

1 STATE OF NEW MEXICO  
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 CASE 10139

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EXAMINER HEARING

8

9 IN THE MATTER OF:

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11 Application of Pacific Enterprises Oil  
12 Company (USA) for Compulsory Pooling,  
13 Eddy County, New Mexico

14

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16

TRANSCRIPT OF PROCEEDINGS

17

18 BEFORE: MICHAEL E. STOGNER, EXAMINER

19

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STATE LAND OFFICE BUILDING

21

SANTA FE, NEW MEXICO

22

October 31, 1990

23

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**ORIGINAL**

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

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1 EXAMINER STOGNER: At this time we'll call  
2 Case No. 10139.

3 MR. STOVALL: Application of Pacific  
4 Enterprises Oil Company, (USA) for compulsory pooling,  
5 Eddy County, New Mexico.

6 EXAMINER STOGNER: Call for appearances.

7 MR. KELLAHIN: Mr. Examiner, I'm Tom  
8 Kellahin of the Santa Fe Law Firm of Kellahin,  
9 Kellahin & Aubrey appearing on behalf of the  
10 Applicant, and I have two witnesses to be sworn.

11 EXAMINER STOGNER: Are there any other  
12 appearances in this matter?

13 Will the witnesses please stand to be sworn  
14 at this time. Mr. Kellahin?

15 MR. KELLAHIN: Thank you, Mr. Examiner.

16 M. CRAIG CLARK

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. KELLAHIN:

21 Q. Mr. Clark, for the record would you please  
22 state your name and occupation?

23 A. My name is Craig Clark. I'm petroleum  
24 landman for Pacific Enterprises.

25 Q. Mr. Clark, on prior occasions have you

1 testified before the Division as a petroleum landman?

2 A. Yes, I have.

3 Q. Pursuant to your employment by Pacific as a  
4 petroleum landman, has it been your responsibility to  
5 attempt to, first of all, locate, identify and then  
6 obtain voluntary participation by the various working  
7 interest owners that would be entitled to participate  
8 in the subject well?

9 A. Yes, I have.

10 Q. Have you completed that work?

11 A. Yes, I have.

12 MR. KELLAHIN: We tender Mr. Clark as an  
13 expert petroleum landman.

14 EXAMINER STOGNER: Mr. Clark is so  
15 qualified.

16 Q. Let's take a moment, Mr. Clark, and direct  
17 your attention to Exhibit No. 1. Before we talk about  
18 the details of the ownership, refresh the Examiner's  
19 recollection about the pool area you're in and the  
20 type of well your company proposes to drill.

21 A. We are going to be stepping out from the  
22 Anderson-Penn that was originally spaced on 160  
23 acres. Previously we filed to limit the Anderson-Penn  
24 to the existing rules, and any new well will be  
25 drilled on 320-acre spacing, as we're going to be

1 drilling a Morrow test in the north half of Section  
2 12.

3 Q. The Division has, in fact, entered such an  
4 order limiting the Anderson-Penn 160-gas spacing to  
5 the current limits of that pool?

6 A. Yes, they have.

7 Q. The proposed spacing unit that you're going  
8 to drill for deep gas consists of what, sir?

9 A. The spacing unit will be the north half of  
10 Section 12.

11 Q. You're seeking to consolidate date the  
12 interest owners, then, from what vertical depth down  
13 to what vertical depth?

14 A. From below 5,000 feet down to the Morrow  
15 formation, which will include anything--5,000 feet  
16 will include below the Wolfcamp, the Wolfcamp and  
17 below.

18 Q. So if the Examiner enters a pooling order  
19 from the top of the Wolfcamp to the base of the Morrow  
20 Formation, that, in fact, is the interest for which  
21 you have an interest?

22 A. Yes, that is.

23 Q. And the 5,000 feet would correspond to  
24 slightly higher than the top of the Wolfcamp?

25 A. Yes, it does.

1 Q. So for purposes of the Order, the Examiner  
2 could ignore the 5,000-foot interval, so long as it is  
3 from the top of the Wolfcamp?

4 A. That is correct.

5 Q. When we look at that interval, then, Mr.  
6 Clark, identify for us on Exhibit No. 1 what your  
7 research shows you to be the configuration of the  
8 leases for that spacing unit?

