

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

CASE 9899, CASE 9888, CASE 9903,

CASE 9885, CASE 9898, CASE 9904,

CASE 9905

EXAMINER HEARING

CONTINUED AND DISMISSED CASES

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

APRIL 4, 1990

A P P E A R A N C E S

FOR THE DIVISION: ROBERT G. STOVALL
 Attorney at Law
 Legal Counsel to the Division
 State Land Office Building
 Santa Fe, New Mexico

* * *

I N D E X

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* * *

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

3 EXAMINER CATANACH: Call the hearing to order
4 this morning for Docket Number 10-90.

5 First off, we'll call the dismissals and
6 continuances.

7 Call Case 9899.

8 MR. STOVALL: Application of BTA Oil
9 Producers for an unorthodox gas well location, Eddy
10 County, New Mexico.

11 Applicants request this case be dismissed.

12 EXAMINER CATANACH: Case 9899 is hereby
13 dismissed.

14 * * *

15 EXAMINER CATANACH: Call Case 9888.

16 MR. STOVALL: Application of Conoco, Inc.,
17 for compulsory pooling, Lea County New Mexico.

18 Applicant has requested this case be
19 dismissed.

20 EXAMINER CATANACH: Case 9888 is hereby
21 dismissed.

22 * * *

23 EXAMINER CATANACH: Call Case 9903.

24 MR. STOVALL: Application of Yates Petroleum
25 Corporation for directional drilling and an unorthodox

1 gas well location, Eddy County, New Mexico.

2 Applicants request this case be continued and
3 readvertised for April 18th, 1990.

4 EXAMINER CATANACH: Case 9903 is hereby
5 continued to the April 18th Docket.

6 * * *

7 EXAMINER CATANACH: Call Case 9885.

8 MR. STOVALL: Application of Doyle Hartman
9 for compulsory pooling, a non-standard gas proration
10 unit and simultaneous dedication, Lea County, New
11 Mexico.

12 Applicant has requested this case be
13 dismissed.

14 EXAMINER CATANACH: Case 9885 is hereby
15 dismissed.

16 * * *

17 EXAMINER CATANACH: Call Case 9898.

18 MR. STOVALL: Application of Doyle Hartman
19 for compulsory pooling, a non-standard gas proration
20 unit and simultaneous dedication, Lea County, New
21 Mexico.

22 Applicant has requested this case be
23 continued to May 2nd, 1990.

24 EXAMINER CATANACH: Case 9898 is hereby
25 continued to the May 2nd docket.

* * *

(Off the record)

EXAMINER CATANACH: Let's retract a little bit. At this time let's call Case 9904.

MR. STOVALL: Application of Nassau Resources, Inc., for an unorthodox coal gas well location, Rio Arriba County, New Mexico.

EXAMINER CATANACH: Are there appearances in this case?

MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of the Santa Fe law firm of Kellahin, Kellahin and Aubrey, appearing on behalf of the Applicant. We request at this time that you also call case 9905.

EXAMINER CATANACH: Call Case 9905.

MR. STOVALL: Application of Nassau Resources, Inc., for unorthodox coal gas well location, Rio Arriba County, New Mexico.

MR. KELLAHIN: I don't know if there are any other appearances, Mr. Examiner.

EXAMINER CATANACH: Oh, are there any other appearances in either one of these cases?

MR. KELLAHIN: There being no other appearances, Mr. Examiner, we would request that both applications be dismissed and the request for unorthodox locations be returned to the Division for

1 administrative processing.

2 EXAMINER CATANACH: Case 9904 and 9905 are
3 hereby dismissed.

4 * * *

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14 I do hereby certify that the foregoing is
15 a complete record of the proceedings in
16 the Examiner hearing of Case No. 9903
17 heard by me on April 4 1990
18 David R. Catanach, Examiner
19 Oil Conservation Division
20
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1
2 CERTIFICATE OF REPORTER
34 STATE OF NEW MEXICO)
5) ss.
6 COUNTY OF SANTA FE)7 I, Steven T. Brenner, Certified Shorthand
8 Reporter and Notary Public, HEREBY CERTIFY that the
9 foregoing transcript of proceedings before the Oil
10 Conservation Division was reported by me; that I
11 transcribed my notes; and that the foregoing is a true
12 and accurate record of the proceedings.13 I FURTHER CERTIFY that I am not a relative or
14 employee of any of the parties or attorneys involved in
15 this matter and that I have no personal interest in the
16 final disposition of this matter.

