

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: ) CASE NO. 12,921  
)  
APPLICATION OF V-F PETROLEUM, INC., FOR )  
AN UNORTHODOX GAS WELL LOCATION AND )  
SIMULTANEOUS DEDICATION, EDDY COUNTY, )  
NEW MEXICO )  
\_\_\_\_\_ )

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

September 5th, 2002

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, September 5th, 2002, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, 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

September 5th, 2002  
 Examiner Hearing  
 CASE NO. 12,921

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\* \* \*

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

## FOR THE DIVISION:

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Santa Fe, New Mexico 87504-2208  
By: WILLIAM F. CARR

\* \* \*

## ALSO PRESENT:

WILLIAM V. JONES, JR.  
Petroleum Engineer  
New Mexico Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, NM 87505

\* \* \*

1                   WHEREUPON, the following proceedings were had at  
2   8:15 a.m.:

3  
4  
5  
6  
7  
8                   EXAMINER CATANACH: Let's go ahead and call the  
9   hearing to order for Docket Number 26-02.

10                  Let me call the continuances and dismissals  
11   first.

12                  (Off the record)

13                  EXAMINER CATANACH: At this time I'll call Case  
14   12,921, which is the Application of V-F Petroleum, Inc.,  
15   for an unorthodox gas well location and simultaneous  
16   dedication, Eddy County, New Mexico.

17                  Call for appearances.

18                  MR. CARR: May it please the Examiner, my name is  
19   William F. Carr with the Santa Fe office of Holland and  
20   Hart, L.L.P. We represent V-F Petroleum, Inc., in this  
21   matter, and I have one witness.

22                  EXAMINER CATANACH: Any additional appearances in  
23   this case?

24                  There being none, please stand to be sworn in.

25                  (Thereupon, the witness was sworn.)

1                                    LOUIS J. MAZZULLO,

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

4                                    DIRECT EXAMINATION

5        BY MR. CARR:

6                Q.     Would you state your name for the record, please?

7                A.     My name is Louis J. Mazzullo.

8                Q.     Mr. Mazzullo, where do you reside?

9                A.     Albuquerque, New Mexico.

10              Q.     By whom are you employed?

11              A.     I'm a self-employed petroleum geological  
12        consultant.

13              Q.     And what is your relationship with V-F Petroleum,  
14        Inc.?

15              A.     I am retained by V-F Petroleum, Inc., as a  
16        geological consultant.

17              Q.     Have you previously testified before the New  
18        Mexico Oil Conservation Division?

19              A.     Yes, I have.

20              Q.     At the time of that testimony, were your  
21        credentials as an expert in petroleum geology accepted and  
22        made a matter of record?

23              A.     They were.

24              Q.     Are you familiar with the Application of V-F  
25        Petroleum, Inc., filed in this case?

1 A. Yes, I am.

2 Q. Are you familiar with V-F Petroleum's proposal to  
3 simultaneously dedicate two Morrow gas wells to a quarter  
4 section in the north half of Section 31, Township 17 South,  
5 Range 31 East?

6 A. Yes, I am.

7 Q. Are you familiar with the status of the ownership  
8 of the lands in the area of this Application?

9 A. Yes, I am.

10 Q. Have you made a geological study of the Morrow  
11 formation in the area which is the subject of this case?

12 A. I supervised and modified an interpretation, a  
13 geological interpretation of the Morrow.

14 Q. Are you prepared to share the results of your  
15 work with the Examiner?

16 A. Yes, I am.

17 MR. CARR: Are the witness's qualifications  
18 acceptable?

19 EXAMINER CATANACH: They are.

20 Q. (By Mr. Carr) Mr. Mazzullo, initially would you  
21 summarize for Mr. Catanach what it is that V-F Petroleum,  
22 Inc., seeks with this Application?

23 A. V-F Petroleum seeks authorization to re-enter and  
24 recomplete the Dow "B" Federal Well Number 2, which they  
25 now own, at an unorthodox well location that's 660 feet

1 from the north line and 2310 feet from the west line of  
2 Section 33, Township 17-31, in Eddy County, New Mexico, and  
3 they want to recomplete it in the lower Morrow sand, in the  
4 East Cedar Lake-Morrow Gas Pool.

