

1 STATE OF NEW MEXICO  
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 CASE 10117

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7 EXAMINER HEARING

8  
9 IN THE MATTER OF:

10  
11 Application of Mesa Operating Limited  
12 Partnership for Compulsory Pooling,  
13 San Juan County, New Mexico

14  
15  
16 TRANSCRIPT OF PROCEEDINGS

17  
18 BEFORE: MICHAEL E. STOGNER, EXAMINER

19  
20 STATE LAND OFFICE BUILDING  
21 SANTA FE, NEW MEXICO  
22 October 17, 1990

23

24

25

**ORIGINAL**

1                                   A P P E A R A N C E S

2   FOR THE APPLICANT:           J. SCOTT HALL, ESQ.  
                                   Miller, Stratvert, Torgerson  
 3                                   & Schlenker, P.A.  
                                   125 Lincoln Avenue, Suite 303  
 4                                   Santa Fe, New Mexico 87501

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6                                   I N D E X

7		Page Number
8	EDWARD L. "HANK" WOOD	
9	Examination by Mr. Hall	4
10	Examination by Hearing Examiner	6
11	STEWART L. SAMPSON	
12	Examination by Mr. Hall	10
13	Examination by Hearing Examiner	12
14	TROY A. HOEFER	
15	Examination by Mr. Hall	15
16	Examination by Hearing Examiner	20
17	Certificate of Reporter	24

18                                   E X H I B I T S

19   APPLICANT'S EXHIBITS:

20	Exhibit 1	5
21	Exhibit 2	6
22	Exhibit 3	11
23	Exhibit 4	11
24	Exhibit 5	11
25	Exhibit 6	17
	Exhibit 7	20

1                   EXAMINER STOGNER: I'll call next case, No.  
2 10117, which is the application of Mesa Operating  
3 Limited Partnership for compulsory pooling, San Juan  
4 County, New Mexico.

5                   I'll call for appearances.

6                   MR. HALL: Mr. Examiner, Scott Hall from  
7 the Miller, Stratvert, Torgerson & Schlenker Law Firm  
8 in Santa Fe on behalf of the Applicant. I have three  
9 witnesses today, who will be here in a minute.

10                  EXAMINER STOGNER: Mr. Hall, in looking at  
11 the docket today there are several Mesa cases. Are  
12 any of these cases or all of them to be consolidated  
13 for purposes of testimony today, or how would you like  
14 to proceed?

15                  MR. HALL: We can try to. They're not  
16 really close to each other, so I think the geology  
17 will differ somewhat. Two of the cases we're asking  
18 for 200 percent on.

19                  EXAMINER STOGNER: In that case, we'll take  
20 them separately, then, since you feel that would be  
21 the better of the options?

22                  MR. HALL: I think probably so.

23                  EXAMINER STOGNER: Are the parties to be  
24 pooled different in each instance?

25                  MR. HALL: Yes.

1 EXAMINER STOGNER: Okay, Mr. Hall.

2 Are there any other appearances?

3 Would the witnesses please stand to be  
4 sworn at this time.

5 MR. HALL: We need to swear the witnesses.

6 EXAMINER STOGNER: We just did.

7 EDWARD L. "HANK" WOOD

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

10 EXAMINATION

11 BY MR. HALL:

12 Q. For the record, please state your name,  
13 place of residence and place of employment.

14 A. My name is Edward L. "Hank" Wood, I live at  
15 6006 Norwich, Amarillo, Texas. I'm employed by Mesa  
16 Operating Limited Partnership of Amarillo, Texas, in  
17 the capacity of landman.

18 Q. You previously testified before the  
19 Division and had your credentials accepted as a matter  
20 of record, have you not?

21 A. I have.

22 Q. Mr. Wood, you're familiar with the subject  
23 lands and the subject well in this case?

24 A. Yes, I am.

25 Q. Would you please explain briefly what you

1 seek by this application?