9 A. Well, we show that, first of all, Pacific  
10 has purchased the deeper rights, in the south half of  
11 the northwest quarter and part of the north half of  
12 the northeast quarter. The north half of the  
13 northwest quarter we obtained a farmout on and the  
14 south half of the northeast quarter we had originally  
15 obtained a farmout for the entire south half northeast  
16 from Damson.

17 When we did our title opinion we found out  
18 there was an instrument that has caused a cloud on the  
19 title and we've not been able to locate the other  
20 persons, so therefore we've had to break it out into  
21 the two 40-acre tracts, and that is one of the  
22 purposes that we're looking for forced pooling is that  
23 we cannot locate this other person.

24 Q. What is the earliest expiration of either a  
25 farmout or a lease for the drilling of this well?

1           A.       We have the Damson farmout that expires  
2 tomorrow.

3           Q.       When we look at Exhibit No. 2 now, Mr.  
4 Clark, what have you done here? How is this  
5 organized?

6           A.       This is again just broken out by tracts,  
7 and it shows the ownership within the tracts and then  
8 also the 320-acre unit and what the various people  
9 have elected to do.

10          Q.       When we look at this tabulation, identify  
11 for us those parties which you have not been able to  
12 locate despite good-faith efforts to try to find them?

13          A.       That would be E. L. Fulton and George Gray.

14          Q.       Those are the two parties and their  
15 interests for which you cannot find these people?

16          A.       That is correct. And then the other  
17 persons are the heirs of D. H. Ostrom, and they  
18 verbally elected to farmout; however, we have no  
19 agreement with them yet.

20          Q.       All right. So, the parties to be pooled,  
21 then, will be the Fulton interests, the Ostrom  
22 interests and the Gray interests?

23          A.       That's correct.

24          Q.       Let's turn now, sir, to your efforts to try  
25 to find George Gray and any of his interest owners.



1           A.       The last address we had for George Gray was  
2 out in California. We had a person--first of all we  
3 sent several certified letters out to the last known  
4 address. Those were all returned.

5                   We had a person call around in the area and  
6 the various area codes where the last address was and  
7 try to track down George Gray. They found several  
8 George Grays; however, none of them were the one that  
9 we were particularly interested in finding.

10          Q.       What is shown on Exhibit No. 3?

11          A.       This is just a letter from the broker that  
12 contacted these people saying that he called all the  
13 directory assistance and talked to half a dozen or so  
14 George Grays, and none of them were the grandson of  
15 Josephine Finley.

16          Q.       Have you, in your opinion, sir, exhausted  
17 all good-faith efforts to locate and contact George  
18 Gray?

19          A.       Yes, we have.

20          Q.       Let's turn now to the Leila Fulton and  
21 E. L. Fulton interest. What's identified on Exhibit  
22 No. 4?

23          A.       Exhibit No. 4, we had a broker go over to  
24 Eddy County and go through the grantor/grantee indexes  
25 for E. L. Fulton or his wife and look for the last

1 known address. The instrument that was in question on  
2 our tract was done back in the 40s. E. L. Fulton did  
3 have some other instruments in the 1950s. We pulled  
4 that, and the only address they had for that was a  
5 county in Colorado.

6 And then, if you'll look on the next  
7 exhibit, we called the various counties up in Colorado  
8 trying to locate them, but as we only had a county  
9 where the instrument was notarized, we've not been  
10 able to find him, either.

11 Q. So Exhibits 4 and 5 represent partial  
12 documentation of your efforts to try to find the  
13 Fultons?

14 A. That's correct.

15 Q. Have you, in your opinion, satisfied  
16 good-faith obligations to try to find those interest  
17 owners?

18 A. Yes.

19 Q. Let's turn now to the last interest subject  
20 to the pooling order, and that's the interests of the  
21 heirs of D. H. Ostrom and Pearl Ostrom?

22 A. That's correct.

23 Q. Describe what you've done to try to find  
24 those people?

25 A. Well, we have located those people. We

1 proposed the well, and we've had various  
2 correspondence with them. The most recent one is they  
3 have indicated they would like to farmout; however,  
4 we've had no written agreement with them yet on  
5 farming out their interest.

6 Q. Okay. And until that occurs, then, you've  
7 proposed to include them in the pooling order and have  
8 their interest subject to the pooling?

