

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

CASE 9893

EXAMINER HEARING

IN THE MATTER OF:

Application of Pacific Enterprises Oil Company (USA)  
for compulsory pooling, Eddy County, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

April 4, 1990

**ORIGINAL**

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

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 Legal Counsel to the Division  
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 Santa Fe, New Mexico

FOR THE APPLICANT: KELLAHIN, KELLAHIN & AUBREY  
 Attorneys at Law  
 By: KAREN AUBREY  
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FOR YATES PETROLEUM CORPORATION; YATES CAMPBELL & BLACK, P.A.  
 Attorneys at Law  
 By: WILLIAM F. CARR  
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\* \* \*

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1           WHEREUPON, the following proceedings were had  
2           at 9:46 a.m.:

3           EXAMINER CATANACH: Call the hearing back to  
4           order at this time, and call Case 9893.

5           MR. STOVALL: Application of Pacific  
6           Enterprises Oil Company (USA) for compulsory pooling,  
7           Eddy County, New Mexico.

8           EXAMINER CATANACH: Are there appearances in  
9           this case?

10          MS. AUBREY: Karen Aubrey of the Santa Fe  
11          firm of Kellahin, Kellahin and Aubrey, appearing for  
12          the Applicant.

13          EXAMINER CATANACH: Any other appearances?

14          MR. CARR: William F. Carr of the law firm  
15          Campbell and Black, P.A., of Santa Fe, appearing on  
16          behalf of Yates Petroleum Corporation; Yates Drilling  
17          Company; Myco Industries, Inc.; and the ABO Petroleum  
18          Corporation.

19          EXAMINER CATANACH: Yates Drilling, ABO and  
20          Myco?

21          MR. CARR: And Myco.

22          EXAMINER CATANACH: May I get the witnesses  
23          to please stand and be sworn in at this time?

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CRAIG CLARK,

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

EXAMINATION

BY MS. AUBREY:

Q. Would you state your name, please?

A. My name is Craig Clark.

Q. Mr. Clark, where are you employed?

A. Pacific Enterprises Oil Company, USA.

Q. And what office do you work from?

A. Midland office.

Q. And what do you do for Pacific Enterprises?

A. I'm a landman.

Q. Do you have any particular area of expertise  
or any land area that's assigned to you?

A. For the last year and a half I've been  
assigned to the Permian Basin area.

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

A. No, I haven't.

Q. Would you review your educational and work  
experience for the Examiner?

A. I attended the University of Oklahoma and got  
a degree in petroleum land management, and since --  
Upon graduation I have worked in the oil industry as a

1 landman the last six years and with the last year and a  
2 half, Pacific Enterprises, in the west Texas division.

3 Q. And Mr. Clark, are you familiar with Pacific  
4 Enterprises' Application that's being heard today?

5 A. Yes, ma'am.

6 MS. AUBREY: Mr. Examiner, I tender Mr. Clark  
7 as an expert in petroleum land title.

8 EXAMINER CATANACH: He is so qualified.

9 Q. (By Ms. Aubrey) Would you tell the Examiner  
10 briefly what Pacific Enterprises seeks to accomplish by  
11 its application today?

12 A. We'd like to pool all the owners in the west  
13 half of Section 28, 18 south, 27 east.

14 Q. And what proposed location does Pacific have?

15 A. 2030 feet from the north line, 1980 feet from  
16 the west line.

17 Q. You're proposing a west-half dedication?

18 A. Yes, ma'am.

19 Q. What's the objective formation of this well?

20 A. It's Morrow formation, it's 10,000 foot.

21 Q. Let me refer you to what we've marked as  
22 Pacific Enterprises Exhibit Number 1. Would you  
23 identify the proposed location for the Examiner on that  
24 map?

25 A. The proposed location is in the northwest

1 quarter, and it is, like I say, 1980 from the west line  
2 and 2030 feet from the north line.

3 Q. Mr. Clark, in connection with your Pooling  
4 Application do you have parties to dismiss from that  
5 Application at the hearing today?

6 A. Yes, I do.

7 Q. Would you tell the examiner who those are?

8 A. I'd like to dismiss Read and Stevens, Inc.;  
9 Exxon Company, USA; Depco, Inc.; Paul Slayton; James L.  
10 Alford, Jr.; Mark D. Wilson; and Yates Employees 87  
11 Limited.