2 A. We have previously proposed the drilling of  
3 a Fruitland Coal test to the various working interest  
4 owners based on title research, and seek to have the  
5 working interest owners that have not responded to our  
6 proposal pooled.

7 Q. All right. Let's look at the exhibits  
8 you've prepared for this case. If you would explain  
9 Exhibit 1?

10 A. Exhibit 1 is a land plat. It shows our  
11 proposed proration unit as the north half of Section  
12 6, 29 North, 11 West, of San Juan County, New Mexico.  
13 It shows the proposed well location and  
14 shows the proposed test to be 794 feet from the north  
15 line, 1,535 feet from the east line of said Section 6.

16 Q. And page 2 of Exhibit 1?

17 A. Page 2 of Exhibit 1 is a summary of the  
18 working interest partners which, based on title  
19 research, are going to be present in this well.

20 Q. And who are you seeking to pool in this  
21 case?

22 A. Seeking to pool Southland Royalty Company  
23 with 50 percent working interest.

24 Q. And the other 50 percent is--?

25 A. Mesa Operating Partnership.

1           Q.     Let's look at Exhibit 2. If you would  
2 explain that, please, sir?

3           A.     Exhibit 2 is our proposal letter which we  
4 mailed to Southland on June 15, 1990, proposing the  
5 drilling of this test and setting out the proposed  
6 depth and location of the well. Also with this letter  
7 went our proposed Joint Operating Agreement and an AFE  
8 setting out the estimated costs of this test.

9           Q.     What response did you receive from  
10 Southland or Meridian?

11          A.     Have not received a response from them as  
12 of yet.

13          Q.     They have not expressly declined to  
14 participate in the well?

15          A.     They have not.

16          Q.     They simply have not responded?

17          A.     They have not responded.

18          Q.     In your opinion, Mr. Wood, have you made a  
19 good faith effort to secure the voluntary joinder of  
20 Southland in this well?

21          A.     Yes, I have.

22                   MR. HALL: Nothing further.

23                               EXAMINATION

24 BY EXAMINER STOGNER:

25          Q.     Mr. Wood, in your Exhibit 2 and attached to

1 the Operating Agreement as Exhibit A, that's toward  
2 the middle, I show the percentages to be different  
3 than what you show on Exhibit 1.

4 A. Yes, sir. The Operating Agreement was sent  
5 out based upon a title check by a broker. We've had  
6 communications with Southland since we've received a  
7 title opinion showing 50/50 rather than the interest  
8 shown on Exhibit A, and we have discussed this matter  
9 with Southland and they are aware that we both believe  
10 they have 50 percent working interest in this.

11 Q. The northwest quarter is 100 percent  
12 Southland, is that correct?

13 A. Yes, sir.

14 Q. How many acres is in that? It's really not  
15 a quarter section, is it?

16 A. You said the southwest quarter?

17 Q. Well, it's really not a southwest quarter  
18 but the southwest quarter equivalent. Do you know how  
19 many acres is in that?

20 A. Of Section 6?

21 Q. Yes.

22 A. No, I don't.

23 MR. HALL: I might be able to tell you.

24 A. Are you meaning the northwest quarter?

25 Q. I'm sorry. The northwest quarter

1 equivalent.

2 A. I don't have the title opinion with me and  
3 I can't tell you what that is. Because it's a 50/50,  
4 I would assume it is a full 160.

5 Q. This is in Section 6, isn't it?

6 A. Yes, it is.

7 Q. Usually Section 6 is where the--

8 A. Survey might have been made up?

9 Q. Yes.

10 A. Yes, sir.

11 EXAMINER STOGNER: It doesn't look like  
12 your witness knows, but I have it here. The north  
13 half equivalent is made up of Lots 1 through 5, Lot 1  
14 being 34.76 acres, Lot 2 being 35.62 acres, Lot 3  
15 being 36.46 acres, Lot 4 being 29.16 acres, and Lot 5  
16 being 32.1 acres, which comes out to a grand total of  
17 288.18 acres which is as shown in the advertisement to  
18 today's case.

