

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
July 1, 1970

EXAMINER HEARING

IN THE MATTER OF:)
)
)

Application of Pan American
Petroleum Corporation for an
exception to Order No. R-3221, as
amended, Chaves County, New Mexico.)
)
-----)

Case No. 4376

BEFORE: Elvis A. Utz, Examiner.

APPEARANCES:

For the Applicant: Gordon D. Ryan, Esq.

For the Oil Commission: George N. Hatch, Esq.

TRANSCRIPT OF HEARING

MR. RYAN: I am Gordon D. Ryan. I am here on behalf of the Applicant, Pan American Petroleum Corporation, Ft. Worth, Texas. I have one witness and I ask that he be sworn.

(Witness sworn.)

ROBERT E. McCLESKEY

being duly sworn according to law, upon his oath, testified as follows:

DIRECT EXAMINATION

BY MR. RYAN:

Q Would you please state your name, by whom you are employed and in what capacity?

A I am Robert E. McCleskey. I am employed by Pan American Petroleum Corporation as an engineer. I am a senior-grade engineer with Pan American.

Q In Ft. Worth, Texas?

A Yes.

Q Mr. McCleskey, have you previously testified before this Commission and have your qualifications as an expert witness been admitted?

A No. I have not.

Q Would you briefly state your qualifications as to your education and your experience since graduating?

A I graduated from Texas Western College in El Paso, now known as University of Texas at El Paso, in 1963 with a

Bachelor of Science in Mechanical Engineering. I went to work for Pan American Petroleum Corporation in 1966 and I have worked for them since that time. The first year, in 1966, I was in the Brownfield Office. In 1967 I transferred into Ft. Worth and I have been working in Ft. Worth since then.

Q Does the area that is the subject of this Application come under your direct supervision.

A Yes. It does.

Q Did you cause this Application to be filed, presently pending before this Commission?

A Yes. I did.

MR. RYAN: Mr. Examiner, before I get into the merits of this case I would like to state that I am appearing here in association with Mr. Charles Malone of Roswell. The file, I believe, reflects a letter --

MR. HATCH: The letter is in the file.

MR. UTZ: I didn't ask for appearances. Are there other appearances to make?

Okay. You may proceed.

MR. RYAN: Does the Examiner require further qualification of the witness?

MR. UTZ: No, sir. He is qualified.

(Whereupon, Applicant's Exhibit 1
is marked for identification.)

Q (By Mr. Ryan) Mr. McCleskey, would you please

refer to what the Reporter has marked as Exhibit No. 1 and identify that Exhibit and explain what it purports to show?

A Exhibit No. 1 is a plat indicating the area in question. It incorporates four portions of four townships and ranges in Chaves County, New Mexico. The plat indicates, in Section 31, Township 14 South, Range 30 East, an area outlined in blue an exemption to the "No Pit" Order which Dalport received in October, 1969, Case No. 4230, Order No. 3965. This area of "No Pit" exemption is approximately three-quarters of a mile north of the Pan American Lusk "A" Lease which includes the entire Northeast corner of Section 6, Township 15 South, Range 30 East. The Lusk "A" Lease is outlined in orange. This Lease indicates two wells currently producing wells Number 1 and 2. It also indicates an approved location for Well Number 3 on this same Lease. We are requesting, with this Application, that we be granted an exception to the "No Pit" Order for the Northeast corner of this Section.

The two wells currently producing and any future wells on this Lease also shown on this plat on the bottom portion of the plat outlined in blue in an exception to the "No Pit" Order which was granted Jack McClellan in July, 1969, Case No. 4156, Order No. R-3784. Actually this exemption area continues on below the area of the map including not only the Southeast corner of Section 13, Township 15 South, Range

29 East, but includes all of the Northeast quarter of Section 24 directly south of Section 13 with the exception of the Northwest quarter of this Northeast quarter, Section 24. This "No Pit" exemption area is approximately two and a half miles southwest of Pan American Lusk "A" Lease. Also, not indicated on this map, but in conjunction with the area that is not included in this McClellan exemption is that portion of the Northeast quarter being the Northwest quarter of the Northeast quarter Section 24, Township 15 South, Range 29 East which is a portion of a Pan American exemption to the "No Pit" Order. Also included in this Pan American exemption to the "No Pit" Order is all of Section 25 which is directly south of this same area. The Pan American Case was Case No. 4240, Order R-3864. This was also in October, 1969.

Q Mr. McCleskey, is there any fresh water in this area?

A I made a visit to the State Engineer's Office yesterday afternoon and spoke with a Mr. Aiken with the State Engineer's Office and we looked over what records they had available for this area. They have no real detailed data as to fresh water in this particular area. However, they did have some maps of the particular area indicating windmills in the vicinity of this area.

Q Would you point those out, please?

A The map at the State Engineer's Office indicated two windmills in Section 1, Township 15 South, Range 29 East. These windmills were in the north half of Section 1. They would be approximately one mile west of the Lusk "A" Lease.

MR. UTZ: Were they together?

THE WITNESS: Right close together.