17 WITNESS MY HAND AND SEAL April 5, 1990.

18 19 _____
20 STEVEN T. BRENNER
21 CSR No. 10622 My commission expires: October 14, 1990
23
24
25

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

CASE 9903

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum Corporation for
Directional Drilling and an Unorthodox Gas Well
Location, Eddy County, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

April 18, 1990

ORIGINAL

A P P E A R A N C E S

FOR THE APPLICANT:

CAMPBELL & BLACK, P.A.
Attorneys at Law
By: WILLIAM F. CARR
Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico
87504-2208

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* * *

1 WHEREUPON, the following proceedings were had
2 at 9:32 a.m.:

3 EXAMINER STOGNER: We'll call the next case,
4 Number 9903, which is the Application of Yates
5 Petroleum Corporation for directional drilling and an
6 unorthodox gas well location, Eddy County, New Mexico.

7 I'll call for appearances.

8 MR. CARR: May it please the Examiner, my
9 name is William F. Carr with the law firm Campbell and
10 Black, P.A., of Santa Fe. We represent Yates Petroleum
11 Corporation, and I have two witnesses.

12 EXAMINER STOGNER: Are there any other
13 appearances?

14 Will the witnesses please stand to be sworn?

15 (Thereupon, the witnesses were sworn.)

16 EXAMINER STOGNER: Mr. Carr?

17 MR. CARR: At this time we would call Mr.
18 Burch.

19 MICHAEL R. BURCH,
20 the witness herein, after having been first duly sworn
21 upon his oath, was examined and testified as follows:

22 EXAMINATION

23 BY MR. CARR:

24 Q. Will you state your full name an place of
25 residence?

1 A. My name is Michael R. Burch, and Artesia, New
2 Mexico, is my residence.

3 Q. And how do you spell your last name?

4 A. It's B-u-r-c-h.

5 Q. By whom are you employed and in what
6 capacity?

7 A. I'm presently employed by Yates Petroleum
8 Corporation as a petroleum landman.

9 Q. Have you previously testified before the Oil
10 Conservation Division?

11 A. No, I have not.

12 Q. Would you briefly review your educational
13 background and then summarize your work experience?

14 A. I attended New Mexico Military Institute,
15 also attended Florence State University in Florence,
16 Alabama.

17 I entered the oil and gas business in 1978 in
18 Tulsa, Oklahoma, as a broker, oil and gas lease broker.
19 Basically I have worked until 1989 as an oil and gas
20 lease broker, an independent broker.

21 I've conducted lease plays all over eastern
22 Oklahoma, western Oklahoma; I've run crews in Kansas,
23 Nebraska, Michigan; worked with several independent
24 producers, small producers in the Tulsa area; I've
25 worked directly with geologists in developing

1 prospects, taking geological prospects from a lease
2 stage to a drilling stage.

3 Q. How long have you worked for Yates Petroleum
4 Corporation?

5 A. I've worked approximately one year with
6 Yates.

7 Q. And does your area of responsibility with
8 Yates include the portion of Eddy County, New Mexico,
9 which is involved in this case?

10 A. It includes some of Eddy County.

11 Q. Are you familiar with the Application filed
12 on behalf of Yates in this matter?

13 A. Yes, sir, I am.

14 Q. And are you familiar with the subject area?

15 A. Yes, sir.

16 MR. CARR: We would tender Mr. Burch as an
17 expert witness in petroleum land matters.

18 EXAMINER STOGNER: Mr. Burch is so qualified.

19 Q. (By Mr. Carr) Mr. Burch, would you briefly
20 state what Yates seeks with this Application?

21 A. Yates seeks the approval of directional
22 drilling for its Gazelle AHG Federal Com Number 1 Well
23 from the surface location in Unit E of Section 15, 20
24 South, 29 East, in Eddy County, New Mexico, and
25 approval of an unorthodox bottom-hole location in the