9 A. That's correct.

10 Q. Let's go through and have you identify the  
11 correspondence that you have sent to the Ostrom  
12 interest, starting with Exhibit No. 6. What is this?

13 A. Actually this is the letter that we sent to  
14 both the Ostroms and George Gray that proposes the  
15 well and gives them the election to farmout if they  
16 didn't want to drill it. It includes the AFE for the  
17 well; it included the return receipt from the Ostroms;  
18 and a copy of the envelope where the post office  
19 returned Mr. Gray's letter. We never could find him.

20 The next letter was a previous letter; when  
21 we first started working on this prospect, the  
22 question of farmout or getting just the Ostroms to  
23 join. Mr. Evans is the son-in-law of the Ostrom  
24 heirs.

25 Q. That's Exhibit 7 to which you refer?

1           A.       Yes.

2           Q.       All right.  What's Exhibit 8?

3           A.       That would again be another offer we made  
4 to Mr. Ostrom farming out their interest.  We had once  
5 talked about maybe purchasing their interest.

6                   Exhibit 9 is some correspondence from their  
7 attorneys back in February when we first proposed this  
8 well and they wanted to see all of our geology, or  
9 proposed agreements and everything.  We agreed to show  
10 them that subject to them agreeing to farmout on  
11 specific terms, and they would not agree to that and  
12 we did not feel that we needed to show them our  
13 geology and let them decide what they're going to  
14 farmout for.  At that point we had let it drop.

15                   We proposed the well again in May, and  
16 that's our most recent correspondence which was back  
17 on October 22nd, which is Exhibit 10, where again they  
18 asked us to send them a farmout offer, and they have  
19 agreed to do that, we just didn't have anything  
20 written.

21           Q.       Describe for us, Mr. Clark, the basis for  
22 the AFE for this well?

23           A.       Well, the AFE--first of all, our company,  
24 when we first work on these prospects we get a  
25 consultant to do an AFE to run the preliminary costs.

1 Once we're ready to propose our well, our operations  
2 group does an AFE based on the consulting plus also  
3 bids they get.

4 We feel that these are costs that are  
5 similar in the area. We've drilled several other  
6 wells around this area and the costs have been roughly  
7 the same, the same as what we're showing on our AFE.

8 Q. What do you propose for the Examiner to  
9 include for an overhead rate?

10 A. For a drilling well we propose \$5,000, and  
11 for a producing well is \$500 per month.

12 Q. Is that based upon the Ernst & Young Survey  
13 of Well Costs in Southeastern New Mexico for wells at  
14 this depth?

15 A. Yes, it is.

16 MR. KELLAHIN: That concludes my  
17 examination of Mr. Clark, Mr. Examiner. We would move  
18 the introduction of his Exhibits 1 through 10.

19 EXAMINER STOGNER: Exhibits 1 through 10  
20 will be admitted into evidence.

21 EXAMINATION

22 BY EXAMINER STOGNER:

23 Q. I'm a little confused. On Exhibit No. 6 I  
24 have two AFEs. One is on about the third page--

25 A. Yes, sir.

1 Q. --of Exhibit 6, and one on Exhibit 7, where  
2 it shows Pacific Enterprises at the bottom of the  
3 page. Do you have that page?

4 A. Yes.

5 Q. Pacific Enterprises has 83.33 on one  
6 percent, and 87.5 percent on the other. And the heirs  
7 of D. H. Ostrom are shown on both of them, and only  
8 one of them is the George Gray interest shown, and on  
9 neither one of them the Fulton interest is shown. I'm  
10 a little confused.

11 A. The first exhibit, No. 6, is when we  
12 proposed it back in May. We repropoed this well  
13 again as it had been several months since we had  
14 originally proposed that. We did not have the title  
15 opinion in yet, listing Mr. Fulton, and we believed  
16 that we owned 83 percent at that time.

17 When the title opinion came out is when our  
18 interest became subject to that Fulton interest. We  
19 never did break that out because we never could locate  
20 Mr. Fulton and so we never did really have to break it  
21 out to propose it.