19 Q. Now, which is right, 50/50 or 52/47?

20 A. You have me at a disadvantage. I don't  
21 have the title opinion in front of me. The exhibit  
22 was made up based on the title opinion, so I would  
23 have to say the exhibit showing 50/50 is correct.

24 EXAMINER STOGNER: Mr. Hall, would you  
25 please verify that and send me an amended Exhibit 1 if



1 need be?

2 MR. HALL: Yes, I will. I apologize for  
3 not having that information today. I don't have the  
4 title opinion with me.

5 Q. Are you proposing any overhead charges, Mr.  
6 Wood?

7 MR. HALL: We have another witness who will  
8 testify on that.

9 EXAMINER STOGNER: I'm sorry. Jumping  
10 ahead of myself here.

11 Q. Mr. Wood, I need to get something straight  
12 here. You did not get any response from Southland  
13 Royalty or the company Meridian who, I guess, is  
14 operating for Southland, is that correct?

15 A. Yes, sir.

16 Q. You did not get any correspondence?

17 A. We've had a number of telephone calls  
18 regarding this, and up to as late as Monday afternoon  
19 I was in contact with their land people to discuss  
20 this.

21 Quite honestly, they've told me that the  
22 reservoir engineer that handles this area for them was  
23 transferred about a week and a half ago and that they  
24 would not be able to respond to this or any of the  
25 other items on the docket for today that they're

1 involved with because they just don't have the  
2 personnel to make the response right now.

3 Q. Meridian is in the process of drilling  
4 other wells up there, too, aren't they, if I remember  
5 right?

6 A. Yes, sir.

7 MR. HALL: Rumor has it.

8 EXAMINER STOGNER: Okay. I have no other  
9 questions of Mr. Wood. There again, I'll remind you,  
10 Mr. Hall, if you'll verify the percentages for me.

11 MR. HALL: We'll do that.

12 EXAMINER STOGNER: Did we take both  
13 exhibits under advisement?

14 MR. HALL: I move their admission.

15 EXAMINER STOGNER: So be it.

16 STEWART L. SAMPSON

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

19 EXAMINATION

20 BY MR. HALL:

21 Q. For the record, please state your name,  
22 place of residence and place of employment?

23 A. My name is Stewart Sampson. I reside at  
24 3707 Hunnington in Amarillo, Texas, and work for Mesa  
25 Limited Partnership in the capacity as supervisor of

1 geophysics.

2 Q. You've previously testified before the  
3 Division and had your credentials made a matter of  
4 record, have you not?

5 A. Yes, I have.

6 Q. And you prepared certain exhibits in  
7 conjunction with your testimony today?

8 A. That's correct.

9 Q. Let's look at those, starting with Exhibit  
10 3, please, sir?

11 A. Okay. Exhibit 3 is a regional isopach of  
12 the Fruitland Coal formation throughout the San Juan  
13 Basin, with a red dot indicating the relative location  
14 of the well in question, the FC Fed Com No. 19. As  
15 you can see, the thickness anticipated in this area is  
16 approximately 20 feet--slightly over 20 feet.

17 Exhibit 4 is another critical parameter in  
18 order to establish coal bed methane production. This  
19 is a bottom-hole pressure map throughout the basin;  
20 once again showing the location of the proposed well.  
21 We would anticipate pressure in this area on the order  
22 of 600 pounds, which would be adequate assuming enough  
23 permeability to establish economic production.

24 And then Exhibit 5 is just a more detailed  
25 map of that area showing the location of our proposed

1 well in the northeast quarter of Section 6, and all  
2 Fruitland Coal completions within a 25-square-mile  
3 area surrounding that Section 6.

4 As you can see, there is not a lot of  
5 control in the area. We have four completions in the  
6 area which Mr. Hoefer will get into in a little more  
7 detail on the type of production these wells have  
8 established, but we certainly feel that due to the  
9 limited amount of offset control, this well qualifies  
10 for a standard 256 percent penalty.