5 Q. Mr. Mazzullo, is that well at an unorthodox  
6 location?

7 A. Yes, it is.

8 Q. And has that previously been approved by the  
9 Division?

10 A. It was approved by Order Number NSL-3856.

11 Q. Now, that's the first well, the Dow "B" Federal  
12 Number 2?

13 A. Yes.

14 Q. What is the other well that's the subject of the  
15 Application?

16 A. The other subject of the Application is the  
17 authorization to simultaneously dedicate the existing 320-  
18 acre gas spacing unit, comprised of the north half of the  
19 section, to the Dow "B" Federal Well Number 2, which is to  
20 be completed in the lower Morrow sand, and the newer Denali  
21 "33" Federal Well Number 2, which produces currently from a  
22 middle Morrow sand.

23 Q. And what will govern the development of this  
24 acreage in the Morrow?

25 A. I believe that would be statewide Rule 104.C,

1 320-acre spacing, 660-foot setbacks.

2 Q. Do the Rules require that if an additional well  
3 is drilled on a 320-acre unit it shall be located in the  
4 quarter section not containing the initial well?

5 A. Yes.

6 Q. And that's the provision we're seeking an  
7 exception to here today?

8 A. That's right.

9 Q. Have you prepared exhibits for presentation in  
10 this case?

11 A. I have.

12 Q. Let's go to what has been marked for  
13 identification as V-F Petroleum, Inc., Exhibit Number 1.  
14 I'd ask you to first identify this and then review the  
15 information on it.

16 A. Exhibit Number 1 is a land plat of the subject  
17 area showing the north half of Section 33, 17-31,  
18 highlighted in yellow, a partial line of cross-section  
19 across the section showing a well in Section 32, the Denali  
20 Federal 1 and 2 well cluster in the middle, and the Dow "B"  
21 Federal well at the end, on the right side of that line of  
22 cross-section.

23 Q. Now, before we go to the cross-section, could you  
24 identify the offset operators for Mr. Catanach?

25 A. Yes, I can. The south half unit of Section 33 is



1 also leased by V-F Petroleum. The lands adjacent in  
2 Section 27, the southwest quarter of Section 27, the west  
3 half of Section 34, the west half and the east half of  
4 Section 34, are federal acreage that is currently open,  
5 previously leased by Heyco.

6 The south half of Section 28, to the north of the  
7 subject proration unit, is currently leased by Texaco. The  
8 east half of Section 32, offsetting our acreage to the  
9 west, is currently leased by Heyco. And the south half of  
10 Section 29, to the northwest of our subject acreage, is  
11 leased by Prairie Sun.

12 Q. Is V-F Exhibit Number 2 an affidavit confirming  
13 that notice of this Application has been provided to each  
14 of the offset operators identified by you?

15 A. Yes, it has.

16 Q. And attached to that affidavit is a list of the  
17 parties notified and a copy of the letter, as well as  
18 certified receipts?

19 A. Yes.

20 Q. Let's go to what has been marked, now, as V-F  
21 Petroleum Exhibit Number 4.

22 Mr. Examiner, we don't have an Exhibit 3, the  
23 reason being that the structure map which was Exhibit 3 has  
24 been incorporated and is included on Exhibit Number 4, and  
25 so we have just an Exhibit Number 4.

1           And Mr. Mazzullo, I would ask you to first go to  
2     the structure map, which is on the right-hand side of the  
3     exhibit. Identify and review this for Mr. Catanach.

4           A.     Okay, this is a structure map drawn using a datum  
5     in the middle Morrow called the 2L marker, which is just  
6     above the subject pay zones of this Application. And the  
7     structure map shows the line of cross-section that's  
8     included on this exhibit, on the left-hand side of this  
9     exhibit, extending from M1 to M1'. It takes in a few more  
10    wells than what we saw in the previous exhibit. It goes  
11    from west to east and then down to the south part of  
12    Section 33 to incorporate all the pay zones in Section 33.

13           Simply, it shows structural decline generally to  
14    the east across the subject acreage, which is the north  
15    half of Section 33 in this case.

16           Q.     Let's go to the cross-section, and I'd ask you to  
17    review the wells shown on this portion of the exhibit.

