

STATE OF NEW MEXICO  
ENERGY AND MINERALS DEPARTMENT  
OIL CONSERVATION DIVISION  
STATE LAND OFFICE BLDG.  
SANTA FE, NEW MEXICO

123 October 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Yates Petroleum	CASE
Corporation for an unorthodox oil	8348
well location, Lea County, New	
Mexico.	

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Jeff Taylor
Division:	Attorney at Law
	Legal Counsel to the Division
	State Land Office Bldg.
	Santa Fe, New Mexico 87501

For the Applicant:	Karen Aubrey
	Attorney at Law
	KELLAHIN & KELLAHIN
	P. O. Box 2265
	Santa Fe, New Mexico 87501

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I N D E X

TODD M. WILSON

Direct Examination by Ms. Aubrey 3

E X H I B I T S

Yates Exhibit One, Plat 4

Yates Exhibit Two, Log 6

Yates Exhibit Three, Data 6

Yates Exhibit Four, Map 7

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3 MR. QUINTANA: Call next Case  
4 8348.

5 MR. TAYLOR: The application of  
6 Yates Petroleum Corporation for an unorthodox oil well loca-  
7 tion, Lea County, New Mexico.

8 MS. AUBREY: Karen Aubrey, Kel-  
9 lahin and Kellahin, representing the applicant.

10 I have one witness to be sworn.

11 MR. QUINTANA: Are there other  
12 appearances in this case?

13 If not, will the witness please  
14 stand and be sworn?

15 (Witness sworn.)

16 TODD M. WILSON,  
17 being called as a witness and being duly sworn upon his  
18 oath, testified as follows, to-wit:

19 DIRECT EXAMINATION

20 BY MS. AUBREY:

21 Q Would you state your name, please?

22 A Todd Wilson.

23 Q Mr. Wilson, where are you employed?

24 A Rio Pecos Corporation in Midland, Texas.

25 Q And what is your relationship with Yates

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Petroleum Corporation, the applicant in this case?

A They are the original company that took the prospect from us and had the original well drilled.

Q Have you testified before the Oil Conservation Division and its examiners before, Mr. Wilson, and had your qualifications made a matter of record?

A Yes, I have.

Q Are you familiar with the application of Yates Petroleum for an unorthodox well location in the Casey Strawn Pool at a location 660 from the north line and 1100 feet from the west line in Section 27, Township 16 South, Range 37 East?

A Yes, I am.

MS. AUBREY: Mr. Examiner, are the witness' qualifications acceptable?

MR. QUINTANA: Yes, they are.

Q Mr. Wilson, have you prepared exhibits for the consideration of the Examiner this morning?

A Yes, I have four exhibits.

Q Let me refer you first to Exhibit Number One. Can you look at that and explain for the Examiner what the various colors mean on this map?

A Exhibit One is a copy of a land map, Lea County, New Mexico.

The area outlined in orange encompasses the 80-acre proration units within the already proven Casey Field.

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The area outlined in green encloses the acreage that we have under possession and the area outlined in red will be the dedicated 80-acre unit to the No. 2 Well to be drilled in here.

Q Mr. Wilson, is the proposed location shown on Exhibit Number One?

A Yes.

Q Okay.

A It's shown as a red dot in the north half of the northwest quarter of Section 26.

Q Okay, and does that -- does Exhibit Number One also show another well within the red outline there?

A Yes. There is a black dot right on the east edge of the red unit outline. The name of that well is Yates Petroleum Corporation Shipp "ZI" No. 1.

Q Is that a producing well, Mr. Wilson?

A Yes. Currently the initial potential on it was for pumping 10 barrels of oil per day, 40 barrels of water per day, and 10,000 cubic feet of gas per day.

Q And what formation is that well completed in?

A In the Strawn formation.

Q Do you know whether or not there are any present plans for plugging that well?

A Yes, that well will be abandoned in the Strawn formation with -- a recompletion attempt will be made in the Paddock as soon as the drilling of the No. 2 Well is

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underway.

Q Mr. Wilson, do you know what a standard location in the Casey Strawn is?

A A standard location for the North Casey Field in this area should be within 150 feet of the center of a quarter quarter section.

Q And can you tell the Examiner how close to the outer boundary your proposed unorthodox location is?

A Our unorthodox would be 290 feet removed from the furthest legal location underneath the field rules.

Q In connection with the unorthodox location, have you received any objection by any offset operators to this proposed location?

A No, we have not.

Q Let me refer you now to Exhibit Number Two. Will you look at that and tell the Examiner what that exhibit shows?

A Exhibit Two is a copy of a portion of the CNL-FDC log on the Yates Shipp "ZI" No. 1.

