

BEFORE THE
NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico
May 12, 1976

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corpora-) CASE
tion for a unit agreement, Chaves) 5677
County, New Mexico.)
)

BEFORE: Daniel S. Nutter, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the New Mexico Oil Conservation Commission: William F. Carr, Esq.
Legal Counsel for the Commission
State Land Office Building
Santa Fe, New Mexico

For the Applicant: Joel M. Carson, Esq.
LOSEE & CARSON, P.A.
Attorneys at Law
300 American Home Building
Artesia, New Mexico

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RAY BECK

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1 MR. NUTTER: We will call Case Number 5677.

2 MR. CARR: Case 5677, application of Yates Petroleum
3 Corporation for a unit agreement, Chaves County, New Mexico.

4 MR. CARSON: Mr. Hearing Officer, I have just one
5 witness in this case that was sworn in the previous case, Mr.
6 Ray Beck.

7 MR. NUTTER: He is still under oath.

8
9 RAY BECK

10 called as a witness, having been previously sworn, was
11 examined and testified as follows:

12
13 DIRECT EXAMINATION

14 BY MR. CARSON:

15 Q For purposes of the record will you state your
16 name again?

17 A Ray Beck.

18 Q And, Mr. Beck, what is your employment?

19 A Geologist for Yates Petroleum Company, Artesia,
20 New Mexico.

21 Q And you have previously testified before this
22 Commission, have you not?

23 A Yes, I have.

24 Q And your qualifications have been accepted?

25 A They have.

1 MR. NUTTER: Proceed.

2 Q. (Mr. Carson continuing.) Mr. Beck, would you state
3 the purpose of this application?

4 A. Yates Petroleum Corporation seeks approval of its
5 Dunken, D-u-n-k-e-n, Nose Unit Area outlining six thousand,
6 two hundred and thirty-two acres, more or less, of State and
7 fee lands in Sections 1, 2, 10, 11, 12, 13, 14 and 15 of
8 17 South, 18 East and Sections 6 and 7 of 17 South, 19 East of
9 Chaves County.

10 Q. I hand you what has been marked as Applicant's
11 Exhibit One and ask if you would explain that exhibit to the
12 Hearing Officer?

13 A. Exhibit One is a land plat showing the proposed
14 Dunken Nose Unit outline, the acreage situation around the
15 proposed unit.

16 Q. I hand you what has been marked as Applicant's
17 Exhibit Number Two and ask if that was prepared by you or
18 under your supervision?

19 A. It was.

20 Q. Would you explain that exhibit to the Hearing Officer?

21 A. Exhibit Two is a surface structural map resulting
22 from a photogeologic study of the region around the proposed
23 unit. The mapped outcropping rocks are Permian-San Andres.
24 The regional dip is to the east and east-southeast. Projecting
25 into the western portion of the unit is a surface structural

1 nose coming off of the northern Dunken dome. Just to the
2 east of the unit and just to the south of the unit are surface
3 synclines. Surface faults in Section 3 of 17 South, 18 East
4 may very well extend to a depth to intersect the easterly
5 plunging nose at the western side of the unit.

6 We think that probably the structure increases in
7 depth because the dip meter on the Yates Dunken Dome Well,
8 for instance, indicated a steadily increasing structural dip
9 formation of depth. Also a very porous permeable gas and
10 water bearing Lower Pennsylvania sand was present in the Yates
11 Dunken Dome Well. The primary objective then of the Dunken
12 Nose Unit would be a Pennsylvanian sand reservoir crossing the
13 deep and perhaps faulted nose.

14 MR. CARSON: I heretofore handed you a copy of the
15 proposed unit and we have no further questions of this
16 witness.

17
18 CROSS EXAMINATION

19 BY MR. NUTTER:

20 Q What is the objective of this unit, Mr. Beck, does
21 it call for the drilling of a well?

22 A Yes, it does.

23 Q What formation is that well to be drilled to?

24 A We will drill and complete it through the
25 Pennsylvanian and bottom up in the Mississippian lime.

1 Q Do you have any idea where that well will be
2 drilled?

3 A We are thinking that it would probably be drilled
4 in Section 10, in the northeast quarter, right now, from our
5 preliminary look at the topography and the geology.

6 Q What is the status of the commitment of the acreage
7 to the unit agreement?

8 A I understand that from the Yates' landman that he
9 has contacted these people and they are all willing to
10 cooperate in the unit on one basis or another.

11 Q What percentage of the land in the unit is operated
12 by Yates?

13 MR. CARSON: Have you figured that out, Ray?

14 A Well, about sixty percent, I guess, fifty-five or
15 something like that, just a guess.

16 MR. CARSON: It would be about sixty percent.

17 Q (Mr. Nutter continuing.) It would appear that
18 C & K Petroleum is another owner of large interests in the
19 unit area, what is the status of C & K Petroleum as far as
20 the unit is concerned?

21 A Well, I understand that acreage once under lease to
22 Tom Brown, as indicated on this land plat, has been taken over
23 by C & K and our landman has been contacting them or attempting
24 to work something out.

25 Q But they have not as yet committed their acreage to

1 the unit?

2 A. Not in writing, as far as I know.

3 Q. And how about the status as far as the State Land
4 Commissioner is concerned, does he approve the unit?

5 MR. CARSON: I believe that he has, but I'm not
6 sure.

7 MR. NUTTER: How about the USGS, have they approved
8 the unit? I know that there is fee land, that's correct.
9 There is no Federal land.

10 MR. CARSON: No Federal lands.

11 MR. NUTTER: Are there any further questions of this
12 witness? He may be excused.

13 (THEREUPON, the witness was excused.)

14 MR. CARSON: May I offer those exhibits. I believe
15 there are two in this case.

16 MR. NUTTER: Okay, Yates' Exhibits One and Two
17 and the Unit Agreement will be accepted into evidence.

18 (THEREUPON, Yates' Exhibits One and Two and
19 the Unit Agreement were admitted into evidence.)

20 MR. NUTTER: Does anyone have anything they wish to
21 offer in Case 5677? We will take the case under advisement.

22

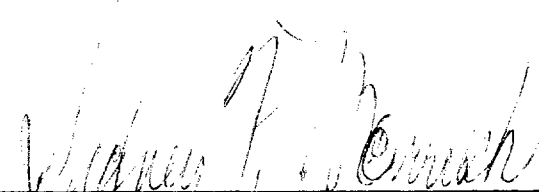
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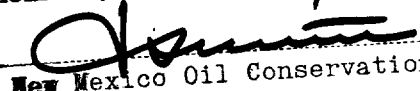
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REPORTER'S CERTIFICATE

I, SIDNEY F. MORRISH, a Certified Shorthand Reporter, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me, and the same is a true and correct record of the said proceedings to the best of my knowledge, skill and ability.


Sidney F. Morrish, C.S.R.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 5677, heard by me on 5/12, 1976.


_____, Examiner
New Mexico Oil Conservation Commission