11 Q. Do you believe that there's a chance you  
12 could drill an unsuccessful well at this location?

13 A. Yes, I do.

14 Q. Were Exhibits 3, 4 and 5 prepared by you or  
15 at your direction?

16 A. Yes, they were.

17 MR. HALL: We would move the admission of  
18 Exhibits 3, 4 and 5, and that concludes our direct of  
19 this witness.

20 EXAMINER STOGNER: Mr. Hall, what is your  
21 third witness's specialty?

22 MR. HALL: Petroleum engineering.

23 EXAMINATION

24 BY EXAMINER STOGNER:

25 Q. Mr. Hunnington, in preparing Exhibit No. 5,

1 what--

2 A. Mr. Sampson.

3 Q. I'm sorry. --what did you find in the four  
4 wells that are completed in the area? What did you  
5 find their thickness to be? Did they correspond with  
6 your Exhibit 3?

7 A. Yes. The wells out in this area have  
8 encountered in the range of 20 to 25 feet of coal.  
9 Mr. Hoefer will present more detailed information in  
10 regard to these wells, in terms of any pressure  
11 information that was released and the present  
12 productive rates as reported through Dwight's.

13 Q. How would you classify this 20- to 25-foot  
14 thick coal bed in this area?

15 A. Okay, now that would not be just one bed.  
16 That would be a cumulative thickness throughout the  
17 Fruitland. I think that's approaching a marginal  
18 situation. Once you drop down in the 20-foot range,  
19 you've got to have pretty good recovery  
20 characteristics to establish economic production  
21 because your gas in place number is obviously smaller  
22 with coal thicknesses in that range.

23 Q. When you say "characteristics," what do you  
24 mean?

25 A. Well, the recovery factor is very dependent

1 on the fracture intensity in any given area or, in  
2 other words, the permeability of the coal. If you  
3 happen to be in an area where that recovery factor is  
4 smaller or, in other words, it drains a smaller area,  
5 and you do not have sufficient coal thickness to have  
6 a large gas in place number per given area, you have  
7 to attain good permeability to make an economic well.

8 Q. How would you classify the fracture  
9 intensity of these four wells in Exhibit 5?

10 A. Based on the productive information we've  
11 got out there, it looks a little bit suspect. That's  
12 the only thing we have to go on at this point. We do  
13 not have access to core or DST information on these  
14 wells as they were all operated by others, but based  
15 on the productive rates we think the permeability is  
16 probably fairly low.

17 Q. Could this information be obtained from  
18 well logs?

19 A. No, it could not.

20 Q. Are these four wells operated by somebody  
21 else other than Mesa?

22 A. Yes, they are, and Mesa has no interest in  
23 any of these other wells.

24 Q. Who are these four wells operated by?

25 A. Meridian.

1           Q.       Which is the parent company of the people  
2 you're force pooling today, is that correct?

3           A.       That's correct.

4                   EXAMINER STOGNER: I have no further  
5 questions of this witness. I apologize for the name.

6                   THE WITNESS: You got my street address  
7 right, though.

8                               TROY A. HOEFER

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

11                               EXAMINATION

12 BY MR. HALL:

13           Q.       For the record, please state your name.

14           A.       Troy Alvin Hoefer.

15           Q.       Mr. Hoefer, where do you live, and by whom  
16 are you employed and in what capacity?

17           A.       I live at 5813 Fordham Drive, Amarillo,  
18 Texas. I'm employed with Mesa Limited Partnership as  
19 a reservoir engineer.

20           Q.       You've not previously testified before the  
21 Division and had your credentials accepted as a matter  
22 of record, have you?

23           A.       That's correct.

24           Q.       Would you please give the Examiner a brief  
25 summary of your educational background and work

1 experience?

2 A. Okay. In May of 1987 I received a Bachelor  
3 of Science degree in petroleum engineering from the  
4 Colorado School of Mines. In May of 1988 I began  
5 working for Mesa Limited Partnership as an engineering  
6 technician.