18           A.     The cross-section on the left side of this  
19    exhibit shows the two major pay sands within the middle and  
20    lower Morrow intervals that we've defined in this area.  
21    Notice that the 2L structure marker is indicated. That  
22    corresponds to the horizon that I've mapped on the right  
23    side on the structure map.

24                   And below the 2L horizon there are two major pay  
25    zones designated as t-5, t-5a and -b, and t-3. t-5 is the

1 major producing zone in this area and is included in every  
2 well that has produced in Section 33. Some of these wells  
3 have been plugged, some of them are still currently  
4 producing.

5 The t-5b zone had been producing in the Dow "B"  
6 Federal "33" Number 2, which you see is the proposed re-  
7 entry well. It was originally completed in the t-3 zone  
8 but only produced out of the t-3 zone for about three  
9 months, I believe, or not even that, two months, before a  
10 bridge plug was set above it and a new zone was completed  
11 in the t-5b. So currently that zone t-3 in the Dow "B"  
12 Federal Number 2 is shut in, for all intents and purposes,  
13 and the t-5b zone had been producing and was subsequently  
14 abandoned in the t-5.

15 If you go over to the Denali Federal "33" Number  
16 2, which is the well that was recently drilled -- it was  
17 completed in June of this year -- it has been completed in  
18 the t-5a and probably -b zone. There's no distinguishing  
19 between the two; they're apparently connected, pressure-  
20 connected, to the t-5b.

21 You can see that the Denali Federal "33" Federal  
22 Number 2 has been completed in the t-5a and was initialed  
23 at 1100 MCF of gas a day, plus 36 barrels of water per day.

24 That zone was, by initial pressure readings,  
25 being drained by offset wells, particularly the Harvey

1 Yates Cedar "32" State Number 1, which is on the left side  
2 of the cross-section, and also by the Dow "B" Federal "33"  
3 Number 2, which was abandoned recently in the t-5.

4 Q. So what you're proposing to do is, you're  
5 proposing to re-enter the Dow "B" "33" Federal Number 2,  
6 the central well on the cross-section, and attempt to again  
7 establish production in the t-3 interval in that well?

8 A. Yes, exactly. According to my calculations, or  
9 according to the production, the two months of production,  
10 that zone, the t-3 zone, was not depleted in the Dow "B"  
11 "33" Number 2, it was merely completed in the t-5b in order  
12 to produce reserves that were being drained in other offset  
13 wells.

14 Now, we propose to go back down into the t-3 and  
15 recomplete in that zone. And as you can see from the  
16 cross-section, that zone is pretty much isolated from any  
17 other producing zones, both above it or laterally adjacent  
18 to it in any well, including the Dow "B" Federal "33"  
19 Number 2.

20 Q. And when you do that, you'll have no well on that  
21 spacing unit producing from the t-5?

22 A. On that spacing -- No, the t-5 has been abandoned  
23 on that spacing unit, the only well that was producing from  
24 it is the well that we're going to re-enter.

25 Q. And the t-5 is the well that is currently being

1 produced by the Heyco well that offsets this tract to the  
2 west?

3 A. That's correct.

4 Q. And if your Application is approved, you would  
5 have one well in the t-5 in the northwest quarter of  
6 Section 33 and one well in the t-3 in that acreage?

7 A. That's correct.

8 Q. These are separate zones?

9 A. They're separate zones.

10 Q. If you're not allowed to simultaneously dedicate  
11 by adding the Denali "33", that acreage would be subject to  
12 drainage by the Heyco well; isn't that correct?

13 A. Yes, it would be.

14 Q. And that is the reason for this Application?

15 A. Yes, it is.

16 Q. And if this Application is granted, would V-F  
17 Petroleum agree that there would be no more than two Morrow  
18 wells drilled and producing, recompleted and capable of  
19 producing, in the north half of Section 33?

20 A. Only two.

21 Q. Can you summarize quickly your conclusions from  
22 your geological work?

23 A. The conclusions from the geologic work is that  
24 the t-3 zone in the Texaco -- now the V-F Dow "B" Federal  
25 "33" Number 2, the t-3 zone is currently not producing, it

1 is capable of production, and it is separate from any other  
2 producing zones within that wellbore or in any adjacent  
3 wellbore.

4 It is separate from the t-5 zone, which is  
5 currently producing in this same proration unit, and it is  
6 present in the Harvey Yates Cedar "32" State Number 2,  
7 where it has not produced yet, but by calculations it's  
8 capable of being produced.