12 MR. STOVALL: Could we go back over that list  
13 again so we can get that a little more slowly and have  
14 a chance to mark that?

15 MS. AUBREY: Mr. Stovall, let me mark this  
16 list as an additional exhibit. Those parties are set  
17 out at the top of this list. I've marked it as Exhibit  
18 Number 11, which I don't have any more copies of.

19 Q. (By Ms. Aubrey) Could you review those  
20 again, Mr. Clark?

21 A. Yes. It's Read and Stevens, Inc.; Exxon  
22 Company, USA; Depco, Inc.; Paul Slayton; James L.  
23 Alford, Jr.; Mark D. Wilson; and Yates Employees 87,  
24 Limited.

25 Q. And are those all working-interest owners who

1 have agreed to voluntarily participate in this west-  
2 half dedication?

3 A. They're either working interest owners, or  
4 they're people that no longer own an interest in the  
5 west half.

6 Q. Okay. Would you review now for the Examiner  
7 which parties you are asking be subject to the pooling  
8 order in this case?

9 A. Yates Petroleum Corporation; Bonneville  
10 Fuels; Amoco Production Company; Myco Industries, Inc.;  
11 ABO Petroleum Corporation; Yates Drilling Company;  
12 Davoil, Inc.; Featherstone Development Company; and  
13 Westway Petro; Raymond R. Trollinger, Jr. and Sharon S.  
14 Trollinger; Rottman 1984 Family Trust; Randall R. Fort;  
15 David K. Henderson; Joel M. Wigley; William A.  
16 Bradshaw, III; John C. Maexy, Jr.; Lucy Marie Brown;  
17 and Thomas M. Beall.

18 Q. Let me refer you to what the -- what we've  
19 given the Examiner as Exhibit Number 11, and beginning  
20 with Westway Petroleum, on the bottom third of that  
21 page, can you explain what kind of an interest those  
22 people, Westway Petroleum through through Thomas M.  
23 Beall, have in the proposed proration unit?

24 A. These are all either employees or partners of  
25 Read and Stevens, Inc. And Read and Stevens has



1 represented that they will be responsible for the  
2 payment of bills attributable to all their interests  
3 and turn around and bill these parties.

4 However, we do not have anything in writing  
5 indicating that at this point.

6 Q. And those people are included in the  
7 Application and were given notice of this hearing; is  
8 that right?

9 A. Yes, they were.

10 Q. With regard to the interest of Yates  
11 Petroleum, Bonneville, Amoco, Myco, ABO, Yates  
12 Drilling, Davoil and Featherstone, can you tell the  
13 Examiner what the status of your negotiations to form a  
14 voluntary unit with those working-interest owners is?

15 A. Well, from those parties we've had verbal  
16 agreements to either participate or farm out their  
17 interest.

18 Some of the -- All the parties that have  
19 agreed to participate have returned executed AFE's.  
20 However these parties have not signed a joint operating  
21 agreement.

22 Q. And is it the position of Pacific Enterprises  
23 that a joint operating agreement -- a signed joint  
24 operating agreement is required for voluntary  
25 participation in this unit?

1           A.    Yes, ma'am.

2           Q.    Let me have you review the attachments to  
3 Exhibit Number 1, the documents behind the land map,  
4 for the Examiner.

5           A.    Exhibit 1 has the interest and the proposed  
6 unit with the people, and also what they have elected  
7 to do so far.

8                   And then it also summarizes on a track-by-  
9 track basis. The southwest quarter of this unit is  
10 subject to Rio Pecos Unit, and therefore the leasehold  
11 interest is owned by the people noted on the exhibit.

12                   However, it is subject to the operating  
13 agreement. Therefore there's a contractual interest  
14 for the parties in the Rio Pecos agreement.

15           Q.    And do you know, has Rio Pecos signed an  
16 operating agreement?

17           A.    Well, Rio Pecos is not involved in it. They  
18 do not own a working interest. The operator of the Rio  
19 Pecos Unit is Yates Petroleum.

20           Q.    And the third page of that exhibit is a  
21 totaling of the working interest in the unit; is that  
22 correct?

23           A.    Yes.

24           Q.    With regard to the well to be drilled on this  
25 unit, do you have any deadline by virtue of any

1 farmouts or lease agreements by which you have to spud  
2 the well?

