

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

IN THE MATTER OF THE HEARING)
CALLED BY THE OIL CONSERVATION)
DIVISION FOR THE PURPOSE OF)
CONSIDERING:)
)
APPLICATION OF NEARBURG PRODUCING)
COMPANY FOR AN UNORTHODOX GAS WELL)
LOCATION, LEA COUNTY, NEW MEXICO)
)

CASE NO. 11,393

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

RECEIVED

October 5th, 1995

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Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, October 5th, 1995, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

October 5th, 1995
 Examiner Hearing
 CASE NO. 11,393

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

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Legal Counsel to the Division
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FOR NEARBURG EXPLORATION COMPANY:

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Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 9:05 a.m.:

3 EXAMINER STOGNER: At this time I'll call Case
4 Number 11,393.

5 MR. CARROLL: Application of Nearburg Producing
6 Company for an unorthodox gas well location, Lea County,
7 New Mexico.

8 EXAMINER STOGNER: At this time I'll call for
9 appearances.

10 MR. CARR: May it please the Examiner, my name is
11 William F. Carr with the Santa Fe law firm Campbell, Carr
12 and Berge. We represent Nearburg Exploration Company in
13 this matter.

14 I have two witnesses, Mr. Michael Gray and Mr.
15 Jerry Elger. I would request that the record reflect that
16 both witnesses testified in the previous case, remain under
17 oath and that their qualifications in the field of
18 petroleum land matters and petroleum geology have been
19 accepted and made a matter of record.

20 EXAMINER STOGNER: Thank you, Mr. Carr. Let the
21 record so show that Mr. Gray and Mr. Elger have been
22 previously qualified and sworn in the previous case, Number
23 11,360.

24 MR. CARROLL: Mr. Carr, I have a question.

25 This is the Application of Nearburg Producing

1 Company in the ad, and it's Nearburg Exploration Company
2 that's --

3 MR. CARR: I will ask Mr. Gray just to explain
4 the relationship between those two entities.

5 MR. CARROLL: Okay.

6 MICHAEL M. GRAY,
7 the witness herein, after having been first duly sworn upon
8 his oath, was examined and testified as follows:

9 DIRECT EXAMINATION

10 BY MR. CARR:

11 Q. Will you state your name for the record?

12 A. Michael M. Gray.

13 Q. By whom are you employed?

14 A. I'm a consulting landman for Nearburg Producing
15 Company.

16 Q. Can you explain to the Examiner the relationship
17 between Nearburg Producing Company and Nearburg Exploration
18 Company?

19 A. Nearburg Exploration Company is a sole
20 proprietorship owned by Charles Nearburg of Dallas, Texas,
21 and is the owner of leases in the Nearburg operation.

22 Nearburg Producing Company is a corporation, the
23 sole stockholder of which is Charles Nearburg of Dallas,
24 Texas, and Nearburg Producing Company functions as the
25 operator in the Nearburg group of companies in their oil

1 and gas business.

2 Q. Mr. Gray, if this Application is granted and the
3 unorthodox well location approved, who will actually be
4 operating the proposed well?

5 A. Nearburg Producing Company.

6 Q. What is your title with Nearburg?

7 A. I'm a consulting landman.

8 Q. Have you previously testified before this
9 Division?

10 A. Yes.

11 Q. And you are familiar with the Application filed
12 in this case on behalf of Nearburg?

13 A. Yes.

14 Q. Are you familiar with the status of the lands in
15 the area surrounding the proposed well location?

16 A. Yes, I am.

17 Q. Could you briefly summarize what Nearburg seeks
18 with this Application?

19 A. Nearburg seeks an unorthodox location in the --
20 for a unit consisting of the south 320 acres of Section 2,
21 21 South -- Excuse me, Section 1, 21 South, Range 32 East,
22 in Lea County, New Mexico, the location being 1980 feet
23 from the south line and 660 feet from the west line of the
24 section.

25 Q. And in what pool will this well in fact be

1 completed?

2 A. The Hat-Morrow Gas Pool [sic].

3 Q. And what are the well location requirements for
4 this pool?

5 A. The well location requirements for this pool, I
6 believe, are -- the standard location window would be
7 1980 -- for this particular unit, 1980 from the west line
8 and 1980 feet from the south line.