9 We seek to produce reserves out of the t-3  
10 separately from reserves that are being produced out of the  
11 t-5 zone in the Denali Federal "33" Number 2 in the same  
12 proration unit.

13 Q. Mr. Mazzullo, will approval of this Application  
14 and the completion of the wells proposed be in the best  
15 interest of conservation, the prevention of waste and the  
16 protection of correlative rights?

17 A. Yes, it would.

18 Q. Were Exhibits 1 through 3 either prepared by you,  
19 or have you reviewed them and can you testify as to their  
20 accuracy?

21 A. They were prepared by me, and they are accurate,  
22 as far as I know.

23 Q. And you have reviewed the land exhibits, and you  
24 have checked that information as well?

25 A. Yes, I have.

1 MR. CARR: May it please the Examiner, at this  
2 time we'd move the admission into evidence of V-F Petroleum  
3 Exhibits 1 through 3.

4 EXAMINER CATANACH: Exhibits 1 through 3 will be  
5 admitted as evidence.

6 MR. CARR: That concludes my direct examination  
7 of Mr. Mazzullo.

8 EXAMINATION

9 BY EXAMINER CATANACH:

10 Q. Mr. Mazzullo, the well in Section 32 is currently  
11 being produced in the t-5?

12 A. That's correct.

13 Q. But it is capable, in our opinion, of being  
14 produced from the t-3?

15 A. Yes, there were no tests that I could see that  
16 were run on that zone, but it has adequate porosity and an  
17 adequate profile on its resistivity log that to me it seems  
18 like it would be productive.

19 Q. But you don't know why that hasn't been completed  
20 in that zone yet?

21 A. No, I could only speculate that the t-5 zone has  
22 been the major producer here, and these wells are being  
23 produced out of the t-5 because of competitive drainage in  
24 the area.

25 Q. Okay. The well next to that, the Denali "33"

1 Federal Number 1, that was never produced in either of  
2 those intervals?

3 A. That well had a casing failure, it was junked --  
4 it had a casing failure above the pay zone after it was  
5 drilled and completed. It would have been capable of  
6 production had the casing not collapsed on it and had the  
7 wellbore not been abandoned.

8 The Denali Federal "33" Number 2 was drilled as a  
9 replacement.

10 Q. And did you acquire that interest from EOG, or  
11 what was the --

12 A. I believe that V-F acquired the interest in this,  
13 in the "33" Federal Number 1, from EOG and subsequently  
14 from Concho, which I believe bought EOG's interest.

15 Q. Okay.

16 A. One fish swallowing the other.

17 Q. Now, in the Denali "33" Federal Number 2, your  
18 testimony is, that well is not capable of producing from  
19 the t-3?

20 A. It doesn't have any t-3 that's capable of any  
21 production, or any sand whatsoever.

22 Q. Okay. Now, the well that you propose to re-  
23 enter, that was, I guess, drilled in 1994?

24 A. Yes.

25 Q. And did it produce out of the t-5 for a long



1 time? Is that --

2 A. It has been producing -- As you can see from the  
3 narrative down at the bottom, it was originally completed  
4 in January of 1994 from the t-3, and then a bridge plug was  
5 set, plugged back to 11,650 in March -- that should be  
6 March of 1997, yeah, March of 1997, before it was ever  
7 depleted.

8 It still had a -- pretty much a flat decline in  
9 the t-3 zone before it was bridged off and recompleted in  
10 the t-5 where it had produced since March of 1997 and  
11 abandoned -- I believe abandoned earlier this year, in the  
12 t-5.

13 Q. Okay, so the t-3 only produced for a short period  
14 of time in that well?

15 A. Yes, it did.

16 Q. And do you know why they did that?

17 A. I believe they did that -- Once the OXY Panther  
18 Federal Number 1 was completed in December of 1996, in  
19 order to not be drained, Texaco at the time went in and  
20 recompleted the t-5 zone to capture their share of the  
21 reserves in that zone.

22 Q. I see. At the time the t-3 was abandoned, do you  
23 know what rate it was producing at?

24 A. I believe it was producing at about a million and  
25 a half a day, but that's totally off the top of my head. I

1 do recall that it had a relatively flat decline.