1 Morrow formation in Unit J of Section 15, 20 South, 29
2 East.

3 Q. This well will also intersect the Strawn
4 formation; is that correct?

5 A. That's correct.

6 Q. And you will be at a standard location in the
7 Strawn?

8 A. Yes, sir, it is.

9 Q. Is it possible the well might also be at a
10 standard location in the Morrow?

11 A. It could be, but then we also seek for
12 unorthodox if it's not.

13 Q. All right. Are you familiar with the rules
14 that govern spacing in this area?

15 A. Yes, sir.

16 Q. What are the spacing requirements for both
17 the Strawn and the Morrow formations?

18 A. Those are a 320 spacing proration unit.

19 Q. And that would be 1980 setback from the end
20 line and 660 from the side boundary?

21 A. Yes, sir, that's correct.

22 Q. And what acreage do you propose to dedicate
23 to this well?

24 A. We propose to dedicate the south half of
25 Section 15 as a proration.

1 Q. Have you prepared certain exhibits for
2 presentation in this hearing?

3 A. Yes, sir, I have.

4 Q. Would you identify what has been marked as
5 Yates Petroleum Corporation Exhibit Number 1, identify
6 that and then review the information on this exhibit
7 for Mr. Stogner.

8 A. Okay. Exhibit Number 1 is a plat showing the
9 area of our intended surface location. The red circle
10 is noted on this plat as being our surface location,
11 which we show to be in Unit E of Section 15.

12 The yellow outlined area shows the acreage
13 that Yates holds in this area. Also the red outlined
14 area indicates the south half of Section 15, which
15 would be dedicated to the proration unit. And then it
16 also indicates offset ownership of the acreage around
17 that south half.

18 Q. Now, this well is located in close proximity
19 to the potash area; is that right?

20 A. Yes, sir, that's correct.

21 Q. Is that indicated on this map?

22 A. Some of the potash area is indicated that
23 runs across part of Section 22 and also Section 23.

24 Q. That's the area inside the kind of dashed
25 line?

1 A. Yes, sir, it is.

2 Q. And to the south, in Sections 26 and 27, it's
3 identified as the potash area?

4 A. Yes, sir, it is also. I think that this
5 probably has been revised at times. I'm sure that it
6 runs even farther to the north in Section 22, possibly
7 covering the northeast quarter of Section 22 also, and
8 the northwest of Section 23.

9 Q. All right. Your primary objectives in this
10 well are what formation? Strawn and Morrow?

11 A. Our primary objective on the well is the
12 Strawn formation.

13 Q. Where is the nearest producing Strawn well to
14 the proposed location?

15 A. The nearest production we show in the Strawn
16 is in the northwest quarter of Section 15, a Strawn
17 well, the Williamson Federal Number 4, operated by TXO.

18 TXO also has recently drilled a well in the
19 northwest of Section 14, and I believe they are calling
20 that the Burton Flat Number 1, and that's operated by
21 TXO also.

22 Q. And so the TXO Strawn well is in the
23 southeast of the northwest of 15; is that correct?

24 A. Yes, sir.

25 Q. And then due west of that is the proposed

1 surface location from which you propose to drill the
2 well?

3 A. That's correct.

4 Q. All right. Where would be the nearest Morrow
5 production?

6 A. The nearest Morrow that we show in this area
7 is a well that Yates Petroleum drilled in Section 14,
8 in the northeast quarter of Section 14. We show that
9 being a Morrow test and being the Zia Federal Number 1.

10 Q. And that has just recently been drilled?

11 A. Yes, sir, it has.

12 Q. It's in the southwest quarter of the
13 northeast quarter?

14 A. Yes, sir.

15 Q. Could you explain to the Examiner why you're
16 seeking authority to directionally drill this well?

17 A. We're seeking authority to directionally
18 drill this well because there's no standard surface
19 location that's available in this area or on that
20 acreage, because under the Federal Oil and Gas Lease,
21 New Mexico-81 929, which contains a no-surface-
22 occupancy provision.

23 Q. And is Yates Exhibit Number 2 a copy of that
24 lease?

25 A. Yes, sir, Exhibit Number 2 is a copy of that

1 lease.

2 Q. And page 4 of that exhibit contains the
3 stipulations which provide for no surface occupancy; is
4 that right?

5 A. Yes, sir, that's correct.

6 Q. Mr. Burch, is Exhibit Number 3 an affidavit
7 with attached letters that indicates that notice has
8 been provided of this hearing as required by Oil
9 Conservation Division rules and regulations?

10 A. Yes, sir, that's what that exhibit contains.

11 Q. And have you been able to obtain waivers from
12 offsetting operators?

13 A. Yes, sir, we've obtained waivers from all the
14 offset operators except Texaco, which has made no
15 response at this time.