22 The letter dated February 8th, Exhibit 7,  
23 where it has Pacific with 87.5 and Ostrom with 12.5,  
24 that was a letter written specifically to the Ostoms  
25 and it has specific "et al.," which was including the

1 George Gray interest.

2 Q. But the expenditures, the breakout of cost,  
3 are the same on both letters?

4 A. That's correct.

5 Q. Do you know what the location of this well  
6 will be? I notice that there's two locations on both  
7 of those AFEs.

8 A. The location is going to be 1980 from the  
9 west line and 660 from the north line. We had changed  
10 our location; that was one of the reasons for  
11 reproposing it.

12 We had originally tried working with  
13 Phillips who owns to the south. Their interest is  
14 part of the federal unit, and they're not going to be  
15 able to drill it because of budgetary constraints, so  
16 we moved our location up to the north.

17 Q. And that is a standard gas well location  
18 for the north half?

19 A. Yes, it is.

20 EXAMINER STOGNER: Are there any other  
21 questions of this witness?

22 MR. KELLAHIN: No, sir.

23 EXAMINER STOGNER: If not, he may be  
24 excused. Mr. Kellahin?

25 MR. KELLAHIN: I would call at this time

1 Mr. Ricketts.

2 RICK RICKETTS

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

5 EXAMINATION

6 BY MR. KELLAHIN:

7 Q. Mr. Ricketts, for the record would you  
8 please state your name and occupation?

9 A. My name is Rick Ricketts; I'm a petroleum  
10 geologist for Pacific Enterprises Oil Company.

11 Q. Mr. Ricketts, on prior occasions have you  
12 testified as a petroleum geologist before the  
13 Division?

14 A. Yes, I have.

15 Q. You've testified before the Examiner with  
16 regards to the spacing change for the special rules  
17 for the Anderson-Penn pool?

18 A. Yes, I did.

19 Q. Based upon your geologic study of this  
20 specific area, were you able to formulate an opinion  
21 with regards to the percentage risk factor penalty to  
22 recommend to the Hearing Examiner for inclusion in the  
23 pooling order?

24 A. Yes, I have.

25 MR. KELLAHIN: We tender Mr. Ricketts as an



1 expert petroleum geologist.

2 EXAMINER STOGNER: Mr. Ricketts is so  
3 qualified.

4 Q. Mr. Ricketts, based upon your study, what  
5 is your opinion about the appropriate level of risk  
6 factor penalty to apply?

7 A. I think we should apply the maximum  
8 penalty.

9 Q. Let's turn to Exhibit No. 11.

10 A. Yes, sir.

11 Q. Do you have that before you?

12 A. Yes, I do.

13 Q. Identify for us the proposed approximate  
14 location of the well in the north half of Section 12?

15 A. It would be where the red dot is. It's  
16 approximately 1980 from the west and 660 from the  
17 north of Section 12, of 17 South, 29 East.

18 Q. What's indicated by the area outlined in  
19 yellow?

20 A. That's acreage that Pacific Enterprises  
21 has--

22 Q. --an interest in?

23 A. --an interest in, either through farmout or  
24 purchase.

25 Q. On your structure map, what is your

1 conclusion?

2 A. The conclusion is, it's a structure map on  
3 the base of the Lower Morrow Shale contoured on a  
4 50-foot contour interval. Basically, the structure in  
5 this area exhibits a monoclinal dip down into the  
6 Basin.

7 Q. Are the structural components of the  
8 geology going to be a necessary element for assigning  
9 the risk for this particular well?

10 A. No. The main thing in assigning the risk  
11 in this particular well will be the quality and  
12 presence of sand in the Morrow.

13 Q. And of the Morrow sands, what are the  
14 primary Morrow target sands for this well?

15 A. There is a sand in the Upper Morrow, called  
16 the "A sand," and the sand in the Lower Morrow we  
17 would just use a "B sand" designation.

18 Q. Have you prepared sands maps on both the A  
19 sand and the B sand?

20 A. Yes, I have.

21 Q. Let's turn at Exhibit No. 12 and look at  
22 the B sand map. In Section 18 I see a symbol for a  
23 producing gas well in the B sand?

24 A. That's correct.

25 Q. Describe that well to us.

1           A.       That's the Great Western Grayburg Deep No.  
2   1.   That has produced about almost 17 Bcf out of the A  
3   and B sands.