9 Q. It would be under statewide rules; is that
10 correct?

11 A. Yes, that's correct.

12 Q. And a 1980 location from the end line would be
13 appropriate and a 660 from the side boundary; is that
14 right?

15 A. Yes, that's correct.

16 Q. And this well is unorthodox because a south-half
17 spacing unit has been dedicated to the well instead of a
18 standup unit; is that right?

19 A. That's correct.

20 Q. All right. Let's go to what has been marked as
21 Nearburg Exhibit Number 1.

22 Can you identify this exhibit and review it for
23 Mr. Stogner?

24 A. Yes, this is a locator map depicting the south
25 half of Section -- or excuse me, the south 320 acres of

1 Section 1 and the surrounding acreage on the land map.

2 Q. The well is also indicated; is that correct?

3 A. Yes, that's correct.

4 Q. Is there also a well that previously produced
5 from the Morrow in this south-half unit?

6 A. Yes, there's a dryhole -- excuse me, an abandoned
7 well in the -- what would amount to the -- normally be
8 described as the southeast quarter of the southwest
9 quarter.

10 Q. And that well is plugged and abandoned?

11 A. Yes, it is.

12 Q. Is any acreage in Section 1 currently dedicated
13 to a well?

14 A. Yes, the well that you see in the eastern center
15 160, is dedicated to a unit which would cover lots -- well,
16 again, cover what would, in a normal section, be considered
17 the east half of the section, or the northeast half.

18 Q. And so basically what we've got is an irregular
19 section?

20 A. Yes, it's a long section.

21 Q. And you would have a standup 320-acre unit in the
22 northeast portion of that irregular section?

23 A. That's correct.

24 Q. What would be the effect of trying to develop the
25 remaining portion of this unit with a standup location in

1 the southwest portion of this irregular section?

2 A. Well, a standup location, the first problem that
3 we have, the 40 acres -- the 40 acres in Unit K, which
4 shows Nearburg Exploration on this map, expiration of
5 6-1-95, is a BLM acreage that is open and is not leasable
6 at the present time because of Department of Energy
7 restrictions related to the WIPP program. That acreage
8 cannot be purchased right now, or nominated for purchase
9 from the BLM.

10 In addition, a standup unit would create some
11 160-acre holes, so to speak, that would be difficult to
12 develop in the future.

13 Q. So if you turned this spacing unit, had a standup
14 unit in the southwest corner of this irregular Section 1,
15 in fact, you'd be isolating 160 acres in the southeast
16 portion of the irregular section; is that not right?

17 A. That's correct.

18 Q. You'd also be isolating a 160-acre tract in the
19 northwest corner of this irregular unit?

20 A. That's correct.

21 Q. So to try and develop this with a standup unit,
22 thereby making the well a standard location, would create
23 subsequent problems for development of this acreage?

24 A. Possibly, yes, sir.

25 Q. Nearburg did approach the BLM about making that

1 40-acre tract in the center of the section available for
2 fees lease, did it not?

3 A. We had our agent attempt to nominate the acreage,
4 and we were informed that this acreage could not be
5 nominated and would not be allowed to be sold until an
6 environmental assessment for the Waste Isolation Plant
7 program was completed.

8 Q. All right. Let's go to what's been marked as
9 Exhibit Number 2.

10 Would you identify that, please?

11 A. Exhibit Number 2, again, depicts the proposed
12 unit, the location and the acreage and ownership
13 surrounding the proposed location.

14 Q. This does not show the 40-acre unleased tract?

15 A. No, sir, it doesn't.

16 Q. Who are the offsetting owners toward whom the
17 well is being moved by virtue of this laydown unit?

18 A. Phillips Petroleum, Grace Petroleum and Meridian
19 Company.

20 Q. Mr. Gray, is Exhibit Number 3 an affidavit with
21 attached letters confirming that notice of this Application
22 and hearing have been provided to Meridian, Phillips and
23 Grace Petroleum Corporation?

24 A. Yes, sir.

25 Q. Will Nearburg also be calling a geological

1 witness to review the technical portions of this case?