16 Q. And are waivers from TXO, Harvey Yates
17 Company and J.C. Williamson also attached to Exhibit
18 Number 3?

19 A. Yes, sir, they are.

20 Q. Will you also call -- Will Yates also call an
21 engineering witness to review exactly how this well
22 will be directionally drilled?

23 A. Yes, sir, we have a witness available.

24 Q. Were Exhibits 1 through 3 either prepared by
25 you or compiled at your direction?

1 A. Yes, sir, they were.

2 MR. CARR: Mr. Stogner, at this time we would
3 move the admission of Yates Petroleum Corporation
4 Exhibits 1 through 3.

5 EXAMINER STOGNER: Exhibits 1 through 3 will
6 be admitted into evidence at this time.

7 MR. CARR: That concludes my direct
8 examination of Mr. Burch.

9 EXAMINATION

10 BY EXAMINER STOGNER:

11 Q. Mr. Burch, on Exhibit Number 1 you show that
12 TXO well in Section 15. Is that the Number 4 well I'm
13 looking at that's in the southeast quarter of the
14 northwest quarter?

15 A. Yes, sir, that's what I show.

16 Q. And was that directionally drilled?

17 A. Sir, I'm not aware of it was or not.

18 (Off the record)

19 Q. (By Examiner Stogner) Mr. Burch, what is the
20 date of the no-surface-occupancy stipulation on this
21 lease? Or, I should say, when did Yates take this
22 lease?

23 A. Effective date of lease was August the 1st of
24 1989.

25 Q. And the no-surface-occupancy is covered under

1 Exhibit R-43 of that particular lease; is that
2 correct --

3 A. Yes, sir, that's correct.

4 Q. -- in your exhibit today?

5 A. Yes, sir.

6 EXAMINER STOGNER: For the record, Mr. Carr,
7 I'm going to refer to Order Number R-111P of the
8 Division, Oil Conservation Division Order, which
9 outlined the potash area, and in particular in Section
10 15 it covers the east half of the east half, the west
11 half of the southeast quarter, and the southeast
12 quarter of the southwest quarter.

13 And with that, I have no other questions of
14 this witness. Are there any other questions of Mr.
15 Burch?

16 MR. CARR: No further questions of Mr. Burch,
17 and at this time we would call Mr. Springer.

18 EXAMINER STOGNER: Thank you, Mr. Carr.

19 ALBERT J. SPRINGER,
20 the witness herein, after having been first duly sworn
21 upon his oath, was examined and testified as follows:

22 EXAMINATION

23 BY MR. CARR:

24 Q. State your full name for the record, please.

25 A. Albert J. Springer.

1 Q. Where do you reside?

2 A. I reside in Roswell, New Mexico.

3 Q. Mr. Springer, by whom are you employed and in
4 what capacity?

5 A. I'm employed by Yates Petroleum Corporation,
6 and I am a drilling superintendent.

7 Q. Have you previously testified before the Oil
8 Conservation Division?

9 A. I have.

10 Q. And at that time were your credentials
11 accepted and made a matter of record?

12 A. Yes, they were.

13 Q. And how were you qualified at that time?

14 A. I believe as a petroleum engineer.

15 Q. Are you familiar with the Application filed
16 on behalf of Yates Petroleum Corporation in this case?

17 A. Yes, I am.

18 Q. And are you familiar with the proposed
19 directional drilling and unorthodox well location?

20 A. Yes, I am.

21 MR. CARR: Are the witness's qualifications
22 acceptable?

23 EXAMINER STOGNER: Mr. Springer is so
24 qualified.

25 Q. (By Mr. Carr) Mr. Springer, have you

1 prepared an exhibit for presentation in this hearing?

2 A. Yes, I've prepared Exhibit Number 4 for this
3 hearing. I've got a small copy enclosed with the
4 exhibits and a larger copy to demonstrate. It would be
5 toward the back of the packet.

6 Q. Would you go to the large copy that is
7 displayed on the wall, and using this exhibit, review
8 for the Examiner exactly how you propose to
9 directionally drill this well.

10 But before you do, Mr. Springer, this is
11 advertised for a surface location 2280 from the north
12 line and 1180 from the west line. Is that going to be
13 the surface location from which you actually commence
14 the well?