3 A. Yes, we have a farmout agreement for our  
4 interest in the northwest quarter, and we're supposed  
5 to spud the well by the end of the year.

6 Q. And the proposed location is in the northwest  
7 quarter; is that correct?

8 A. Yes, ma'am.

9 Q. Let me have you refer now to Exhibits 2  
10 through 4. Those detail your attempts to form a  
11 voluntary unit; is that correct?

12 A. That's correct.

13 Q. Would you review those briefly for the  
14 Examiner?

15 A. Exhibit 2 is our original proposal to the  
16 working-interest owners, asking them to either  
17 participate in the well or farm out their interest, and  
18 it also includes the people returning the AFE's or, as  
19 the case may warrant, if they agree to farm out, any  
20 type of letter that they might have sent.

21 The Exhibit 3 is a copy of our AFE, along  
22 with a copy that was done by consultants for the -- our  
23 original proposal.

24 And Exhibit 4 is a copy of our proposed JOA  
25 with any type of correspondence we've had concerning

1 revisions to the operating agreement.

2 Q. With regard to the AFE, was that submitted to  
3 all working-interest owners in the proposed unit?

4 A. Yes, it was.

5 Q. In your opinion, Mr. Clark, is the AFE fair  
6 and reasonable?

7 A. Yes, it is.

8 Q. What is the total estimated cost of  
9 completing this well?

10 A. \$605,000.

11 Q. And what is the proposed depth?

12 A. 10,000 foot.

13 Q. What dollar amount is Pacific Enterprises  
14 seeking as overhead while drilling and producing this  
15 well?

16 A. Seeking -- Drilling rates would be \$5050 a  
17 month. The producing rate would be \$505 a month.

18 These figures were derived as part of the  
19 farmout agreement have we made with the party in the  
20 northwest quarter, and these are in line with the Ernst  
21 and Young overhead rates.

22 Q. And has that AFE been approved by some of the  
23 working-interest owners in the proposed unit?

24 A. Yes, it has.

25 Q. Is Pacific Enterprises seeking to be

1 designated as operator of this unit?

2 A. Yes, we are.

3 Q. Were Exhibits 1 through 4 either prepared by  
4 you or reviewed by you for accuracy?

5 A. Yes, they were.

6 MS. AUBREY: Mr. Examiner, I tender Exhibits  
7 1 through 4, and I pass the witness.

8 EXAMINER CATANACH: Exhibits 1 through 4 will  
9 be admitted as evidence.

10 (Off the record)

11 MR. STOVALL: Mr. Carr, any questions?

12 EXAMINATION

13 BY MR. CARR:

14 Q. I just want to be sure I understand one  
15 thing. You do have in hand a signed AFE for Yates  
16 Drilling, Yates Petroleum, ABO Petroleum Corporation  
17 and Myco?

18 A. Yes.

19 Q. And the reason you're including them in the  
20 pooling case is because they have not signed an  
21 operating agreement?

22 A. That's correct.

23 MR. CARR: That's all I have.

24 MS. AUBREY: Mr. Examiner, let me amend my  
25 tender of the evidence to include Exhibit Number 11

1       which we handed to you.

2                   EXAMINER CATANACH:   Exhibit Number 11 will  
3       also be admitted as evidence.

4                                   EXAMINATION

5       BY EXAMINER CATANACH:

6           Q.    Mr. Clark, Exhibit Number 1, the interest on  
7       the first page down to Amoco Production Company, does  
8       that total -- Is that a hundred percent?

9           A.    Yes, sir.

10          Q.    Okay. From this -- From this exhibit, it  
11       looks like everybody has agreed to participate but has  
12       not executed the JOA.

13          A.    That's correct, or else they've agreed to  
14       farm out.

15          Q.    Okay. Mr. Clark, the parties listed below,  
16       or at the bottom of that first -- of that page --

17          A.    Yes.

18          Q.    -- those aren't actual working-interest  
19       owners?

20          A.    These people have showed up and titled  
21       shallower wells in the southwest quarter that they've  
22       been assigned the interest of Read and Stevens in the  
23       proration unit of these shallow wells. We do not know  
24       the exact arrangement Read and Stevens has with these  
25       people, and if they do own any title into what we are

1 attempting to pool.

