this area, as indeed in most of  
2 the basin, is somewhat variable in its producibility.  
3 There are relatively good wells immediately adjacent  
4 to relatively poor wells, the poor wells being wells  
5 that, in many cases, would not have been drilled had  
6 that production been known beforehand. So there is  
7 some significant reservoir risk involved from location  
8 to location.

9           Those would be the reasons.

10          Q.       With respect to the cost for supervision,  
11 what do you recommend in that regard?

12          A.       Again, our operating agreement calls for a  
13 drilling well overhead rate of \$4,500 per well, and an  
14 operating overhead rate of \$450 per well.

15          Q.       Do you think these are reasonable charges?

16          A.       These charges are approximately average to  
17 a publication that was made by Ernst & Whinney that  
18 does the surveys of the entire country, and the San  
19 Juan Basin being part of that. These were about  
20 average for the San Juan Basin area.

21          Q.       Are you requesting that the order in this  
22 case be expedited?

23          A.       Yes, sir, we are. We have a November 1  
24 drilling commitment date that is as a result of our  
25 farmout agreement. We have to be spudded before

1 November 1 on two wells on this particular farmout, of  
2 which this would be one of those wells, hopefully.

3 Q. Would the other well be the west half of  
4 Section 10 which was advertised as 9744?

5 A. Yes, it would.

6 Q. Is it your opinion that the granting of  
7 this application is in the interests of conservation,  
8 the prevention of waste, and the protection of  
9 correlative rights?

10 A. Yes, it is.

11 MR. LOPEZ: I have no further questions of  
12 this witness, Mr. Examiner.

13 DIRECT EXAMINATION

14 BY HEARING EXAMINER:

15 Q. Mr. Adams, you mentioned something about,  
16 and can you give me some figures as to 30 percent of  
17 reservoir risk, and was it 25 percent mechanical?

18 A. 25 percent mechanical, 75 percent  
19 reservoir.

20 HEARING EXAMINER: Thank you for clarifying  
21 that for me, and I have no other questions of Mr.  
22 Adams at this time.

23 Are there any other questions of this  
24 witness? You may be excused.

25 Mr. Lopez?

1 MR. LOPEZ: I'd like to call Mr. Roche.

2 STEVE ROCHE,

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

5 DIRECT EXAMINATION

6 BY MR. LOPEZ:

7 Q. Would you please state your name and where  
8 you reside.

9 A. Steve Roche from Albuquerque, New Mexico.

10 Q. What is your occupation, Mr. Roche?

11 A. I am consultant for Richmond Petroleum.

12 Q. As a what?

13 A. A consulting landman.

14 Q. Have you previously testified before the  
15 Commission?

16 A. I never have.

17 Q. Would you therefore, briefly, explain your  
18 educational background and work experience?

19 A. Okay. Graduated from Fort Lewis College in  
20 1974 in business; 1978 I graduated from University of  
21 New Mexico Law School. I specialized in natural  
22 resources law and American Indian law. And for the  
23 past 11 years, I've worked as a landman for either  
24 companies or on my own in the San Juan Basin,  
25 primarily.

1 Q. Are you familiar with the application of  
2 Richmond Petroleum in Case No. 9745?

3 A. Yes, I am.

4 Q. Have you done extensive land work with  
5 respect to this application?

6 A. Yes, I have.

7 MR. LOPEZ: Would you consider the witness  
8 qualified?

9 HEARING EXAMINER: Mr. Roche is so  
10 qualified.

11 Q. (BY MR. LOPEZ) Mr. Roche, have you had any  
12 contact with the Bureau of Reclamation with respect to  
13 this application?

14 A. Yes, I have. I initially made contact  
15 September 8th, I believe, with the intent of trying to  
16 get their opinion about a location to drill in the  
17 northeast northeast of 9 or the southeast southeast of  
18 9. I was encouraged --

19 Q. Why just those two locations, if you can  
20 explain?

21 A. That's just about all there is that's not  
22 under water. That is all there is.

23 Q. All right. Go ahead.

24 A. Upon meeting -- I had an agreement to meet  
25 Steve Sacks of the Bureau of Rec in Durango on

1 November 8th at the location. He was there, and he  
2 was accompanied by the another fellow who was the  
3 recreational director, I believe. I don't remember  
4 his name. They both met me on site and discussed the  
5 possibility of a nonstandard location up there.