On it is marked top of Strawn series, top of Lower Strawn limestone, and indicated perforations for the pay zone in that well within the Lower Strawn limestone formation.

Q Let me refer you now to Exhibit Number Three. Can you identify that for the examiner?

A Okay. Exhibit Three is a copy of the dipmeter from, continuous dipmeter that was run on the Shipp

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2 "ZI" No. 1. The interval that we're primarily concerned  
3 with on this dipmeter log is from 11,450 feet to 11,510  
4 feet. This outlines what we feel is mound facies. The dip-  
5 meter displays continuous north 150 degrees east dip with an  
6 inclination of approximately up to 30 degrees.

7 This log is our key evidence for wanting  
8 to drill the unorthodox location based upon the dip rate in  
9 this wellbore.

10 Q So your choice of the unorthodox location  
11 is based upon structure.

12 A Yes.

13 Q Let me refer you now to Exhibit Number  
14 Four. Can you identify that for the examiner?

15 A Okay, Exhibit Four is a structure map  
16 contoured on top of the Lower Strawn limestone, which in  
17 this area is the main pay zone in the Casey Field area.

18 Basically all it is showing is what the  
19 dipmeter log is indicating to us and the direction to go to  
20 have the next location on the crest of the mound.

21 Q Exhibit Number Four shows that you're  
22 moving up dip?

23 A Yes, it shows moving up dip.

24 Q In your opinion, Mr. Wilson, can a well  
25 at this unorthodox location efficiently and economically  
drain the designated acreage?

A It should be able to, yes.

Q And you'll be dedicating 80 acres to this

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well, is that correct?

A Yes. That's the field rule.

Q Mr. Wilson, will granting of Yates' application protect correlative rights, promote conservation, and prevent waste?

A Yes, it will.

Q Were Exhibits One through Four prepared by you, Mr. Wilson?

A Yes, they were.

MS. AUBREY: Mr. Examiner, I tender Exhibits One through Four.

MR. QUINTANA: Exhibits One through Four will be admitted.

MS. AUBREY: And I have no more questions of this witness.

MR. QUINTANA: I have no further questions of the witness. He may be excused.

Case 8348 will be taken under advisement.

(Hearing concluded.)



## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY  
that the foregoing Transcript of Hearing before the Oil Con-  
servation Division was reported by me; that the said tran-  
script is a full, true, and correct record of the hearing,  
prepared by me to the best of my ability.

Sally W. Boyd CSR

I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 8348  
heard by me on OCT. 17, 1984.

Albert P. Quintana Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO  
2 ENERGY AND MINERALS DEPARTMENT  
3 OIL CONSERVATION DIVISION  
4 STATE LAND OFFICE BLDG.  
5 SANTA FE, NEW MEXICO

6  
7 19 September 1984

8 EXAMINER HEARING

9 IN THE MATTER OF:

10 Application of Yates Petroleum Corporation for an unorthodox oil well location, Lea County, New Mexico. CASE 8348

11  
12 BEFORE: Michael E. Stogner, Examiner

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14 TRANSCRIPT OF HEARING

15  
16 A P P E A R A N C E S

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19 For the Oil Conservation Division: Jeff Taylor  
20 Attorney at Law  
21 Legal Counsel to the Division  
22 State Land Office Bldg.  
23 Santa Fe, New Mexico 87501

24 For the Applicant: Chad Dickerson  
25 Attorney at Law  
LOSEE, CARSON, & DICKERSON  
Post Office Drawer 239  
Artesia, New Mexico 88210

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3 MR. STOGNER: We'll call next  
4 Case Number 8348, which is the application of Yates  
5 Petroleum Corporation for an unorthodox oil well location,  
6 Lea County, New Mexico.

7 MR. DICKERSON: Mr. Chairman,  
8 that's Mr. Kellahin's case and I don't know the status of  
9 that.

10 MR. STOGNER: At the request of  
11 the applicant by letter September 11th, 1984, he wishes to  
12 continue this application for the hearing scheduled for  
13 October 3rd, 1984.

14 (Hearing concluded.)  
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## C E R T I F I C A T E

I, SALLY W. BOYD, C.S.R., DO HEREBY CERTIFY  
that the foregoing Transcript of Hearing before the Oil Con-  
servation Division was reported by me; that the said tran-  
script is a full, true, and correct record of the hearing,  
prepared by me to the best of my ability.

Sally W. Boyd

I do hereby certify that the foregoing is a true and correct copy of the original as filed in the records of the Oil Conservation Division.  
Sept. 19 1984  
8348  
Michael E. Stogatz, Examiner  
Oil Conservation Division