2           However, we do want to make them parties to  
3 this, because they -- Read and Stevens has represented  
4 that they will be responsible for these parties, but we  
5 have nothing in writing to indicate that at this point.

6           Q.    So you don't know exactly what the nature of  
7 their interest is?

8           A.    No, we do not. We know it is some portion of  
9 five -- of Read and Stevens' five percent.

10          Q.    A portion of that working interest?

11          A.    Yes.

12          Q.    And you did attempt to contact these parties?

13          A.    Yes, all these parties have been notified.  
14 We are currently in the process of trying to get them  
15 to sign something saying that Read and Stevens will be  
16 acting as their agent.

17               EXAMINER CATANACH: I have no further  
18 questions.

19               MR. STOVALL: I have a couple questions, but  
20 I'd like Mr. Carr to be in the room, concerning the use  
21 interest. Let me see how long he's going to be.

22               (Off the record)

23                               EXAMINATION

24           BY MR. STOVALL:

25           Q.    In response to Mr. Carr, you have stated that

1 Yates Petroleum Corporation has signed the AFE and the  
2 various Yates entities; is that correct?

3 A. That's correct.

4 Q. And you do not consider that joinder in this  
5 well?

6 A. No, we do not.

7 Q. If the Yates interests are force-pooled, what  
8 do you consider -- what would you consider to be their  
9 joinder so as to not subject them to a non-consent  
10 penalty under a forced-pooling order?

11 A. I would consider signing an operating  
12 agreement or, if not, prepaying their costs to drill  
13 the well.

14 Q. Okay, prepayment of the costs would be the  
15 factor that you would consider?

16 A. (Nods)

17 Q. You are aware that the OCD forced-pooling  
18 order does not incorporate in any way the provisions of  
19 an operating agreement, are you not?

20 A. Yes, I am.

21 MR. STOVALL: I have no further questions.

22 EXAMINER CATANACH: Anything further of the  
23 witness?

24 You may be excused.

25



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

4                               EXAMINATION

5       BY MS. AUBREY:

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

8               A.     My name is Rick Ricketts.

9               Q.     Mr. Ricketts, where are you employed?

10              A.     Pacific Enterprises Oil Company, USA.

11              Q.     And what's your occupation?

12              A.     I'm a geologist.

13              Q.     Mr. Ricketts, have you testified previously  
14       before the New Mexico Oil Conservation Division?

15              A.     Yes, I have.

16              Q.     Do you know how long ago that was?

17              A.     It was probably about seven or eight years  
18       ago.

19              Q.     Would you review your educational/work  
20       experience for the Examiner?

21              A.     Yes, I graduated with a BS in geology from  
22       Ohio University in 1970. I received a master's in  
23       geology in 1975 from Ohio U.

24                      I worked in Midland, Texas, for various  
25       companies since 1975. The majority of the time I've

1 worked southeast New Mexico.

2 Q. Are you familiar with Pacific Enterprises'  
3 Application that's being heard today?

4 A. Yes, I am.

5 Q. Mr. Examiner, I tender Mr. Ricketts as an  
6 expert in petroleum geology.

7 EXAMINER CATANACH: He is so qualified.

8 Q. (By Ms. Aubrey) Mr. Ricketts, let me have  
9 you refer to what's been marked as Exhibit Number 5,  
10 which is a type log. Would you review that for the  
11 Examiner?

12 A. Yes, Exhibit Number 5 is a type log for the  
13 Yates Petroleum Rio Pecos GB Number 1. Utilizing this  
14 just to show the three producing sands that are  
15 prevalent in the area that -- around our proposed  
16 location. I just call them the A, B and C sands,  
17 respectively.

18 Q. And can you refer now, sir, to Exhibit Number  
19 6?

20 A. Yes, Exhibit Number 6 is a structure map on  
21 the base of the Lower Morrow Shale, contour interval of  
22 50 feet.

23 Basically, it -- All the red-colored wells  
24 are Morrow producers. That's from any zone within the  
25 Morrow. The exhibit also shows the cumulative

1 production on the wells surrounding our proposed  
2 location.

3 Q. Which sand is your objective in the proposed  
4 well?

5 A. Our primary objective is the C sand, the  
6 lowermost sand in the section.

7 Q. Let me have you look now at Exhibit Number 7.

8 A. Okay, Exhibit Number 7 is an isopach of the A  
9 zone or the uppermost sand in this -- in the area. It  
10 trends northwest/southeast through the proposed  
11 location.