6 And at that time he recommended the  
7 northeast northeast would be a better location than  
8 the southeast southeast because there's about 13  
9 archeological sites that he didn't want to interfere  
10 with or have a chance to interfere with on an island  
11 in the southeast southeast.

12 We charted out a possible road. My one  
13 concern about the northeast northeast location, after  
14 going out there on site, was could we stay above the  
15 high water mark.

16 And Steve knew the area like the back of  
17 his hand. I could describe it from the map, and he  
18 already knew we could stay above the high water mark.

19 And so he wanted to meet me out there and  
20 see if we could have the locations remain above the  
21 water and also have a road into the area that would  
22 also be above the water. We charted one out. He  
23 recommended a location.

24 Upon his recommendation, we had it staked.  
25 And essentially what he said was that, if we met the

1 stipulations that his office would have, he didn't see  
2 any problem with that location.

3 Q. Could you describe some of the  
4 stipulations?

5 A. At that time he said the only stipulation  
6 that he was worried about -- well, the one thing he  
7 did mention, the only thing we were worried about at  
8 the time we left was a cemetery.

9 You can see that reflected on your map  
10 there, the "CEM." We've come to find out that the  
11 Bureau of Rec did move that cemetery. And the only  
12 stipulation that he mentioned to me at that time was  
13 the pits.

14 He said that we would have to do a double  
15 line of pit. I said I didn't think that would be a  
16 problem. The only other stipulations he said was for  
17 pipelines; we would have to go to the Corps of  
18 Engineers in Albuquerque first before we could get  
19 approval.

20 Q. To your knowledge, is the Applicant,  
21 Richmond Petroleum, willing to meet the stipulations  
22 of the Bureau of Rec?

23 A. Yes, we are. What we did, we had one other  
24 meeting with the Bureau of Rec in Durango. Steve had  
25 an environmentalist talk to us up there.

1           We told him at this time -- we had a real  
2 good relationship with him. I told him Richmond was  
3 willing to work with him to do whatever we needed to  
4 do to get the location approved.

5           So I went up there again the following week  
6 and sat down with him. He had said there might be a  
7 need for a closed pit system. We would rather not do  
8 the closed system; so we prepared a presentation.

9           I went up there with Stuart Stroud, who is  
10 an environmentalist out of Cortez, Colorado, and he  
11 does an exception on the liner for the mining  
12 industry, which is way above what they now have in the  
13 San Juan Basin.

14           So we went up there in the compromise  
15 position to get the open pit situation rather than the  
16 closed pit situation and had a real favorable meeting  
17 with Steve and the environmental head of the whole  
18 Durango office.

19           Essentially what Steve told us then was  
20 that if we could meet everything we said we could do  
21 and put it in a format with the application, that he  
22 and the environmental guy couldn't see a problem, and  
23 Salt Lake City would be the approving office for this  
24 thing, but they were very positive that we had gone to  
25 this extra -- I guess gone to a little bit more than

1 what the other companies had done.

2 Q. Does that conclude your testimony?

3 A. Other than Steve had told me he would be  
4 here today. I thought he was going to come and be at  
5 the hearing. And then I talked to him yesterday, and  
6 he said he couldn't make it.

7 MR. LOPEZ: I have no further questions of  
8 this witness.

9 HEARING EXAMINER: Thank you, Mr. Lopez

10 DIRECT EXAMINATION

11 BY HEARING EXAMINER:

12 Q. Mr. Roche, what is the actual location of  
13 this wellbore that you propose that shows up on the  
14 C-101 and C-102 and also the application filed with  
15 the Bureau of Reclamation?

16 A. I don't know the exact numbers. I don't  
17 have those in front of me.

18 360 from the north and 120 from the east.