2 Q. Now, does that t-3 -- There's very little well  
3 control, I guess, in the northeast quarter of Section 33.  
4 Does that t-3 zone extend on to that --

5 A. There's a little bit of t-3 in the southeast  
6 quarter of Section -- of the south half of Section 28.  
7 It's a rather limited -- not a limited reservoir, but it's  
8 a rather small areal-extent reservoir, it's more of a  
9 lobate-type reservoir that maybe fills up 320 to 400 acres,  
10 according to the way I've mapped it, but that's my  
11 interpretation.

12 And then it reappears again in the east half of  
13 Section 32, as you see in the Cedar State "32" Number 1. A  
14 little bit of it fingers into the Denali Federal "33"  
15 Number 1, and then between the "33" Federal 1 and the  
16 Denali Federal "33" Number 2 it actually disappears and  
17 then reappears again in our proposed well.

18 Q. Now, how about the t-5? That extends on to the  
19 northeast quarter?

20 A. That has a little bit more areal extent to it.  
21 It's more of a mappable unit that you could actually extend  
22 down to the south and into Section 33 for quite a ways.

23 Q. Okay. Do you believe that the existing well, the  
24 Denali well, is capable of draining that north half in that  
25 zone by itself?

1 A. The Denali well capable of draining the --

2 Q. -- t-5.

3 A. -- the t-5. Yes, it had gone on production  
4 already with some pressure depletion in it, and it's  
5 currently -- I don't know what the current rate of  
6 production is, but it's under a million a day.

7 Q. So you don't believe another well in the  
8 northeast quarter would be necessary to drain the t-5?

9 A. No, I believe that it's pretty much drained by  
10 the Dow "B" Federal "33" Number 2 and the Denali "33"  
11 Number 2.

12 Q. So in the Dow "B" "33" Federal Number 2, it's  
13 your intent only to complete in the t-3 zone?

14 A. Yes.

15 Q. And at no point in the future you'll recomplete  
16 uphole to the t-5?

17 A. That zone has been depleted at this point.

18 Q. Okay. So as far as the offset operators again,  
19 the east half of Section 32, you said, was operated by  
20 Heyco?

21 A. Yes.

22 Q. And the south half of Section 29, you said, was  
23 Prairie Sun?

24 A. Prairie Sun, right.

25 Q. Was it the south half of 28 is Texaco?

1 A. Yes.

2 Q. Okay, and south half of 33 is V-F Petroleum?

3 A. -- is also V-F, right.

4 Q. And you said there was some open acreage, again,  
5 in -- was it the west half of 34?

6 A. The west half west half of 34, the west half east  
7 half of 34, the southeast southeast of 34 and the southwest  
8 quarter of 27.

9 Q. Southwest quarter of Section 27. So as far as  
10 you know, there's no production in the south half of 27?

11 A. There is no Morrow production in the south half  
12 of 27 or, as far as I know, no production whatsoever in the  
13 south half of 27.

14 Q. West half of 34?

15 A. The west half of 34 has one plugged Morrow  
16 producer in the southeast of the southwest quarter.

17 EXAMINER CATANACH: Okay, I believe that's all  
18 the questions I have.

19 Do you guys have anything else?

20 MR. JONES: I could ask a question.

21 EXAMINATION

22 BY MR. JONES:

23 Q. Mr. Mazzullo, this -- the Dow "B" Federal "33"  
24 Number 2, you don't have a neutron log on that well; is  
25 that right?

1           A.    The neutron log starts at the point where it says  
2    "Run 2".  Do you see "Run 1, Run 2" in the depth track?  
3    They drilled that well down basically to the t-5 zone,  
4    Texaco did, and then they decided to deepen it.  And when  
5    they deepened it, for some reason they just ran a neutron  
6    log.

7                    Did they set a casing?  I don't -- I think they  
8    set a liner.  I believe there's a liner through there.