4           Q.       How does that cumulative volume compare to  
5   the other B-producing zones shown on the display?

6           A.       There are only two other B-producing zones  
7   on the display. Both of them down to the southeast,  
8   and another separate point bar system. Those wells  
9   down there have produced about 7 Bcf each.

10          Q.       Is it your conclusion that those two wells  
11   in 20 and 34 are separated from the producer in 18?

12          A.       Yes, it is.

13          Q.       Those sands are not continuous?

14          A.       No, sir.

15          Q.       When we look at the producer in 18, is that  
16   the first of the Morrow wells drilled in that  
17   immediate vicinity?

18          A.       Yes, it is.

19          Q.       What were the results of the three other  
20   efforts shown on the display?

21          A.       Actually, there's more than three. There  
22   has been about nine additional wells drilled within  
23   about a two-and-a-half-mile radius or a two-mile  
24   radius of the Great Western well. Four of them were  
25   dry holes, two of them were not completed in the

1 Morrow.

2           The other two wells were completed in the  
3 Morrow but not from the B sand. If you'll notice on  
4 the isopach, all of the other wells, with the  
5 exception of the well in Section 13 of 17/29, missed  
6 the B sand. The B sand was not present.

7           The well in Section 13 of 17 South 29 East,  
8 the Great Western Grayburg Deep No. 2, had B sand but  
9 it was tight and nonproductive.

10          Q.     What does that tell you about the risk of a  
11 dry hole for a penetration of the B sand in this  
12 immediate vicinity?

13          A.     Well, obviously you've got about 10 wells  
14 drilled in the immediate vicinity and only one of them  
15 produced out of the B sand; so it tells me it's a  
16 pretty high risk.

17          Q.     In your opinion, would that be the maximum  
18 risk?

19          A.     Yes.

20          Q.     Let's turn to the A zone map. Identify and  
21 describe for us your conclusions about the A sands.

22          A.     The A sand, again this is a clean sand  
23 isopach, constraint interval of five feet. Again, the A  
24 sand is present in quite a few wells in the area.  
25 However, with the lone exception of the Great Western

1 Grayburg Deep No. 1, it is either nonproductive or  
2 marginally productive.

3 If you'll notice in Section 19, Phillips  
4 has drilled their Grayburg Deep No. 10. That well has  
5 produced 41 million cubic feet of gas to date.

6 There is a well that Enron has drilled in  
7 Section 20 that has produced 165 million cubic feet of  
8 gas to date.

9 And over in Section 16 and in another sand  
10 point bar system, Texas American drilled a well that  
11 produced 238 million cubic feet of gas.

12 Q. What's your assessment of risk with regards  
13 to an A sand attempt?

14 A. Again, the risk is pretty high. You really  
15 only have one really strong A sand producer in the  
16 area. If you'll notice over in Section 1 of 17/29,  
17 ORYX drilled the China Cat Federal No. 1. It had 19  
18 foot of A sand, it was tight and dirty, and  
19 nonproductive.

20 In Section 7, Dorchester drilled a well,  
21 again nonproductive in the A sand. And the well we  
22 discussed earlier, the Grayburg Deep No. 2 in Section  
23 13 of 17/29, also had some sand present but it was not  
24 productive.

25 Q. In your opinion, then, is the maximum risk

1 factor penalty of 200 percent appropriate for  
2 application to those working interest owners that go  
3 nonconsent with regards to the A sand?

4 A. Yes, it is.

5 Q. And then finally, let's have a quick look  
6 at your stratigraphic cross-section, which is Exhibit  
7 No. 14.

8 A. It's a section hung on the top of the  
9 Morrow Clastics going, as you're looking at it, from  
10 west to east. From Section 13, the Great Western  
11 Grayburg Deep No. 2 to the Great Western Grayburg Deep  
12 No. 1, the big well in the area, the well we're keying  
13 off of, and tying up to what was originally the Cecil,  
14 Rhodes & Panoil Exploration, which is now operated by  
15 Dorchester, in Section 7.

16 Q. What does this tell you?

17 A. Again, if you'll notice the B sand is  
18 productive in the Great Western No. 1; absent in the  
19 other two wells.

20 The A sand, again productive in the Great  
21 Western No. 1, and the Great Western No. 2 it was  
22 perforated, did not recover commercial hydrocarbons.