19 The reason for that, Mr. Stogner, is, if  
20 you can see on the map there -- have you got the map  
21 in front of you?

22 Q. Yes, I do.

23 A. There's only one way in. It's through the  
24 west half of 10. Mr. Sacks with the Bureau of Rec  
25 recommended that we move the roads. That low area,

1 that hachure-line area, we need to keep it along the  
2 northern border of that is what he recommended to stay  
3 above the sagebrush and the high water line.

4 So he recommended we move the road all the  
5 way up on the north line and come down to the north  
6 side of that little plateau where that cemetery is.  
7 So basically what I did is let him tell me where he  
8 wanted it, and we surveyed it in based on his  
9 recommendation.

10 Q. How was it surveyed?

11 A. Surveying company out of Cortez that did  
12 it. I don't remember their name.

13 Q. Did you file a subsequent C-102 with the  
14 Aztec office, showing that with their signature and  
15 their landman's seal of approval on it?

16 A. Brian Wood of Permits West took care of  
17 that location.

18 Q. Do you have a copy of those documents?

19 A. I do not have a copy with me, no.

20 Q. Do you know if that was actually surveyed  
21 or not?

22 A. Yes, it was.

23 Q. Has an official form been filed, I guess  
24 Form UC 1378 Application, with the Bureau of Rec?

25 A. Our meeting was last week in Durango with

1 the environmental guy, and due to the extra  
2 documentation and the extra report that we have to  
3 file with that, Stuart Stroud has to furnish us a  
4 special report describing all his liners.

5 We're doing an extensive pit system with a  
6 back-up pit system. All that stuff was by  
7 recommendation of Steve and the environmental guy. He  
8 said, "That's what you're going to have to do to  
9 satisfy our people."

10 And so they made recommendations, and  
11 basically we're following them.

12 Q. Has an official, on-site inspection of this  
13 location with your company and the other agencies,  
14 including the Bureau of Reclamation, been done to  
15 date?

16 A. Not an official one because that's done  
17 after applying with the Bureau of Rec.

18 An unofficial on-site has been done by me  
19 twice, by Permits West once, Brian Wood, and myself;  
20 the second with Steve Sacks and his other Bureau of  
21 Rec guy.

22 Q. Do you know what other agencies, federal  
23 and state, will be involved in the official, on-site  
24 inspection?

25 A. Yes, sir. It will be Game and Fish. It

1 will be Corps of Engineers. It will be State Parks  
2 and Bureau of Rec.

3 Q. I believe the OCD Aztec office?

4 A. And the OCD, right.

5 Q. After the official on-site inspection is  
6 done, what is your understanding of the next step with  
7 the Bureau of Reclamation approval?

8 A. One reason why it's taken so long is, we  
9 have to go to the Corps of Engineers first. They're  
10 kind of the coordinating agency up there for all these  
11 different projects. And once we get their approval,  
12 and they tell us what kind of format we need to  
13 follow, then Bureau of Rec will act. Together with  
14 that, we have to get that extra report.

15 We'll have the on-site, and then the  
16 paperwork will be recommended in Durango and sent to  
17 Salt Lake City.

18 Steve Sacks and his environmental guy,  
19 after we worked out this deal in Durango, he said that  
20 he would recommend approval. If he was satisfied with  
21 the pit lining, which we have documentation that we  
22 gave him, and the back-up pit system, he would  
23 recommend -- it's really an exception to the rule that  
24 they generally use up there because we're going the  
25 extra step above what the normal standard is in that

1 area.

2 Q. Could it be foreseeable that the well site  
3 could be somewhat different than what you have stated  
4 in your application today? After this procedure,  
5 could it be foreseeable that one of the agencies  
6 involved might suggest moving it 10, 20, 30 feet in  
7 some direction?

8 A. I don't think so because that's why I took  
9 Steve out there. Steve is the primary surface --  
10 well, he's the surface owner and in control of the  
11 surface. That's the reason why, in working out the  
12 deal with Meridian, before I tried to work out the  
13 deal with Meridian, I went up there to make sure the  
14 Bureau of Rec would support me on this location.

