

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date JANUARY 21, 1987 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Prob Haker	Byrum	Santa Fe
J. Bruce	Arakel Law Firm	Santa Fe
W. T. Kellerman	Kellerman & Kellerman Assoc	Santa Fe
Michael H. Hays	SMOCK	Santa Fe, NM

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
Santa Fe, New Mexico

21 January 1987

EXAMINER HEARING

IN THE MATTER OF:

Application of Pennzoil Company to
amend the unorthodox location
authorized by Division Order No.
R-8366, Lea County, New Mexico.

CASE
9067

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division: Jeff Taylor
Legal Counsel to the Division
Oil Conservation Division
State Land Office Bldg.
Santa Fe, New Mexico

For Pennzoil Co.: W. Thomas Kellahin
Attorney at Law
KELLAHIN, KELLAHIN & AUBREY
P. O. Box 2265
Santa Fe, New Mexico 87501

For Exxon Corp.: James G. Bruce
Attorney at Law
HINKLE LAW FIRM
P. O. Box 2068
Santa Fe, New Mexico 87501

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MR. CATANACH: We'll call this hearing to order this morning for Docket No. 3-87.

We'll call Case 9067.

MR. TAYLOR: The application of Pennzoil Company to amend the unorthodox location authorized by Division Order No. R-8366, Lea County, New Mexico.

MR. CATANACH: Are there appearances in this case?

MR. KELLAHIN: If the Examiner please, I'm Tom Kellahin of Santa Fe, New Mexico, appearing on behalf of the applicant.

MR. BRUCE: Mr. Examiner, I'm Jim Bruce from Santa Fe, representing Exxon Corporation.

MR. KELLAHIN: Mr. Examiner, in December of '86 Pennzoil obtained a decision from the Commission in Order No. R-8366 which approved a surface location for the subject well 1980 from the east line and 150 feet from the south line of Section 4.

I've asked Pennzoil to prepare me a plat to demonstrate to you the reason for their application in Case 9067, and I will show that to you now.

The original Order 8366 approved the location subject to certain provisions and conditions in the Shipp Strawn Pool.

1 Subsequent to the order when
2 the site was being prepared for the drilling of the well and
3 the surveyor was out there staking the exact location, it
4 became apparent to Pennzoil for the first time that the pro-
5 posed and approved location shown on this diagram as identi-
6 fied by the letter "A" is virtually over a gas sales line
7 for the Exxon well in the section to the south.

8 Realizing the inability to
9 drill that location, Pennzoil has requested that the surface
10 location be amended, allow it move the surface location 100
11 feet farther to the west, so that we'll be off the gas sales
12 line, the well can be drilled, and the necessary pads and
13 pits put in place.

14 The original case was contes-
15 ted. Mr. Bruce represented Exxon. I've contacted Mr. Bruce
16 and he says his client has no objection to the amendment and
17 the location.

18 In addition, the Faskins in-
19 terests were represented by Mr. Padilla at that hearing. I
20 have contacted Mr. Padilla and obtained from him the fact
21 that while Faskins originally objected to the change in lo-
22 cation that they no longer object.

23 And, finally, Phillips proposed
24 location, and I have contacted Mr. Peter Ives of the Camp-
25 bell firm, who represented Phillips, and obtained from him

1 yesterday information that Phillips does not oppose the
2 change in the location.

3 That being the case, Mr. Exam-
4 iner, we had previously requested the Commission to docket
5 this case to show that in the absence of any objection the
6 Division would recommend to the Director that the Order 8366
7 be amended as we propose, and there appears to be no opposi-
8 tion at the hearing today, and we would so request the
9 change.

10 MR. CATANACH: Mr. Bruce, would
11 you like to make a statement?

12 MR. BRUCE: I have nothing to
13 add. Exxon supports Pennzoil's application.

14 MR. CATANACH: There being no
15 further testimony, this case will be taken under advisement.

16

17 (Hearing concluded.)

18

19

20

21

22

23

24

25

C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO
HEREBY CERTIFY the foregoing Transcript of Hearing before
the Oil Conservation Division (Commission) was reported by
me; that the said transcript is a full, true, and correct
record of the hearing, prepared by me to the best of my
ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 9067
heard by me on 1/21 1987

David L. Caton, Examiner
Oil Conservation Division