23 In the Dorchester well in Section 7, there  
24 were some thin sands that may or may not be equivalent  
25 to the A sand that were perf'd, and the well made 1.2

1 Bcf, which would be a marginally successful Morrow  
2 well at this depth.

3 Q. Again, based upon this stratigraphic  
4 cross-section, do you see anything present here that  
5 would cause you to change your opinion that the risk  
6 should be anything less than the maximum?

7 A. No.

8 Q. Were Exhibits 11 through 14 prepared by  
9 you?

10 A. Yes, they were.

11 MR. KELLAHIN: We move the introduction of  
12 Mr. Ricketts' Exhibits 11 through 14.

13 EXAMINER STOGNER: Exhibits 11 through 14  
14 will be admitted into evidence.

15 MR. KELLAHIN: That concludes my  
16 examination of Mr. Ricketts.

17 EXAMINATION

18 BY EXAMINER STOGNER:

19 Q. Mr. Ricketts, whenever we look at the A  
20 sand production--and I think I heard you wrong and I  
21 want to verify that--the well in Section 7, the  
22 Anderson Federal Well No. 1, that is productive from  
23 the A sand, is it not?

24 A. Yes, it is.

25 Q. And not productive from the B sand?

1 A. That's correct.

2 Q. I think I heard it different, but we have  
3 that straightened out.

4 Now, is that well in the Anderson-  
5 Pennsylvanian pool?

6 A. Yes, it is.

7 Q. That is spaced on 160?

8 A. Yes.

9 Q. And we move down to the north half of 18,  
10 which is the Great Western Grayburg Deep No. 1?

11 A. That's correct.

12 Q. And that one produces both from the A and  
13 the B sand?

14 A. That's correct.

15 Q. And that one is also in the Anderson-  
16 Pennsylvanian gas pool?

17 A. Yes.

18 EXAMINER STOGNER: Mr. Kellahin, do you  
19 know the Order Number on that Anderson-Pennsylvanian  
20 case? I believe it was Case 10068.

21 MR. KELLAHIN: I have it right here and let  
22 me look. I think it's 9332.

23 EXAMINER STOGNER: I don't think it's  
24 important. We've got the case number and we'll take  
25 administrative notice of that case and order in this



1 particular matter.

2 MR. KELLAHIN: All right. Thank you.

3 Q. Is there some Morrow production from the  
4 Grayburg-Morrow to the south and west of this  
5 particular proposal, Mr. Ricketts?

6 A. Yes, there is a Grayburg-Morrow field which  
7 sets to the southwest. This Anderson field, it's just  
8 a--you have a Grayburg Deep Unit here which is in the  
9 Anderson-Penn field, and to the southwest you have a  
10 Grayburg-Morrow field. It causes a little confusion.  
11 The Grayburg Deep Unit is not involved with the  
12 Grayburg-Morrow field.

13 Q. Okay. Are there any--is there any  
14 production from the higher zone, such as the Wolfcamp,  
15 the Atoka and the Cisco or the Upper Pennsylvanian  
16 zones?

17 A. Not in the immediate area, no. You  
18 probably have to move out five or six miles to get  
19 production from those zones.

20 EXAMINER STOGNER: Are there any other  
21 questions of this witness? If not, he may be  
22 excused.

23 Mr. Kellahin?

24 MR. KELLAHIN: Mr. Examiner, Exhibit 15 we  
25 tender as our certificate of mailing. It shows the

1 mailing to these three parties. The only party to  
2 whom we were able to serve notification of hearing are  
3 the heirs of the Ostoms. It's marked as Exhibit No.  
4 15, and we would move its introduction at this time.

5 EXAMINER STOGNER: Exhibit No. 15 will be  
6 admitted into evidence.

7 MR. KELLAHIN: That concludes our  
8 presentation.

9 EXAMINER STOGNER: If there's nothing  
10 further in Case No. 10139, this case will be taken  
11 under advisement.

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1 CERTIFICATE OF REPORTER

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

6

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

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

18 WITNESS MY HAND AND SEAL November 13, 1990.

19

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

20

21 My commission expires: May 25, 1991

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10/13/90  
31 October 1990  
*Michael E. Higgins* Examiner  
Oil Conservation Division