

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
4 STATE LAND OFFICE BUILDING
5 SANTA FE, NEW MEXICO

6 30 March 1988

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of TXO Production Cor- CASE
10 poration for an amendment to Divi- 9351
11 sion Order No. R-8570, Lea County,
12 New Mexico.

13 BEFORE: Michel E. Stogner, Examiner

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16 TRANSCRIPT OF HEARING

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18 A P P E A R A N C E S

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20 For the Commission: Charles E. Roybal
21 Legal Counsel for the Division
22 Oil Conservation Division
23 State Land Office Bldg.
Santa Fe, New Mexico 87501

24 For the Applicant: Chad Dickerson
25 Attorney at Law
DICKERSON, FISK & VANDIVER
Seventh and Mahone/Suite E
Artesia, New Mexico 88210

1 MR. STOGNER: This hearing will
2 come to order for Docket No. 10-88. Today is March 30th,
3 1988, and I am Michael E. Stogner, appointed Examiner for
4 today's cases.

5 We will call first Case Number
6 9351.

7 MR. ROYBAL: Application of XTO
8 Production Corporation for amendment to Division Order No.
9 R-8570, Lea County, New Mexico.

10 MR. STOGNER: Call for appear-
11 ances.

12 MR. DICKERSON: Mr. Examiner,
13 I'm Chad Dickerson of Artesia, New Mexico, on behalf of the
14 applicant and I have one witness.

15 MR. STOGNER: Are there any
16 other appearances in this matter?

17 You may continue, Mr. Dicker-
18 son.

19 MR. DICKERSON: You want to
20 swear my witness?

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(Witness sworn.)

1 CAROL MORGAN SLEDGE,
2 being called as a witness and being duly sworn upon her
3 oath, testified as follows, to-wit:

4

5 DIRECT EXAMINATION

6 BY MR. DICKERSON:

7 Q Will you state your name, your occupa-
8 tion, and by whom you're employed?9 A My name is Carol Morgan Sledge. I'm em-
10 ployed by TXO Production Corp. as a landman.11 Q And, Ms. Sledge, you have not previously
12 testified before this Division as a landman, have you?

13 A No, I have not.

14 Q Will you very briefly summarize your edu-
15 cational and employment background for the Examiner?16 A I graduated with a PLM degree at the Uni-
17 versity of Texas.18 I worked at Tenneco for two years and
19 I've worked at TXO for four and a half years.20 Q And are you familiar with the application
21 of TXO in Case 9351 and the preceding case dealing with this
22 same matter?

23 A Yes, I am.

24 MR. DICKERSON: Are the wit-
25 ness' qualifications satisfactory, Mr. Stogner?

1 MR. STOGNER: She is so quali-
2 fied.

3 Q Ms. Sledge, will you summarize the pur-
4 pose of TXO's application in Case 9351?

5 A The purpose is to amend the Order No.
6 8570.

7 We attempted to re-enter the Hightower
8 No. 1 Well to directionally drill a location. It was unsuc-
9 cessful. We had to plug that particular location and we are
10 seeking to get the order amended to drill at the current lo-
11 cation.

12 Q What is the proposed location for your
13 new well.

14 A The proposed location is 571 feet from
15 the north line, 554 feet from the east line of Section 4.

16 Q And what is -- are you currently drilling
17 your new proposed well?

18 A Yes, we are.

19 Q What was the date that well was spudded?

20 A That was spudded March 9th, 1988. We had
21 -- the order date that we had to re-enter by was March 15th.

22 Q And what's the current status of those
23 drilling operations?

24 A They are currently drilling, about 9200
25 feet.

1 Q And that is at a standard location under
2 the Shipp Strawn Pool rules?

3 A Yes, it is.

4 Q Okay, and the directional drilling por-
5 tion of TXO's proposed operations no longer are going to be
6 carried out. This well will be drilled vertically to total
7 depth?

8 A Yes.

9 Q Ms. Sledge, will you identify what we've
10 submitted to the Examiner as Exhibit Number One and tell him
11 what that is?

12 A Exhibit Number One is Form C-103. plug-
13 ging and abandonment of the re-entry.

14 Q Summarizing your unsuccessful attempt to
15 re-enter the Hightower No. 1 Well?

16 A Yes.

17 Q And identify for Mr. Stogner what we've
18 submitted to him as Exhibit Number Two, please.

19 A It's an affidavit of all letters sent to
20 the force pooled parties.

21 Q What is the current status of the parties
22 who have not agreed to pool their interest at this time?

23 A Sun and Texaco have agreed to participate
24 under a joint operating agreement.

25 Leroy, Inc. is farming out to TXO. Lan

1 roy, Inc. and McGinley are both going under the order, par-
2 ticipating, and the only person we haven't come to any deal
3 with is Spear Brothers.

4 Q So the only parties remaining from the
5 original parties sought to be pooled in this case or its
6 predecessor are Lanroy, McGinley and the Spear Brothers in-
7 terest?

8 A Yes.

9 MR. DICKERSON: Mr. Stogner, I
10 move admission of TXO Exhibits One and Two and I have no
11 further questions of Ms. Sledge.

12 MR. STOGNER: Exhibits One and
13 Two will be admitted into evidence at this time.

14
15 CROSS EXAMINATION

16 BY MR. STOGNER :

17 Q Ms. Sledge, do you propose that all other
18 provisions that were established in the Order No. R-8570 al-
19 so be carried over to this same well?

20 A Yes.

21 Q And, if I remember right, that's 200 per-
22 cent risk?

23 A Yes.

24 Q And do you remember what the overhead
25 charges were?

1 A (Unclear.)

2 Q At this time I'll take administrative no-
3 tice of Case Number -- the case that was involved in Order
4 No. R-8570. I don't have that case number just handy.

5 MR DICKERSON: 9233, Mr. Exam-
6 iner.

7 MR. STOGNER: 9233, and I have
8 no further questions of this witness.

9 Are there any other questions
10 of Ms. Sledge?

11 MR. DICKERSON: No.

12 MR. STOGNER: You may be ex-
13 cused.

14 Mr. Dickerson, do you have any-
15 thing further in Cases Number 9351?

16 MR. DICKERSON: No, sir, I do
17 not.

18 MR. STOGNER: Does anybody else
19 have anything further in Case Number 9351?

20 This case will be taken under
21 advisement.

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23 (Hearing concluded.)

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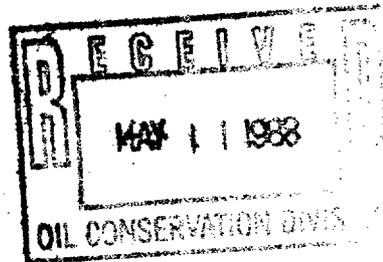
C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY that 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. 9351, heard by me on 30 March 1988.

Michael E. Rogers, Examiner
Oil Conservation Division



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