2 A. That's correct.

3 Q. Were Exhibits 1 through 3 either prepared by you
4 or compiled under your direction?

5 A. Yes, sir.

6 MR. CARR: At this time, Mr. Stogner, we would
7 move the admission into evidence of Nearburg Exhibits 1
8 through 3.

9 EXAMINER STOGNER: Exhibits 1 through 3 will be
10 admitted into evidence at this time.

11 MR. CARR: And that concludes my direct
12 examination of Mr. Gray.

13 EXAMINATION

14 BY EXAMINER STOGNER:

15 Q. Mr. Gray, in looking at Exhibit Number 2, in the
16 middle portion of Section 2, you have 160 acres outlined
17 out, given to Grace Petroleum and Meridian Oil, Inc.?

18 A. Yes, sir.

19 Q. Is that presently or currently in a 320-acre
20 proration unit, that particular acreage, that you know of?

21 A. Not that I'm aware of.

22 Q. If a 320 -- Okay, let's look at the Phillips
23 acreage to the south of that. Is that presently in a
24 designated proration unit?

25 A. Yes, sir, I believe that is.

1 Q. That is, all right.

2 Okay, should a 320 acres be dedicated there in
3 that -- to that Grace Petroleum Company and Meridian Oil
4 Company acreage, consisting of 320 acres, that's still open
5 to the north and to the west?

6 A. Honestly, I'm not sure, sir.

7 EXAMINER STOGNER: I'm wondering if notification
8 is appropriate, Mr. Carr, in this particular instance,
9 since that's 160 acres that was notified, and that would
10 necessarily be a 320-acre proration unit, if the
11 appropriate parties were notified.

12 MR. CARR: Well, no matter how you turn the 320-
13 acre unit, it appears to me that the parties that you would
14 be notifying immediately affected would be Phillips in the
15 southern 320 of 2 and the Grace and Meridian interest,
16 which is, I guess, the center 160 on the side of Section 2.
17 Those would be the only parties toward whom the well is
18 actually being moved.

19 EXAMINER STOGNER: Yeah, but a 320-acre proration
20 unit would be affected, and wouldn't those parties either
21 owning some portion of the northern portion or the western
22 portion be affected?

23 MR. CARR: Well, I guess that would depend on how
24 you orient the unit, and if in fact -- Because, you know,
25 depending on how they even orient the unit, the question

1 comes up of whether or not you're really encroaching on
2 them.

3 EXAMINER STOGNER: I understand this question was
4 kicked around at the Commission hearing last week --

5 MR. CARR: Yes.

6 EXAMINER STOGNER: -- on notification on --

7 MR. CARR: Yes.

8 EXAMINER STOGNER: -- unorthodox locations. And
9 I know it's still been up in the air.

10 Q. (By Examiner Stogner) Do you know who owns that
11 property in the remainder of Section 2, other than Phillips
12 and Grace or Meridian?

13 A. I don't know off the top of my head, sir.

14 EXAMINER STOGNER: I'll tell you what, let's --
15 Mr. Carr, let's go ahead and continue with your other
16 witness, with this question in mind, and we may come back
17 to it.

18 MR. CARR: Okay.

19 EXAMINER STOGNER: So with that, I have no other
20 questions of this witness, or for Mr. Gray at this time,
21 but we should -- may need to call him, but let's go ahead
22 and hear what your --

23 MR. CARR: All right.

24 EXAMINER STOGNER: -- geologist has to say.

25 MR. CARR: Mr. Stogner, at this time we call

1 Jerry Elger.

2 JERRY B. ELGER,

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

5 DIRECT EXAMINATION

6 BY MR. CARR:

7 Q. Mr. Elger, have you made a geological study of
8 the area surrounding the proposed Minis "1" Federal Number
9 2 well?

10 A. Yes, I have.

11 Q. And have you prepared exhibits for presentation
12 in this hearing today concerning the proposed unorthodox
13 well location?

14 A. Yes, I have.

15 Q. Would you refer to what has been marked for
16 identification as Nearburg Exhibit Number 4, your structure
17 map, and review the information on that exhibit for Mr.
18 Stogner?