15 A. No, it is not. When they went to survey that
16 location they found that it was on top of a pipeline,
17 and the surface location had to be moved approximately
18 30 feet north and 20 foot west.

19 Q. What will be the surface location from which
20 you propose to drill this well?

21 A. 25- -- Or, excuse me. 2250 from the north
22 line and 1160 from the west line.

23 EXAMINER STOGNER: Excuse me, Mr. Carr. Now,
24 this is not going to change the stipulations of the
25 subsurface location?

1 MR. CARR: No, that's the next question. It
2 will not affect the well as it goes through the target
3 areas as defined in the legal ad, either in the Strawn
4 or the Morrow.

5 EXAMINER STOGNER: I see.

6 EXAMINATION

7 BY EXAMINER STOGNER:

8 Q. And this surface location is on federal
9 acres; is that correct, Mr. Springer?

10 A. I'll have to check. Just a second.

11 Q. The Gazelle AH Federal Com, I assume?

12 A. Yes, sir, the whole section is.

13 Q. Do you know if the BLM has made an on-site
14 inspection? Has this particular location been
15 approved?

16 A. It's waiting on the results of this hearing
17 for final approval right now. Basically approved
18 everything, to my knowledge, to this point.

19 Q. And that is the 2250 from the north, 1160
20 from the west; is that correct?

21 A. That's correct, that is what was filed.

22 EXAMINER STOGNER: Okay, Mr. Carr, with that
23 in mind I don't see any reason to readvertise,
24 considering that the surface location really has no
25 relevance in this case, since the subsurface locations

1 are the particular matter, but let's go ahead and
2 continue.

3 EXAMINATION (Resumed)

4 BY MR. CARR:

5 Q. All right, would you now go to Exhibit Number
6 5 and review this for Mr. Stogner?

7 A. Okay, this is a -- It's got a cross-section
8 or a vertical section of the well to be drilled, and
9 also a top view or a horizontal section as we propose
10 to drill the well.

11 This vertical section starts at 4300 feet in
12 depth. We've eliminated the top portion of it because
13 we anticipate it to be fairly straight. This is the
14 point at which we plan to kick off and form our
15 direction and our angle towards our ultimate target
16 down below.

17 The upper part will be drilled as straight as
18 possible. Due to the stabilization, we've got a
19 potential for some crooked hole at the base of the
20 salt, which is roughly around 1300 feet. We'll
21 stabilize to get it as straight as we possibly can so
22 we will be as close to this point when we start as
23 possible.

24 EXAMINER STOGNER: Mr. Springer, before we
25 continue, why don't you stand on this side of the plat

1 and direct your voice out this way.

2 THE WITNESS: Okay.

3 EXAMINER STOGNER: Now, whenever you said
4 "this location," you're talking about -- What is "this
5 location"?

6 THE WITNESS: The starting point for our
7 kickoff, which should be approximately the same as the
8 surface location.

9 EXAMINER STOGNER: Okay, thank you.

10 THE WITNESS: Once we kick off, we'll tend to
11 move away from the surface location. But until we get
12 to 4300 feet, we will be approximately the same as the
13 surface location.

14 Once we drill down, we'll set our last string
15 of intermediate 3250 and drill on down to 4300 feet.

16 At that time we will run two surveys. We
17 will run a survey, a gyroscopic survey, through the
18 casing that we ran to obtain the exact location to that
19 point, and we'll run standard surveys from the point at
20 4300 feet up above and tie it in with our casing point.

21 By doing that, we can find out exactly where
22 we are at this point before we go ahead and start at
23 that point. Frequently, from the wells that we've
24 drilled in the past, we have --

25 Q. (By Mr. Carr) Now, again, Mr. Springer, when

1 you say "at this point," you mean when you are at 4300
2 feet?

3 A. 4300 feet, correct. Frequently what will
4 happen, we'll be slightly off from that point, and
5 we'll start again from wherever we are exactly and aim
6 for this target.

7 To start our curve all we do, we'll pull out
8 of the hole. We'll pick up a bent sub, one-and-a-half-
9 degree bent sub, and go back in with a downhole mud
10 motor, is what they call it. That allows the bit to be
11 turned without rotating the drill pod.

