

BEFORE THE  
NEW MEXICO OIL CONSERVATION COMMISSION  
CONFERENCE HALL, STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO  
July 12, 1972

EXAMINER HEARING

IN THE MATTER OF:

Application of Beard Oil Company  
for a unit agreement, Sierra  
County, New Mexico.

CASE NO. 4757

BEFORE: Richard L. Stamets  
Examiner

TRANSCRIPT OF HEARING

dearnley, meier & mc cormick

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1 MR. STAMETS: Case 4757.

2 MR. HATCH: Case 4757: Application of Beard Oil  
3 Company for a unit agreement, Sierra County, New Mexico.

4 MR. KELLAHIN: Jason Kellahin of Kellahin and  
5 Fox, Santa Fe, appearing on behalf of Beard Oil Company.

6 I am appearing in association with Mr. Joseph K.  
7 Caskey, who is a member of the Arkansas and Wyoming Bars.  
8 Mr. Caskey will present the Case.

9 MR. CASKEY: I will call as my witness,  
10 Mr. Hartman.

11 \* \* \* \* \*

12 FREDERICK H. HARTMAN,  
13 was called as a witness and, after being duly sworn, testified  
14 as follows:

15 DIRECT EXAMINATION

16 BY MR. CASKEY:

17 Q Mr. Hartman, will you state your name, and address and  
18 qualifications; your educational background?

19 A My name is Fred Hartman and I am Exploration Manager and  
20 Vice-president of Beard Oil Company of Oklahoma City.  
21 I am a graduate geological engineer from the Colorado  
22 School of Mines and have qualified as an expert  
23 witness before the Oklahoma Corporation Commission.

24 I was associated with Gulf Oil Corporation for  
25 four and a half years and for the past eighteen and a

1 half years have been involved in engineering and  
2 exploration work for the Beard Oil Company. Most of  
3 that work involved directing subsurface geological and  
4 geophysical programs.

5 MR. CASKEY: Is the witness qualified?

6 MR. STAMETS: He is.

7 Q (By Mr. Caskey) This unit we are asking to be approved,  
8 is an exploratory unit. Would you tell the Commissioner  
9 where it is located?

10 A Well, this unit comprises about 115,179 acres of  
11 federal, state and fee lands in Sierra and Dona Ana  
12 Counties, New Mexico.

13 Specifically, the unit would be approximately fifteen  
14 miles east of Truth or Consequences and approximately  
15 eighty miles north of El Paso.

16 Q How much acreage is included in the unit?

17 A About 115,179 acres.

18 Q How much of this acreage is federal range?

19 A About 90,079 acres or 77.3 percent.

20 Q And how much belongs to the State of New Mexico?

21 A 23,210 acres, or approximately 21.5 percent. The fee  
22 land is 12,040 acres or approximately 1.07 percent.

23 Q Would you tell us something about the plan for drilling  
24 the exploratory test?

25 A We have plans and are requesting authority to drill

1 four 500 foot San Andres tests in the exploration area.

2 Q Has this unit been submitted to the USGS?

3 A Yes, it has been submitted to the USGS and the New  
4 Mexico State Land Commission and both are waiting  
5 approval of the Oil and Gas Commission.

6 MR. CASKEY: Mr. Examiner, I think that is all  
7 we have now unless you have some questions -- excuse me,  
8 I want to offer as an Exhibit a copy of the unit agreement.

9 MR. STAMETS: It will be admitted as Applicant's  
10 Exhibit Number 1 if there is no objection. Is there any  
11 objection to the admission of this Exhibit?

12 (No response.)

13 MR. STAMETS: It will be admitted as Exhibit 1.

14 (Whereupon, Applicant's Exhibit 1 was admitted  
15 in evidence.)

16 \* \* \* \* \*

17 CROSS-EXAMINATION

18 BY MR. STAMETS:

19 Q Mr. Hartman, you have received tentative approval from  
20 both the USGS and the State Land Commission?

21 A Yes.

22 Q Did you say there was any fee land in this?

23 A 1,240 acres of fee land.

24 Q Have these people indicated acceptance of the unit?

25 A All of them have been contacted and of the four or five

1 owners in there, we only heard from two and they have  
2 decided not to participate in the unit.

3 Q There are provisions for participation at a later  
4 date if they so desire?

5 A Yes.

6 \* \* \* \* \*

7 CROSS-EXAMINATION

8 BY MR. HATCH:

9 Q Did I understand you to say a minute ago that this  
10 involved more than one county?

11 A Most of Sierra, but a little of Dona Ana.

12 Q Are you sure?

13 A Pardon me, it is all Dona Ana -- it's all Sierra, all  
14 Sierra.

15 MR. STAMETS: Would the approval of this unit  
16 be a proper conservation measure?

17 THE WITNESS: Yes, sir.

18 MR. STAMETS: Any other questions of this witness?

19 (No response.)

20 MR. STAMETS: If not, he may be excused.

21 (Witness excused.)

22 MR. STAMETS: Any other testimony?

23 (No response.)

24 MR. STAMETS: Any other appearances in this Case?

25 (No response.)

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MR. STAMETS: The Case will be taken under  
advisement.

1 STATE OF NEW MEXICO )  
 2 ) ss  
 3 COUNTY OF BERNALILLO )

4 I, RICHARD E. McCORMICK, a Certified Shorthand Reporter,  
 5 in and for the County of Bernalillo, State of New Mexico,  
 6 do hereby certify that the foregoing and attached Transcript  
 7 of Hearing before the New Mexico Oil Conservation Commission  
 8 was reported by me; and that the same is a true and correct  
 9 record of the said proceedings to the best of my knowledge,  
 10 skill and ability.

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 12 CERTIFIED SHORTHAND REPORTER

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NEW MEXICO  
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 Richard E. McCormick  
 Sec. of the Oil Conservation Commission

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I N D E X

<u>WITNESS:</u>	<u>PAGE</u>
<u>FREDERICK H. HARTMAN</u>	
Direct Examination by Mr. Caskey	3
Cross-Examination by Mr. Stamets	5
Cross-Examination by Mr. Hatch	6

E X H I B I T S

<u>APPLICANT'S</u>	<u>OFFERED</u>	<u>ADMITTED</u>
Beard Oil Company		
Exhibit Number 1	5	5