7 In September of 1989 I was promoted to  
8 reservoir engineer. My area of responsibility was  
9 Hugoton Royalties, Oklahoma gas plants and engineering  
10 projects in Northwest Oklahoma. I'm currently  
11 responsible for engineering projects in the San Juan  
12 Basin.

13 MR. HALL: Mr. Examiner, are the witness's  
14 credentials acceptable?

15 EXAMINER STOGNER: They are.

16 Q. Mr. Hoefer, let's look back at Exhibit 2  
17 and the AFE in that exhibit. If you could please  
18 review the costs?

19 A. Okay. This is a detailed cost estimate for  
20 the drilling, completing and equipping of the  
21 FC Federal Com No. 19. This will be a 2,120-foot  
22 Fruitland Coal test, and you'll note these costs are  
23 for a cased and fracture-treated well.

24 Q. All right, and what is the cost for a  
25 completed well?



1           A.     The cost for a completed well is \$319,400.

2           Q.     Are those costs in line with what's being  
3 charged by other operators and Mesa in the area?

4           A.     Yes, they are.

5           Q.     Have you made an estimate of the overhead  
6 and administrative costs while drilling the well and  
7 also while producing the well, if it's a successful  
8 well?

9           A.     Yes, I have.

10          Q.     And what are those costs?

11          A.     \$3,831 per month while drilling the well,  
12 and \$382 per month while producing the well, and these  
13 costs are in line with the Ernst & Young figures.

14          Q.     All right. Are you recommending that these  
15 figures be incorporated into any Order that results  
16 from this hearing?

17          A.     Yes, I am.

18          Q.     And Mesa seeks to be designated operator of  
19 the well, does it not?

20          A.     That's correct.

21          Q.     Let's look at your Exhibit 6, please, sir.

22          A.     Okay. Exhibit 6 shows all offset wells  
23 which have been drilled within an approximate two-mile  
24 radius of the proposed FC Federal Com No. 19. This  
25 data was obtained from Dwight's Energy Data, and with

1 this data I would like to show that there is risk in  
2 drilling a Fruitland Coal test in this area.

3           You'll note that there have been four  
4 offset wells drilled within a two-mile radius of this  
5 well and they are all operated by Meridian.

6           Q.     And those are the wells reflected on  
7 Exhibit 5?

8           A.     That's correct.

9           Q.     All right.

10          A.     If we could first look at the surface  
11 shut-in pressures of these wells, you'll note that the  
12 surface shut-in pressure is rather low and, therefore,  
13 we will case and fracture-treat this well. During a  
14 cased and fracture-treated well, there are two main  
15 risks. Since we like to put a very large fracture  
16 treatment on the Fruitland Coal wells, we'll have high  
17 rates, high pump volumes and high pump pressures.

18                 The first main risk in casing and  
19 fracture-treating a Fruitland Coal well is the high  
20 surface pressure. Fruitland Coal wells tend to have a  
21 fracture grading of approximately 1.2 psi per foot.  
22 This has resulted in an average surface pressure of  
23 approximately 3,000 psi treating pressure.

24                 The second risk of casing and  
25 fracture-treating a Fruitland Coal well would be the

1 possibility of a screen out. We typically like to  
2 pump a very large volume of frac fluid down the  
3 casing, typically in the range of 60 to 65 barrels per  
4 minute. We use approximately 5,000 pounds of sand per  
5 net foot of coal. This can result in 15,000 to 17,000  
6 pounds per minute.

7           The nature of coal is such that we can see  
8 a screen out in approximately three seconds, at which  
9 point the surface pressure will go from 3,000 to 6,000  
10 pounds in approximately three seconds, thus giving us  
11 the possibility of damaging the casing.