12 If you'll refer back to the structure map you  
13 get an indication of the production that has been  
14 derived from this sand.

15 The Rio Pecos GB Number 1 in Section 22, the  
16 northwest quarter of Section 22, has produced 11 BCF  
17 from this zone. The Yates Rio Pecos GB Number 2 in the  
18 southwest of Section 20 has produced 9 BCF from this  
19 zone.

20 There's another well in the southeast corner  
21 of Section 29 that has produced just over 1 BCF from  
22 this zone and from the C zone.

23 The reason we do not consider this one of the  
24 -- our primary objective, despite the good production  
25 in the area, we feel there's a very good possibility

1     that those two big wells have probably pretty much  
2     drained our proposed location.

3             The Number 1 well was completed in March of  
4     1977. Bottom-hole pressure on the thing was about 3700  
5     pounds.

6             In December of 1978 the second well was  
7     drilled, the one up in the southwest of Section 20.  
8     Bottom-hole pressure at that point was 3100, with a  
9     decrease of 600 pounds p.s.i. -- or 600 p.s.i. --  
10    indicates to us that those wells are in competition and  
11    are probably draining a fairly significant area.

12            We feel that probably those two wells are  
13    going to produce in excess of 22 BCF. And based on the  
14    thicknesses and the water saturations and the  
15    porosities, that indicates a drainage area of about  
16    1000 square feet -- or 1000 acres, excuse me.

17            Q.    Is it your opinion, Mr. Ricketts, that the  
18    wells that are completed in the A zone are in  
19    communication?

20            A.    Yes.

21            Q.    Let me refer you now to Exhibit Number 8.

22            A.    Exhibit Number 8 is an isopach of the B sand,  
23    the second zone.

24            Again, we feel this sand trends basically  
25    east/west across our location. It is productive in the

1 well in the northeast corner of Section 28 and the  
2 northwest corner of Section 27.

3 Both of those wells are fairly marginal. The  
4 one in Section 27 produced about 800 million, and the  
5 one in Section 28 I think is about 860 million.

6 The B sand is fairly tight and basically will  
7 probably be a marginal well in our location.

8 Q. Let me have you look, now, at Exhibit Number  
9 9, which is an isopach of the C sand. Can you review  
10 that for the Examiner?

11 A. Yes, Exhibit Number 9, as you said, is an  
12 isopach of the C zone. It trends again  
13 northwest/southeast across our location. It is behind  
14 pipe in both of the Rio Pecos -- Yates Rio Pecos wells  
15 in Section 29 and Section 20. They are still  
16 producing, of course, from the A zone.

17 It is productive, and the well in the  
18 southeast quarter of Section 29, it's fairly thin and  
19 fairly marginal. It's produced about a billion cubic  
20 feet of gas to date.

21 As you -- Section 34, the northwest corner of  
22 Section 34 is very thick and porous in that zone, but  
23 wet. A drill-stem test of that interval recovered 8400  
24 feet of salt water with excellent pressures, both shut-  
25 in and flow pressures.

1           And we feel that if we are significantly  
2       updip, you know, we should catch the C zone porous  
3       productive and probably make a pretty good well.

4           Q.    What's the status of the well that's shown in  
5       Section 33?

6           A.    The well in Section 33 had a very thin zone,  
7       a six-foot zone in that sand, that was untested.

8           Q.    And do you know which of these three zones  
9       that well was in?

10          A.    In the C zone.

11          Q.    The C zone?

12          A.    Yes.

13          Q.    Okay.

14          A.    I guess in summary we feel that we're going  
15       to encounter all three of these sands.

16                We feel the A sand probably will be pretty  
17       much depleted. The B sand is basically marginal sand,  
18       no matter what. And the C sand, if we are far enough  
19       updip, we should make a pretty good well. But we could  
20       encounter water problems there.

21          Q.    Based on your review of the geology of this  
22       area, is it your opinion that a risk penalty factor of  
23       200 percent should be imposed against nonconsenting  
24       working-interest owners in this proposed unit?

25          A.    Yes.

1           Q.   Mr. Ricketts, have you reviewed the AFE which  
2           has been sent to all working-interest owners in the  
3           proposed unit?