19 A. Exhibit Number 4 is a structure map on top of the
20 -- grid on top of the lower Morrow. It incorporates all of
21 the well control that penetrated the Morrow. And in fact,
22 the majority of those wells have been displayed as orange
23 circle, because -- designating that they are Morrow
24 producers.

25 There are also, incorporated into this display,

1 are two seismic lines, an east-west seismic line across the
2 top of Sections 13, 14, 15, 18 and a north-south seismic
3 line that runs along the west boundary of Sections 1, 12
4 and 13. That data was interpreted by Nearburg's
5 geophysicist and again incorporated in with the actual well
6 tops from the well logs, to create this map.

7 Q. Generally describe the structure in the area of
8 the proposed location.

9 A. What's long been called and referred to as the
10 Hat Mesa anticline is apparent running diagonally from
11 northwest to southeast across the south portion of Sections
12 3, the northeast portion of Section 10 and into Section 11.

13 The combination of seismic and subsurface well
14 control indicates that there's an extension of this nose
15 that runs across a portion of Section -- the south two-
16 thirds of Section 1.

17 Q. And what is the significance of the structure as
18 it relates to drilling a well at this location?

19 A. As with other cases that we've testified to, the
20 structure is apparent because -- For one reason, you can
21 get enhancement of the porosity within any of the
22 particular Morrow systems, and -- plus there's a higher
23 probability of those particular Morrow units containing --
24 being hydrocarbon-bearing rather than water-bearing.

25 Q. On this exhibit you also have a trace for a

1 cross-section, do you not?

2 A. Yes.

3 Q. Let's go out of order at this time, Mr. Elger,
4 and let's go to Nearburg Exhibit Number 8, which is the
5 cross-section, and I would ask you to review, starting on
6 the left-hand side of that exhibit, the various Morrow
7 intervals that are of interest in this case, and then
8 generally review the information on the whole exhibit.

9 A. This is a stratigraphic cross-section through the
10 Morrow of the offset wells to the -- offsetting both to the
11 east and north and west of the proposed Minis "1" Federal
12 Number 2 well.

13 The entire Morrow -- the cross-section -- The
14 datum for the cross-section is the top of the Morrow
15 clastics. Sands that have developed above that particular
16 designation of Morrow clastics have been designated as
17 upper Morrow sands. Wells that have been shaded on this
18 display as yellow are wells that comprise what we
19 collectively refer to as the middle Morrow. The top of the
20 lower Morrow is at the base again of the massive shale
21 section that's been shaded brown on this display. And
22 sands of the lower Morrow have been shaded green on this
23 display.

24 The middle Morrow, which is the primary gas
25 producing horizon for the Hat Mesa field, again, those

1 sands have shaded yellow on this display, and they have
2 been subdivided further into what I would refer to as a
3 late middle Morrow package and an early middle Morrow
4 package.

5 The perforations, the producing perforations in
6 each one of these particular well logs, has been indicated
7 by the little red marks within the depth column of each of
8 the individual log sections, so you can see where they've
9 been producing natural gas.

10 Q. Mr. Elger, let's now go back to the isopach map,
11 starting with Exhibit Number 5, the isopach on the upper
12 Morrow. I'd ask you to refer to that exhibit and review it
13 for Mr. Stogner.

14 A. Exhibit Number 5 is the first upper Morrow sand.
15 It's been identified. It's one of the orange sands in the
16 upper -- above the top of the Morrow clastic sections, and
17 it's actually the basal sand or the first sand that was
18 deposited within the upper portion of the Morrow.

19 It was perforated -- that well -- This particular
20 sand has been perforated in both of the Phillips wells at
21 A, and the next well in the south half of Section 2, and it
22 also was perforated although it was not colored in red in
23 the Gulf -- or Nearburg Minis Fed Com Number 1 in Section
24 -- in the northern two -- the northern portion of Section
25 1.

1 That is probably the most productive sand within
2 the upper part of the Morrow. Therefore, we isopached that
3 unit to determine where the maximum thickness of this
4 particular sand unit would occur. The interpretation of
5 this -- all of these upper Morrow sands is that they
6 represent offshore/nearshore bar systems, offshore bar
7 systems, which actually are oriented from the northeast to
8 the southwest, across this particular area.