12           If we could look at the next column in the  
13 exhibit, which is the current producing rate for this  
14 well, these rates were obtained from Dwight's Energy  
15 Data and they are a three-month average of the actual  
16 production rates through June of 1990. As you can  
17 see, these rates are very minimal in the area and,  
18 therefore, we feel due to the low rate of production  
19 and the low pressures in the area that we should be  
20 compensated at 256 percent.

21           Q.     So the information contained in Exhibit 6  
22 indicates to you that there is a risk that the well  
23 could not be commercial?

24           A.     That's correct.

25           Q.     Mr. Hoefer, was Exhibit 6 prepared by you?

1           A.       Yes.

2           Q.       In your opinion, Mr. Hoefer, will granting  
3 the application be in the interests of conservation,  
4 the prevention of waste and the protection of  
5 correlative rights?

6           A.       Yes.

7                   MR. HALL:  Nothing further of this  
8 witness.  We would move the admission of Exhibit 6.  I  
9 would also tender Exhibit 7, which is our 12-07 Notice  
10 Affidavit.

11                   EXAMINER STOGNER:  Exhibits 6 and 7 will be  
12 admitted into evidence at this time.

13                               EXAMINATION

14 BY EXAMINER STOGNER:

15           Q.       Mr. Hoefer, do you know when these wells  
16 were put on line, the ones that show production?

17           A.       These wells, I don't have the exact date,  
18 but I do know that they were within the last year.  As  
19 you can see on Exhibit 6, the cumulative production is  
20 very low, and I would guesstimate the middle of last  
21 year.

22           Q.       And those figures are as of June 30, 1990?

23           A.       That's correct.

24           Q.       Now, you show a couple of wells that has  
25 "not available."  Does that mean they have not been

1 put on line, or the production data has not--

2 A. The production data has not been put on  
3 line.

4 Q. I'm sorry. The well hasn't been put on  
5 line?

6 A. The well--well, I can't say that the well  
7 has not been put on line. The data has not been  
8 reported to Dwight's Energy Data as of June 30, 1990.

9 Q. Do you know if that production has been  
10 reported with the Oil Conservation Division?

11 A. No, I do not.

12 Q. The production figures that you do have for  
13 the Basin Fruitland Coal gas well, how do they  
14 correspond to a commercial producer or some other of  
15 the wells in the more productive areas of the San Juan  
16 Basin?

17 A. We've seen producing rates of sales--well,  
18 sales rates of up to \$18,000,000 per day. These wells  
19 are very minimal compared to some of the other wells  
20 in the basin, and we do not feel like 11 Mcf per day  
21 would justify a cost of \$319,400; therefore, we feel  
22 that there's extreme risk in this case.

23 Q. How does the gas production correspond with  
24 the water production of these wells? Does it go up as  
25 the water production goes down?

1           A.       Typically if there is gas in the fracture  
2   system, the gas production rate will increase--or will  
3   be rather high, then it will drop as the water  
4   production drops. Then, as gas tends to desorb off of  
5   the coal, the rates will decrease and then they will,  
6   as the water is produced out of the fractures, the  
7   shift in the relative permeability curve will cause  
8   the gas production to increase for a period of time  
9   and then decrease at a constant decline rate.

10          Q.       The wells that have production, what state  
11   are they in at this point? Where on the curve would  
12   you put these wells?

13          A.       I would probably put them in the desorption  
14   portion of the curve. They're probably on their  
15   incline, and we project that they will incline for  
16   approximately one year.

17                 EXAMINER STOGNER: I have no further  
18   questions of Mr. Hoefer.

19                 THE WITNESS: Thank you.

20                 EXAMINER STOGNER: Mr. Hall, I will take  
21   administrative notice of Order No. R-8768 and the  
22   engineering and geological testimony presented in that  
23   case. That was the Order which formed, designated and  
24   created the Basin Fruitland Coal Gas Pool, which these  
25   wells are within that pool boundary and therefore are

1 not considered wildcat.