12 We will get on bottom, we will directionally
13 orient it in this direction that we have plotted on our
14 exhibit.

15 Q. And that plot is on the right-hand side of
16 the exhibit?

17 A. That's correct.

18 Q. And it shows a line that commences at or
19 about -- or will commence at 4300 feet and then move to
20 the southeast across the proration unit?

21 A. That's correct.

22 Q. Now, you've drawn a block on this plot, and
23 you've -- What does that square indicate?

24 A. The square -- I've got a square that's 330 by
25 330 on a side around the point, that is, a midpoint of

1 our Strawn pay formations. That is the orthodox
2 window, and we're using that for the center of our
3 Strawn target.

4 Q. Do you have anything further you want to
5 explain using Exhibit Number 5?

6 A. I believe that's basically it.

7 Q. Mr. Springer, would you like to return to
8 your seat, please?

9 A. Sure.

10 Q. Would it be satisfactory to Yates for the
11 order that results from this hearing to authorize
12 completion of the well within a target area within a
13 150-foot radius around the proposed bottom-hole
14 location or location in the Strawn and the Morrow
15 formations?

16 A. Yes, it would be.

17 Q. Will Yates run a directional survey on the
18 well as required by Oil Conservation Division rules?

19 A. Yes, we will.

20 Q. Will the bottom-hole location in the Morrow
21 necessarily be at an unorthodox location?

22 A. There is a possibility that we could fall
23 within the orthodox box that we have for the Strawn.

24 Q. If, however, it is at an unorthodox location,
25 will an advantage be gained on any offsetting tracts?

1 A. No, there should be no advantage at all,
2 because we're simply going deeper into our own tract.

3 Q. Do you believe that granting this Application
4 and the drilling of the well that you've proposed will
5 be in the best interest of conservation, the prevention
6 of waste and the protection of correlative rights?

7 A. Yes, I do. I think being that the potash
8 mines have excluded the surface ownership by allowing
9 us to directionally drill this well, we are better able
10 to produce the hydrocarbons that normally would be
11 eliminated from use at the current time.

12 Q. Unless you're permitted to directionally
13 drill to this -- to a bottom-hole location on this
14 tract, will you be able to produce the reserves from
15 that acreage?

16 A. No, we will not.

17 Q. How soon would Yates be prepared to go
18 forward with the drilling of this well?

19 A. The rig that we have reserved in all of our
20 arrangements will be ready within the next week.

21 Q. Was Exhibit Number 5 prepared by you?

22 A. Yes, it was.

23 Q. Do you have anything further to add to your
24 testimony?

25 A. No, I don't.

1 MR. CARR: Mr. Stogner, at this time we move
2 admission of Yates Exhibit Number 5.

3 EXAMINER STOGNER: Exhibit Number 5 will be
4 admitted into evidence at this time.

5 MR. CARR: That concludes my examination of
6 Mr. Springer.

7 EXAMINATION

8 BY EXAMINER STOGNER:

9 Q. Mr. Springer, do you anticipate the Strawn
10 zone being gas production or oil production?

11 A. Primarily gas production. It would be
12 designated as a gas well, I'm sure.

13 Q. But that really won't be determined until you
14 get the well down; is that correct?

15 A. That's correct.

16 EXAMINER STOGNER: As noted, Mr. Carr, I'd
17 like to say at this time, the south half of 15 is
18 directly offset to the South Parkway Strawn Oil Pool,
19 which takes in the northwest quarter of Section 15, and
20 the East Burton Flat Strawn Gas Pool is one-half mile
21 away to the north.

22 I have indicated on the advertisement today
23 that particular anomaly. I guess most of the wells
24 that have been drilled recently, such as this, have
25 been gas wells, but considering the circumstances, I

1 want to cover both sides, and that will be included in
2 the hearing --

3 MR. CARR: Yes, sir.

4 EXAMINER STOGNER: -- I'm sorry, in the
5 order.

6 With that, I have no other questions of Mr.
7 Springer. Are there any other questions of this
8 witness?

9 MR. CARR: No further questions.

10 EXAMINER STOGNER: Does anybody else have
11 anything further in Case Number 9903?

12 If not, this case will be taken under
13 advisement.

14 (Thereupon, these proceedings were concluded
15 at 9:55 a.m.)

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 9903,
heard by me on 18 April 1990.
Michael J. Stogner, 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 23, 1990.



STEVEN T. BRENNER
CSR No. 106

My commission expires: October 14, 1990