9 The proposed drill site, 1980 from the north line
10 and 660 from the west line of Section 1, was selected in
11 conjunction with the previous exhibit, structure map, which
12 is Exhibit 4, to coincide with the maximum sand thickness
13 which we expect to occur on this particular location.

14 Q. All right, let's go to the isopach on the middle
15 Morrow, Exhibit Number 6.

16 A. Exhibit Number 6 represents net sand isopach of
17 the middle Morrow system, which is the upper portion.
18 Again, it's been designated on the cross-section or
19 identified on the cross-section, which sand members
20 comprise this particular unit. And again we see a
21 northeast-to-southwest orientation of this particular sand
22 member.

23 And again, I would refer to the previous well
24 that was drilled in Section 1 in this same proration unit,
25 which is the Kimball Production Company Federal Number 1,

1 and the fact that the -- not only the late middle Morrow
2 sand package but the early middle Morrow sand package,
3 which is the next exhibit we'll get to, in that wellbore
4 was -- every particular sand -- every one of the sands
5 within that -- the entire middle Morrow section, was
6 perforated and production tested within that particular
7 wellbore.

8 You notice that the -- each one of the individual
9 packages is very thin, appears to be very thin. And
10 collectively, this well only produced 458 million cubic
11 feet of gas, which we consider to be noncommercial, for the
12 expense of drilling to this depth.

13 The interpretation of this particular well is
14 that it was situated on the southeast side of each one of
15 these northeast-southwest oriented bar systems within the
16 Middle Morrow. Therefore, in order to drill a well at the
17 maximum thickness within each one of these bar systems, as
18 they've been interpreted across this area, we would have to
19 drill somewhere to the northeast of this particular well,
20 and that again is represented by the proposed drill site.

21 Q. Okay, let's go to Exhibit 7.

22 A. Exhibit 7, again, is interpretation of the sands
23 comprising the early middle Morrow system. Again, it's the
24 same sort of isopach. It's a net sand isopach. Greater
25 than 8-percent porosity has been plotted in association

1 with each one of these sand units.

2 And again, we see the Kimball well previously
3 drilled in the south third of Section 1, as being located
4 on the southeast portion of this particular bar system,
5 which runs again -- a greater thickness being exposed at
6 the proposed test well location.

7 Q. What geological conclusions can you reach
8 concerning the proposed unorthodox well location?

9 A. That geologically, the only potential location
10 within Section 1 to maximize the reserve potential which is
11 needed to justify drilling to 14,500 feet, which is the
12 depth of the -- test all of these particular sands in this
13 area, needs to be -- needs to have as much reservoir-
14 quality sand exposed within that wellbore as possible and
15 also have that sand present at the maximum structural
16 position.

17 We think that the proposed drill site of, again,
18 1980/660 from the west represents that particular location,
19 based on all of this evidence and testimony.

20 Q. Mr. Elger, in your opinion will approval of this
21 Application and drilling of the Minis "1" Federal Number 2
22 well at the proposed unorthodox location be in the best
23 interest of conservation, the prevention of waste and the
24 protection of correlative rights?

25 A. Yes, it would.

1 Q. Were Exhibits 4 through 8 prepared by you?

2 A. Yes, they were.

3 MR. CARR: At this time, Mr. Stogner, we would
4 move the admission into evidence of Nearburg Exhibits 4
5 through 8.

6 EXAMINER STOGNER: Exhibits 4 through 8 will be
7 admitted at this time.

8 MR. CARR: And that concludes my direct
9 examination of Mr. Elger.

10 EXAMINATION

11 BY EXAMINER STOGNER:

12 Q. Mr. Elger, in referring to Exhibit Number 4, are
13 these the Morrow wells that you reviewed in coming up with
14 your geologic conclusions?

