

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 YATES PETROLEUM)
CORPORATION FOR AN UNORTHODOX GAS WELL)
LOCATION, LEA COUNTY, NEW MEXICO)

CASE NO. 11,621

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

November 7th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, November 7th, 1996, 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.

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I N D E X

November 7th, 1996
Examiner Hearing
CASE NO. 11,621

	PAGE
REPORTER'S CERTIFICATE	7

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A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE and SHERIDAN, P.A.
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 1:09 p.m.:

3 EXAMINER STOGNER: At this time I'll call next
4 case, Number 11,621.

5 MR. CARROLL: Application of Yates Petroleum
6 Corporation for an unorthodox gas well location, Lea
7 County, New Mexico.

8 EXAMINER STOGNER: Call for appearances.

9 MR. CARR: May it please the Examiner, my name is
10 William F. Carr with the Santa Fe law firm Campbell, Carr,
11 Berge and Sheridan. I'd like to enter my appearance in
12 this case for Yates Petroleum Corporation. I have no
13 witnesses.

14 EXAMINER STOGNER: Let's see, Mr. Carr, this
15 Application was for an unorthodox location for the
16 Papalotes Unit Well Number 1 --

17 MR. CARR: Yes, sir.

18 EXAMINER STOGNER: -- in the Atoka formation --

19 MR. CARR: That's right.

20 EXAMINER STOGNER: -- and it was advertised in
21 the absence of objection?

22 MR. CARR: Yes, sir. I might just briefly
23 summarize how we got to this point today.

24 On August 28, an administrative application was
25 filed by Yates for the Papalotes Well Number 1. It's in

1 the undesignated Atoka Gas Pool, 1960 feet from the south
2 line and 330 feet from the east line of Section 34,
3 Township 14 South, Range 34 East, in Lea County, New
4 Mexico, and the east-half dedication is now proposed.

5 Initially, Yates proposed and planned to complete
6 the well in the Strawn, at a standard location in the
7 northeast quarter of the southeast quarter.

8 They drilled deeper down to the Chester, they
9 have completed the well in the Atoka, and notice of the
10 administrative application was provided to affected
11 parties.

12 But Yates was notified on September the 9th that
13 this procedure didn't qualify for the administrative
14 approval process, and the case was set for hearing, and the
15 reason simply is that they hadn't drilled deeper and then
16 were coming back up the hole to an approved unorthodox
17 location; they in fact were going deeper.

18 And so what we have done, we met with the
19 Division and we renotified all affected parties of today's
20 hearing, and I have provided you, Mr. Stogner, with a copy
21 of the affidavit and attached notice letters.

22 And I have also provided you with a copy of the
23 original administrative application, which sets out the
24 history of the well.

25 And based on these two things, we would request

1 that you take this matter under advisement, based on the
2 administrative application and the renotification.

3 We -- As you will note, there were appearances in
4 the case filed by Amerind in Santa Fe, and we have met with
5 them and have exchanged information on the well and were
6 advised yesterday that they were no longer going to oppose
7 or otherwise participate in this proceeding.

8 So we submit that the case is in a proper posture
9 to be taken under advisement.

10 EXAMINER STOGNER: Such application being
11 received and made a part of the record in this case,
12 further correspondence from yourself, and also an entry of
13 appearance -- but he's not here today -- by Jim Bruce for
14 Santa Fe Energy --

15 MR. CARR: Yes, sir.

16 EXAMINER STOGNER: -- that will be noted.

17 MR. CARR: And Mr. Kellahin also appeared for
18 Amerind in this case, and Amerind and Santa Fe were the two
19 parties with whom we have shared information.

20 EXAMINER STOGNER: Oh, yeah, you're referring to
21 Mr. Kellahin's letter of October 15th?

22 MR. CARR: Yes, sir.

23 EXAMINER STOGNER: And I was referring to Mr. Jim
24 Bruce's letter of October 30th.

25 MR. CARR: Right.

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EXAMINER STOGNER: Both a part of this records
Okay, if there's nothing further in Case Number
11,621, this matter will be taken under advisement.

MR. CARR: Thank you, Mr. Stogner.

(Thereupon, these proceedings were concluded at
1:15 p.m.)

* * *

I do hereby certify that the foregoing is
a complete record of the proceedings in
the examination of Case No. 11621,
heard by me on November 7, 1996.
Michael P. Stogner, Examiner
Oil Conservation Division

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 November 16th, 1996.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998