

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

11 September 1985

EXAMINER HEARING

IN THE MATTER OF:

Application of Amerind Oil Com-
pany for an unorthodox oil well
location, Lea County, New Mexico.

CASE
8694

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

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

For the Applicant:

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I N D E X

ROBERT LEIBROCK

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1
2 MR. QUINTANA: We'll call Case
3 8694.

4 MR. TAYLOR: Application of
5 Amerind Oil Company for an unorthodox oil well location, Lea
6 County, New Mexico.

7 MR. BRUCE: Mr. Examiner, my
8 name is Jim Bruce from the Hinkle Law Firm in Santa Fe, and
9 I have one witness to be sworn.

10 MR. QUINTANA: Are there other
11 appearances in Case 8694?

12 If not, will you please have
13 your witness stand up and be sworn in at this time, sir?

14
15 (Witness sworn.)

16
17 ROBERT C. LEIBROCK,
18 being called as a witness and being duly sworn upon his
19 oath, testified as follows, to-wit:

20
21 DIRECT EXAMINATION

22 BY MR. BRUCE:

23 Q Would you please state your name and city
24
25

1 of residence?

2 A My name is Robert C. Leibrock. I live in
3 Midland, Texas.

4 Q What is your occupation?

5 A I am Vice Presidenct of Amerind Oil Com-
6 pany.

7 Q Have you previously testified before the
8 New Mexico OCD as a petroleum engineer?

9 A Yes.

10 Q And are you familiar with Amerind's ap-
11 plication for unorthodox location in this matter?

12 A Yes, uh-huh.

13 MR. BRUCE: Mr. Examiner, is
14 the witness considered qualified?

15 MR. QUINTANA: Yes, he is. You
16 may proceed.

17 Q Mr. Leibrock, would you please state for
18 the record what Amerind seeks by its application?

19 A Amerind seeks an order approving an unor-
20 thodox oil well location in the High Plains Permo-Pennsylv-
21 vanian Pool.

22 The proposed well is to be located 1650
23 feet from the north line, 1350 feet from the east line of
24 Section 35, Township 114 South, Range 34 East, Lea County,
25 New Mexico.

1 The northeast quarter of Section 35 is to
2 be dedicated to the well.

3 Q Would you please refer to Amerind's Exhi-
4 bit Number One and briefly describe this for the Examiner?

5 A Exhibit One is a plat and a structure map
6 showing the proposed location and other wells in the area.

7 The proposed well is located in the
8 southwest quarter of the northeast quarter of Section 35,
9 and Amerind is the operator. The only offset operator is
10 Elk Oil.

11 The yellow designates Amerind acreage and
12 the green is a farmout to Amerind from Texaco.

13 Q Has the offset operator been notified of
14 this hearing?

15 A Yes, a copy of te application was sent to
16 Elk Oil by certified mail. The return receipt is in our of-
17 fice and will be submitted to the OCD.

18 Q Would you please refer again to Exhibit
19 Number One and describe in more detail the proposed well and
20 the reasons Amerind desires to drill at this location?

21 A Exhibit One is a structure map contoured
22 on top of the Saunders Lime. The proposed location is mar-
23 ked with a red arrow.

24 Amerind proposes to drill a well to an
25 approximate depth of 10,700 feet to test the Bough C forma-

1 tion.

2 The pool rules for the proposed well re-
3 quire a location within 150 feet of the northeast quarter or
4 the southwest quarter of the quarter section.

5 Our reason for drilling this well is to
6 get up-dip to the Elk Oil Anderson State No. 1 in the north-
7 west quarter of Section 36, immediately to the east of our
8 proposed location. The Elk Anderson State Well was initial-
9 ly completed in the Bough C and produced about 2000 barrels
10 of oil before watering out.

11 The well was then completed in the Bough
12 A and has produced about 37,000 barrels of oil to date.

13 Mapping on top of the Saunders Lime indi-
14 cates a strong probability that the proposed location will
15 be high to the Elk Anderson State Well in all the Permo-Penn
16 zones; however, in drilling the initial test well, we think
17 it is prudent to stay as close as possible to the Elk Well
18 because actual structural configuration is subject to a high
19 degree of uncertainty at this time.