15 Once I did that, the next day I went and  
16 saw Meridian in order to work out this whole section.  
17 So Steve was supportive enough and sure enough as to  
18 where he wanted that location. So I feel like that's  
19 where it's going to be.

20 We don't have a hell of a lot of -- excuse  
21 me. We don't have a heck of a lot of location to work  
22 with. So Steve -- we were out there for two hours  
23 walking all over the area. We were walking the area  
24 out in relation to where we thought the cemetery was,  
25 in relation to where the drainage would be, because

1 there's drainage on the back side of this thing too.  
2 So we were out there quite a while.

3 Q. But with the application of where it sets  
4 now, might there be a possibility that the location  
5 could be somewhat different? So far you have gotten  
6 an unofficial recommendation or an unofficial okay  
7 from the Bureau of Rec?

8 A. Right.

9 Q. But if it would be possible or if it was  
10 recommended by one of the other agencies to move it or  
11 set it somewhere else, could that possibly be in a  
12 direction that is less unorthodox than this particular  
13 location, just by a few feet, as long as it's within  
14 the high water mark?

15 A. It would be less unorthodox, yes.

16 Q. So any order issued in that should maybe  
17 provide that a well location be no more unorthodox  
18 than what you're asking?

19 A. Yes, sir.

20 Q. But within the high water mark as shown in  
21 the northeast quarter-northeast quarter?

22 A. That would be right.

23 Q. That way there would be some leeway?

24 A. Yes.

25 Q. Has there been a study or an economic

1 evaluation made of why a well could not be  
2 directionally drilled from the surface location to an  
3 orthodox location pursuant to the Fruitland Basin coal  
4 gas pool rules?

5 A. I think Mr. Adams has some AFE's where  
6 we've done some economic evaluation, and it shows  
7 essentially we're talking \$300,000 to \$400,000 more to  
8 do that.

9 MR. LOPEZ: If I may interject, Mr.  
10 Examiner, I didn't put on that evidence today because  
11 it was put on at the September 6th hearing pretty much  
12 at length, but I can recall Mr. Adams who can explain  
13 what the AFE would show for a directionally drilled  
14 well.

15 HEARING EXAMINER: Help me out, Mr. Lopez.  
16 I remember there was some directional cost, but was  
17 this cost specific to this particular case, or was it  
18 one of the other two cases?

19 I remember that all three of the cases were  
20 consolidated at that time; so the evidence which Mr.  
21 Adams gave me in the September 6 hearing could apply  
22 for a directionally drilled well in this area?

23 MR. LOPEZ: That was my understanding and  
24 continues to be.

25 HEARING EXAMINER: In that case, I have no

1 other questions of Mr. Roche.

2 I believe the testimony which we received  
3 on September 9th for the directional drilling should  
4 be adequate, and I have no other questions of him  
5 either.

6 Is there anything further in this case, Mr.  
7 Lopez?

8 MR. LOPEZ: No, Mr. Examiner.

9 HEARING EXAMINER: Does anybody else have  
10 anything further in this case?

11 Case No. 9745 will be taken under  
12 advisement.

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1 CERTIFICATE OF REPORTER

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

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6 I, Deborah O'Bine, Certified Shorthand  
 7 Reporter and Notary Public, HEREBY CERTIFY that the  
 8 foregoing transcript of proceedings before the Oil  
 9 Conservation Division was reported by me; that I  
 10 caused my notes to be transcribed under my personal  
 11 supervision; and that the foregoing is a true and  
 12 accurate record of the proceedings.

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

17 WITNESS MY HAND AND SEAL November 1, 1989.

18

*Deborah O'Bine*  
 DEBORAH O'BINE  
 CSR No. 127

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21 My commission expires: August 10, 1990

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23

I do hereby certify that the foregoing is  
 a complete record of the proceedings in  
 the Examiner hearing of Case No. 9745,  
 heard by me on 4 October 19 89.

24

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*Michael E. Stinson*  
 \_\_\_\_\_, Examiner  
 Oil Conservation Division