MR. UTZ: Can you get it down to a quarter section?

THE WITNESS: I didn't take it down that detailed, sir. It is approximately in the center of the north half.

MR. UTZ: I see.

THE WITNESS: And the windmills were -- well, my best estimate, within a couple of three hundred feet of one another, in this area. Also the maps at the State Engineer's Office indicated one windmill about two miles directly north of the Lusk "A" Lease which would place these in the north half of Section 30 -- Range 30 East -- excuse me -- Township 14 South, Range 30 East -- directly south or directly north.

MR. UTZ: Two windmills?

THE WITNESS: One windmill. Two miles north. We also had the same windmills indicated by our field personnel. Actually the maps in the State Engineer's Office confirmed the locations of these three windmills. However, we have no data as to whether these windmills are completed or what quantity of water they might produce.

Q (By Mr. Ryan) You can't ascertain that information from the State Engineering Office?

A We did not know and the records didn't indicate information as to this.

Q What is the surface drainage in this area?

A From the topographic map in our office the contour interval indicated generally in an east to west slope. However, the slope is approximately one hundred feet of drop in three miles, so this area is generally, relatively flat.

Q Do you have any more information for Exhibit 1?

A No.

(Whereupon, Applicant's Exhibit 2 was marked for identification.)

Q Will you refer now to what the Reporter has marked as Exhibit 2 and identify that Exhibit?

A Exhibit No. 2 is a pertinent data sheet for the "No Pit" exemption area in the Lusk "A" Lease, Double L Field, Chavez County, New Mexico. This data sheet indicates the proposed pit location for this Lease. The location will be in Unit B, Section 6, Township 14 South, Range 30 East. The estimated disposal rates, so far as current tests on wells on this Lease, the Lusk "A" Well No. 1 is producing four barrels of water per day. The Lusk "A" No. 2 is producing eight barrels per day. Lusk "A" No. 3 is not yet drilled, but is planned in the near future.

Q In your opinion do you think that the estimated disposal rates on the three well comparable to say Well No. 2?

A Possibly, being in the range of eight barrels a day.

Q In your opinion, would the granting of this Application not adversely affect correlative rights?

A It will not adversely affect them.

Q It would be in the best interest of conservation?

A Yes, sir. It would.

MR. RYAN: That is all I have on Direct.

Were Exhibits 1 and 2 prepared by you or under your direct supervision?

THE WITNESS: Yes. They were.

MR. RYAN: I would offer in evidence Exhibits 1 and 2.

MR. UTZ: Without objection, Exhibits 1 and 2 will be entered into the record in this case.

(Whereupon, Applicant's Exhibits 1 and 2 were offered and admitted in evidence.)

CROSS EXAMINATION

BY MR. UTZ:

Q Mr. McCleskey, did your field personnel ascertain as to whether these windmills were producing any water or not?

A Not to my knowledge. No, sir. They indicated that the windmills were there approximately one mile to the west,

in the case of the two windmills, and the one windmill, two miles north.

Q Do you know what they use for -- well, there is ranching in this area, isn't there?

A I don't know what the general use of the land is, sir.

Q Do you have any geological data as to what happens to the water when it goes through the pervious zones?

A No, sir.

Q Is it bedrock in this area -- is that where the hundred feet to three miles to the west is, or is that --

A That is surface drainage, the hundred feet in three miles.

Q Is that from west to east?

A No. East to west. If I said "west to east", I was in error.

Q East to west?

A East to west, right.

Q It would be interesting to know whether these windmills are actually producing any water or not and where they got their water from in this area -- if there is ranching -- and I have a pretty good hunch there is. Could you ascertain that information and let us know about these details?

A Yes, sir. I certainly will.

Q Is this State land or privately owned?

A I don't know.

MR. HATCH: These are listed as Lusk "A" wells one, two and three. I assuming that it is not State.

MR. UTZ: Section 32 is State, according to this map, but I would doubt that this Section is State. The way the Lease is named, I would presume that it was not.

You will give us that information?

THE WITNESS: Yes, sir. I certainly will.

MR. UTZ: All right. The witness may be excused.

(Witness excused.)

Statements in this case?

The case will be taken under advisement.

I N D E X

<u>WITNESS</u>	<u>PAGE</u>
ROBERT E. McCLESKEY	
Direct Examination by Mr. Ryan	2
Cross Examination by Mr. Utz	8

<u>EXHIBITS</u>	<u>MARKED</u>	<u>OFFERED AND ADMITTED</u>
Applicant's 1	3	8
Applicant's 2	7	8

STATE OF NEW MEXICO)
)
 COUNTY OF BERNALILLO)

I, PETER A. LUMIA, Certified Shorthand Reporter in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me and that the same is a true and correct record of the said proceedings, to the best of my knowledge, skill and ability.

Peter A. Lumia
 CERTIFIED SHORTHAND REPORTER

I do hereby certify that the foregoing is a complete record of the proceedings in the aforesaid hearing of Case No. 4326, heard by me on July 1, 1930

[Signature]
 New Mexico Oil Conservation Commission