15 A. Yes, they are.

16 Q. I have two wells over in Section 2; is that what
17 you have? Morrow --

18 A. Yes.

19 Q. -- producers?

20 Do you know what the dedicated acreage to those
21 wells are?

22 A. I do not know that.

23 Q. What are they spaced on?

24 A. If I had to guess, I would say the well that's
25 included on the cross-section, which is the Phillips Hat

1 Mesa "A" Number 1, would be -- a comparable units, a
2 laydown south one-third of Section 2, and that the other
3 well over in the west portion of Section 2 would be a
4 standup 320 -- in the remaining 640 of that section, would
5 be a standup 320.

6 Q. Do you know who operates that well?

7 A. I know Phillips operates the well, the Hat Mesa
8 "A" Number 1. I would think Kaiser-Francis may operate it,
9 although they probably did not originally drill the well.
10 That would be a guess.

11 Q. And you're just speculating that that's a standup
12 proration unit?

13 A. Yes, I'm just speculating on that.

14 EXAMINER STOGNER: Mr. Carr --

15 MR. CARR: Yes, sir.

16 EXAMINER STOGNER: -- this issue is still bugging
17 me a little bit, especially if that be a laydown proration
18 unit, since that information is available here in our
19 office.

20 Why don't we, during our recess -- We'll take a
21 recess at this point and let you look that up, or let you
22 and the witnesses look that up, and make sure that that's
23 the case.

24 More than likely I share with Mr. Elger that that
25 is the proration unit. However, that could have been at an

1 unorthodox location also.

2 MR. CARR: All right.

3 Q. (By Examiner Stogner) Okay. The well that's in
4 the southernmost portion of Section 1, or the old well, the
5 abandoned Morrow producer?

6 A. Yes.

7 Q. How long did that well produce?

8 A. I don't know the date of last production, but I
9 -- looking at the heading on the log, it was run number
10 three, which was -- the final log pass occurred in the
11 middle portion of 1973.

12 And my -- If I had to guess, I would say it
13 lasted for three or four years, maybe five.

14 Q. This middle Morrow is typical of your channel
15 sands in the Morrow?

16 A. Bar sands.

17 Q. Bar sands?

18 A. Uh-huh.

19 Q. When I look at your other exhibits, 5, 6 and 7,
20 and the other Morrow producers outside of the yellow-shaded
21 area, am I to assume that that's -- that Morrow production
22 is from another sand or another bar or separated channel?

23 A. Separated bar systems, yes, sir.

24 EXAMINER STOGNER: Okay, Mr. Carr, I'm going to
25 leave the record open and continue with the case. We'll be

1 right back up, and after our recess we'll just call on you
2 to take it under advisement or...

3 All right, do you have anything further at this
4 time?

5 MR. CARR: We have nothing further in this case
6 at this time, Mr. Stogner.

7 EXAMINER STOGNER: All right.

8 (Thereupon, a recess was taken at 9:35 a.m.)

9 (The following proceedings had at 10:03 a.m.)

10 EXAMINER STOGNER: Go back on the record. We'll
11 review or return to Case Number 11,393.

12 Mr. Carr?

13 MR. CARR: Mr. Stogner, during the recess we have
14 been able to confirm that the Phillips well in the south
15 320 acres of Section 2 has the south-half unit dedicated to
16 it, that the well in the west of Section 2 is operated by
17 Sampson Resources Company. There's a standup 320-acre unit
18 dedicated to that well in the northern portion of the west
19 half of Section 2.

20 EXAMINER STOGNER: And it is your opinion,
21 pursuant to the rules that are current --

22 MR. CARR: -- that notice has been given to those
23 parties who are adversely -- could be adversely affected by
24 the location.

25 EXAMINER STOGNER: Or at least complies with what

1 is stated in the --

2 MR. CARR: Yes, sir, in the OCD rules.

3 EXAMINER STOGNER: Okay. Then this case will be
4 taken under advisement.

5 Thank you, sir.

6 (Thereupon, these proceedings were concluded at
7 10:04 a.m.)

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CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; 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.

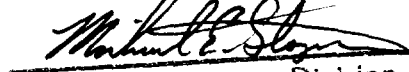
WITNESS MY HAND AND SEAL October 12th, 1995.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11393, heard by me on 5 October 1995.

 , Examiner
 Oil Conservation Division