4           A.   Yes, I have.

5           Q.   In your opinion, is it a fair and reasonable  
6           AFE --

7           A.   Yes.

8           Q.   -- for a well of this depth?

9           A.   Yes.

10          Q.   Did you prepare Exhibits 5 through 9, Mr.  
11          Ricketts?

12          A.   Yes, I did.

13               MS. AUBREY:  Mr. Examiner, I tender Exhibits  
14          5 through 9, and I pass the witness.

15               (Off the record)

16               MR. CARR:  I have no questions.

17               EXAMINER CATANACH:  Exhibits 5 through 9 will  
18          be admitted as evidence.

19               (Off the record)

20                               EXAMINATION

21          BY EXAMINER CATANACH:

22               Q.   Mr. Ricketts, do you have any idea where the  
23          gas water contact is in the C zone?

24               A.   We really don't know.  I personally feel it  
25          is probably fairly close to the well in Section 34.

1 They had a gas-to-surface too small to measure there,  
2 so I think you're not too far away.

3 Unfortunately the well in Section 33 did not  
4 test the zone. Based on log calculations it looks  
5 fairly marginal as far as water saturations go.

6 Q. So in terms of the risk in the C zone, what  
7 do you see as the biggest risk in drilling and  
8 completing in that zone?

9 A. In the C zone is whether we're significantly  
10 updip. If you refer to the structure map, Exhibit 5,  
11 the well is -- the zone is productive in the southeast  
12 of Section 29 at 6180.

13 We know for sure it's wet downdip at 6433 in  
14 Section 34.

15 In Section 33 at 6282 it looks somewhat  
16 marginal. And our proposed location will be  
17 approximately 50 feet above that, which I think will  
18 probably be good enough, but there is a possibility we  
19 still could encounter water.

20 Q. And you have a good idea that the A zone has  
21 been drained or has been depleted?

22 A. That's our opinion, yes, based on the  
23 performance of the Yates Rio Pecos wells in Section 20  
24 and 29.

25 I might add to that, the well in the



1 southeast corner of Section 29 was originally completed  
2 in the C zone. They subsequently went up and  
3 perforated the A zone and really saw no increase at all  
4 in production when they commingled the two zones.

5 So we don't feel that the A zone is  
6 contributing significantly to the production in Section  
7 -- in the southeast corner of Section 29.

8 Q. The well in the southwest of Section 20,  
9 that's not completed in the C, did you say?

10 A. The southwest of Section 20?

11 Q. Right.

12 A. No, it's completed in the A.

13 Q. Okay. Did you say the C was still behind  
14 pipe?

15 A. Yes, it is behind pipe.

16 Q. That's also true for the well in 29, the  
17 northwest of 29?

18 A. That's correct. Based on log calculations,  
19 they are -- shouldn't have any water problems at all  
20 when they get into those zones.

21 EXAMINER CATANACH: That's all I have of the  
22 witness.

23 You may be excused.

24 MS. AUBREY: Mr. Examiner, let me tender now  
25 Exhibit Number 10, which is a certificate of mailing.

1 I have given you the original certificate of mailing  
2 with the original green cards.

3 EXAMINER CATANACH: Exhibit 10 will be  
4 admitted as evidence.

5 Is there anything further in this case?

6 MS. AUBREY: Case 9893 will be taken under  
7 advisement.

8 (THEREUPON, these proceedings were concluded  
9 at 10:20 a.m.)

10 \* \* \*

11  
12  
13  
14  
15  
16  
17 I do hereby certify that the foregoing is  
18 a complete record of the proceedings in  
the Examiner hearing of Case No. 9893,  
19 heard by me on April 4, 1980.

20 David R. Catanach, Examiner  
Oil Conservation Division

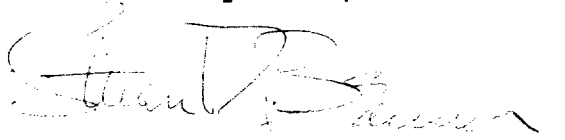
## CERTIFICATE OF REPORTER

STATE OF NEW MEXICO )  
 ) ss.  
COUNTY OF SANTA FE )

I, Steven T. Brenner, Certified Shorthand 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 April 9, 1990.



STEVEN T. BRENNER  
CSR No. 106

My commission expires: October 14, 1990