2 Do you have anything further in this case?

3 MR. HALL: No, sir.

4 EXAMINER STOGNER: Does anybody else have  
5 anything further in Case 10117?

6 If not, as I had stated earlier, we will  
7 continue this case to the Examiner's Hearing scheduled  
8 for 10/31, at which time it will be taken under  
9 advisement.

10 (Thereupon, the proceedings concluded.)

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CERTIFICATE OF REPORTER

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

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.

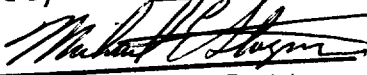
I FURTHER CERTIFY that I am not a relative  
or employee of any of the parties or attorneys  
involved in this matter and that I have no personal  
interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL October 19, 1990.

  
CARLA DIANE RODRIGUEZ  
CSR No. 91

My commission expires: May 25, 1991

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 1047.  
heard by me on 17 October 1990.

 Examiner  
Oil Conservation Division



1 STATE OF NEW MEXICO  
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 CASES 10117, 10118, 10119, 10121, 10125  
5  
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7 EXAMINER HEARING  
8

9 IN THE MATTER OF:  
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11 Applications of Mesa Operating Limited  
12 Partnership for Compulsory Pooling,  
13 San Juan County, New Mexico  
14  
15

16 TRANSCRIPT OF PROCEEDINGS  
17

18 BEFORE: MICHAEL E. STOGNER, EXAMINER  
19

20 STATE LAND OFFICE BUILDING

21 SANTA FE, NEW MEXICO

22 October 31, 1990  
23  
24  
25

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

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3 FOR THE DIVISION:

ROBERT G. STOVAL, ESQ.  
Legal Counsel to the Division  
Post Office Box 2088  
State Land Office Building  
Santa Fe, N.M. 87504-2088

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7 FOR NEARBURG PRODUCING  
COMPANY (CASE 10121):

WILLIAM F. CARR, ESQ.  
Campbell & Black, P.A.  
Post Office Box 2068  
Santa Fe, N.M. 87504-2068

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1                   EXAMINER STOGNER: This hearing will come  
2 to order for Docket No. 30-90. Today is, obviously,  
3 Halloween 1990, and I'm Michael E. Stogner, the  
4 appointed hearing officer for today's cases.

5                   I am going to call Cases 10117, 10118,  
6 10119, 10121 and 10125 at this time.

7                   MR. STOVALL: These are all the  
8 applications of Mesa Operating Limited Partnership for  
9 compulsory pooling in San Juan County, New Mexico.

10                  EXAMINER STOGNER: These cases were heard  
11 on the 17th of October. Due to an advertisement error  
12 they were continued for today's hearing.

13                  I'll call for any additional testimony  
14 and/or appearances.

15                  MR. CARR: May it please the Examiner, my  
16 name is William F. Carr with the law firm Campbell &  
17 Black, P.A. of Santa Fe.

18                  I would like to enter an appearance on  
19 behalf of Nearburg Producing Company in Case 10121.  
20 We do not intend to present testimony. Our concern is  
21 simply that the risk penalty be in line with the  
22 penalty imposed on other Fruitland wells.

23                  EXAMINER STOGNER: Thank you Mr. Carr.

24                  Are there any other appearances in these  
25 cases? If not, then Cases 10117, -118, -119, -121 and

1 -125 will be taken under advisement.

2 (Thereupon, the proceedings concluded.)

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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, Carla Diane Rodriguez, Certified  
7 Shorthand Reporter and Notary Public, HEREBY CERTIFY  
8 that the foregoing transcript of proceedings before  
9 the Oil Conservation Division was reported by me; that  
10 I 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 13, 1990.

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*Carla Diane Rodriguez*  
CARLA DIANE RODRIGUEZ  
CSR No. 91

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21 My commission expires: May 25, 1991

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I do hereby certify that the foregoing is  
a complete and correct transcript of  
the Examination of Case Nos. 10117, 10118, 10119, 10121, 10125-  
heard by me on 31 October 1990.

*Michael E. Stojan*, Examiner  
Oil Conservation Division