9           Q.    So it's a cased-hole neutron?

10          A.    Well, from "Run 2", from that point, "Run 2" on  
11    down --

12          Q.    Yeah.

13          A.    Yeah.  So that crossover that I'm showing is  
14    estimated.

15          Q.    Yeah.

16          A.    Right.

17          Q.    But obviously it had production --

18          A.    Yes, it had production before.

19          Q.    -- before?

20          A.    It was initialed at almost 2 million a day.

21          Q.    Okay.  The t-5 zone has been squeezed?

22          A.    The t-5 zone, yes, it's been squeezed off.

23          Q.    And the Atoka is perforated right now?

24          A.    Right now, no, it's not perforated anywhere, it's  
25    not producing anywhere right now.  It's plugged there right

1 at the moment, shut-in.

2 Q. Okay. And so you would just drill it out and  
3 perforate and --

4 A. Reperforate the t-3 -- Drill out that bridge  
5 plug, reperforate the t-3.

6 Q. How do you complete it, besides just perforate  
7 it?

8 A. That's going to depend upon whether or not they  
9 can do a natural completion on it or not. We prefer to do  
10 natural completions on it, but we won't know until we get  
11 there if there's any damage that needs to be cleaned up.

12 Q. Okay. One more question on that Denali "33"  
13 Federal Number 1 and Number 2 location. It's kind of real  
14 close to --

15 A. Yes.

16 Q. -- each other, and yet one was drilled about a  
17 year different than the other, it looks like. And for some  
18 reason in the t-3 zone your logs act a lot differently  
19 there.

20 A. Yes.

21 Q. What's going on there?

22 A. Well, these are -- as I said, these are very --  
23 the t-3 zone, at least, is a very restricted zone.

24 Actually, it's composed of two separate pods of  
25 sand, one off to the west that's represented in the Harvey

1 E. Yates and the EOG Denali "33" Number 1 well, and then  
2 another pod that looks like it may be centered around the  
3 Dow "B" Federal Number 2. It extends a little bit to the  
4 northeast into Section 28, but it doesn't produce out of  
5 that zone in Section 28, actually that dryhole in Section  
6 28, and it's just a very areally restricted zone, more so  
7 than the t-5.

8 Q. So basically, you just move the -- not very many  
9 feet away --

10 A. That's right, that's the Morrow --

11 Q. Okay.

12 A. -- that's the Morrow.

13 Q. So basically, this reservoir may not last very  
14 long?

15 A. It may or may not last very long. Like I said,  
16 it was abandoned while it was still making a little bit  
17 over a million MCF of gas a day with a flat decline, so we  
18 don't know.

19 MR. JONES: That's all my questions, thank you.

20 EXAMINER CATANACH: I had a couple more.

21 FURTHER EXAMINATION

22 BY EXAMINER CATANACH:

23 Q. Mr. Mazzullo, the t-3 in the Dow "33" Number 2  
24 doesn't extend into Section 32. It's discontinuous; is  
25 that correct?

1           A.    It doesn't extend across the Denali Federal  
2   Number 2 location.  Yeah, it's discontinuous.  There's a  
3   gap in there.

4                    If you were to map this out, you'd have a pod  
5   centered around the Dow federal well, and then another pod  
6   off to the west.  Actually, it extends into the west half  
7   of 32 more than anywhere.

8           Q.    So the recompletion is not necessarily in order  
9   to protect your correlative rights from drainage --

10          A.    It's in order --

11          Q.    -- it's in order to recover the reserves.

12          A.    -- to recover reserves.

13          Q.    Because the Harvey E. Yates well probably won't  
14   drain anything from you guys?

15          A.    According to the way I mapped it, although there  
16   might be a connection somewhere in that sand, I don't know.  
17   But according to the way I mapped it, it would be to  
18   recover reserves.

19                   EXAMINER CATANACH:  Okay, I have nothing further.

20                  MR. CARR:  Mr. Catanach, I misspoke.  Our  
21   exhibits are 1, 2 and 4, not 1, 2, 3 and 4.  I would  
22   request the record show they've been admitted.

23                   EXAMINER CATANACH:  Okay, Exhibits 1, 2 and 4  
24   will be admitted as evidence in this case.

25                   Anything further, Mr. Carr?



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MR. CARR: No.

EXAMINER CATANACH: There being nothing further  
in this case, Case 12,921 will be taken under advisement.

(Thereupon, these proceedings were concluded at  
8:44 a.m.)

\* \* \*

12921  
September 5, 1961  
David H. Catnach

## 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 September 6th, 2002.



STEVEN T. BRENNER  
CCR No. 7

My commission expires: October 14, 2002