20 We are also constrained by the necessity
21 of drilling the initial test well on the farm-in acreage
22 from Texaco.

23 Therefore we think the best location for
24 this initial well is near the eastern boundary of the Texaco
25 acreage, as shown on the map.

1 Q In your opinion will the granting of
2 Amerind's application be in the interest of conservation,
3 the prevention of waste, and the protection of correlative
4 rights?

5 A Yes.

6 Q Was Exhibit One prepared by you?

7 A Yes.

8 MR. BRUCE: Mr. Examiner, I
9 move the admission of Exhibit Number One.

10 MR. QUINTANA: Exhibit Number
11 One will be entered as evidence.

12 MR. BRUCE: I have no further
13 questions of the witness.

14

15 CROSS EXAMINATION

16 BY MR. QUINTANA:

17 Q I have a couple of questions.

18 Is it your testimony that you did notify
19 Elk Oil?

20 A Yes.

21 Q And they signed a waiver (inaudible.)

22 A I don't believe they've returned a waiver
23 yet. We did receive the return certified receipt.

24 Q So they did receive it.

25 A Right.

1 Q You don't have a cross section that goes
2 with this?

3 A Yes, I do. I did not submit it but I'll
4 be glad to give you one.

5 Q I'd like to have one.

6 A Okay. Another quick question.

7 A Okay.

8 Q Which acreage are you dedicating to this
9 well?

10 A The northeast quarter of 35.

11 Q Would you briefly describe this one for
12 me?

13 A Well, the referring back to Exhibit One,
14 the cross Section A-A' is shown on there and beginning the
15 North Morton Field on the righthand side of the cross sec-
16 tion, proceeding through the Elk Oil Cullen dry hole, the
17 Elk Oil Anderson producing well, which we described pre-
18 viously, then through our proposed location and back to an-
19 other dry hole to the west.

20 And basically this is just a cross sec-
21 tion showing the same structural information that's shown on
22 Exhibit One; that -- that subsurface control indicates that
23 we should be high to the Elk Anderson Well in all these Per-
24 mo-Penn zones.

25 Q Thank you. Then I guess you will be sen-

1 ding that notification that you sent to Elk?

2 A Yes, right.

3 Q Okay.

4 MR. QUINTANA: Are there fur-
5 ther questions of the witness?

6 If not, the witness may be ex-
7 cused.

8 Anything further in this case?

9 MR. BRUCE: Nothing further.

10 MR. CARR: Mr. Examiner, my
11 name is William F. Carr, with the law firm Campbell and
12 Black, P. A., of Santa Fe.

13 We represent Mr. Wayne New-
14 kumet, who has an application that will come on before you
15 later today to change the pool rules for the High Plains
16 Permo-Pennsylvanian Pool, including a proposed change for
17 the well location requirements.

18 To be certain there's no con-
19 fusion, we'd like the record to reflect that Mr. Newkumet
20 supports the application of Amerind Oil Company in this
21 case.

22 MR. QUINTANA: Fine.

23 If there is nothing further,
24 Case 8694 will be taken under advisement.

25

(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 Conservation Division was reported by me; that the said
transcript is a full, true, and correct record of the hear-
ing, 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. 8694
heard by me on SEPT. 11 19 85

Silbert P. Quintana, Examiner
Oil Conservation Division

OCD
EXAMINER HEARING

9/11/85 - PLEASE
SIGN IN

NAME	REPRESENTING
Michael F. Stogner	OCD
Chad Dickenson	TXO
Robert C. Leibrock	Amerind Oil Co.
David Hynley	TXO
William F. Carr	Campbell and Black
R. P. Bala Kendrick	El Paso Natural Gas
N. V. Kellobin	Kellobin & Kellobin
Dan Hutton	Cons. Eng. = F
Bob Haker	Byram - SF
Harold Martin	Tepperary
Jeff Bauman	TXO
Ralph Williams	Pennzoil
Joel L. Pettit	Pennzoil
K. Medlock	"
Gregory L. Be	"
Greg Davis	Pennzoil
Russell P. Richards	TXO
Max Coll	SELF
Mark R. Hurling	Chama Pet. Co.