

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

17 February 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. CASE 9308

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Division:

For the Applicant:

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MR. CATANACH: Call this hearing to order this morning for Docket No. 5-88.

Call the first case on the docket, Case 9308, which is the application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico.

The applicant has requested that this case be continued to March 2nd.

Case 9308 will hereby be continued to March 2nd.

(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 Conservation Division (Commission) was reported by me; that the said transcript 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. 9308, heard by me on February 17, 1908.

David R. Cabanul, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
2 OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
3 SANTA FE, NEW MEXICO

4 2 March 1988

5 EXAMINER HEARING

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7 IN THE MATTER OF:

8 Application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico. CASE 9308

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12 BEFORE: Michael E. Stogner, Examiner
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15 TRANSCRIPT OF HEARING
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18 A P P E A R A N C E S
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20 For the Division:
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23 For the Applicant:
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MR. STOGNER: Call next Case Number 9308, which is the application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico.

The applicant has requested this case be continued to the Examiner's Hearing scheduled for March 16th, 1988.

(Hearing concluded.)

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the Examiner hearing of Case No. 9308.
heard by me on 2 April 19 88.

Michael J. Boyer Examiner
Oil Conservation Division

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I N D E X

LESLIE BENTZ

Direct Examination by Mr Dickerson	3
Cross Examination by Mr. Catanach	7

E X H I B I T S

Marshall Exhibit One, Land Plat	5
Marshall Exhibit Two, Map	5
Marshall Exhibit Three, Affidavit	7

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MR. CATANACH: Call next Case 9308. The application of Marshall Pipe and Supply Company for an unorthodox gas well location, Roosevelt County, New Mexico.

Are there appearances in this case?

MR. DICKERSON: Mr. Examiner, I'm Chad Dickerson of Artesia, New Mexico, on behalf of the applicant, and I have one witness.

MR. CATANACH: Are there any other appearances?

Will the witness please stand?

(Witness sworn.)

LESLIE BENTZ,
being called as a witness and being duly sworn upon her oath testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. DICKERSON:

Q Ms. Bentz, will you state your name, your occupation, and by whom you're employed?

A My name is Leslie Bentz. I'm employed

1 as a petroleum geologist by Yates Petroleum Corporation of
2 Artesia, New Mexico.

3 Q And is Yates Petroleum Corporation inter-
4 ested along with the applicant, Marshall Pipe and Supply, in
5 the well which is the subject of this application?

6 A Yes, we are.

7 Q And you're appearing on behalf of the ap-
8 plicant in this case?

9 A Yes, I am.

10 Q You have previously testified before this
11 Division as a geologist, have you not, and your credentials
12 are a matter of record?

13 A Yes, I have.

14 MR. DICKERSON: Tender Ms.
15 Bentz as an expert.

16 MR. CATANACH: She is so quali-
17 fied.

18 Q Will you summarize the purpose of Mar-
19 shall Pipe and Supply in this Case 9308, Ms. Bentz?

20 A Marshall Pipe and Supply respectfully re-
21 quests approval for the unorthodox location of its proposed
22 Perry No. 1 to be drilled 990 feet from the south line and
23 660 feet from the west line of Section 23, Township 2 South,
24 Range 29 East, Roosevelt County, New Mexico.

25 The south half of Section 23 would be de-

1 dicated to the well. The necessity for this unorthodox lo-
2 cation is based upon geological conditions.

3 Q Ms. Bentz, will you identify what we have
4 submitted as Exhibit Number One and orient the Examiner with
5 regard to the location of your proposed well?

6 A Exhibit Number One is a land plat showing
7 the proposed location and its relationship to the surround-
8 ing acreage in which Marshall Pipe and Supply has full or
9 partial operating rights. The proration unit is outlined in
10 red.

11 Q Okay. Identify Exhibit Number Two and
12 tell us what you show on that map.

13 A Exhibit Number Two is a map depicting the
14 subsurface structure on top of the PrePenn unconformity.
15 The contour interval is 50 feet. Datum points are noted by
16 circles and the appropriate datum is listed.

17 Well spots colored in red indicate Ordo-
18 vician producers. Well spots colored in red and blue indi-
19 cate dual completions in the Ordovician and the Canyon. The
20 dashed/dot line marks the termination of the Mississippian
21 formation.

22 The structure map shows a north/northeast
23 south/southwest trending horst block which is fault bounded
24 to the east, west and south. Throw on the bounding faults
25 is probably about 200 feet. Lack of well control on the

1 downthrown side of the faults makes depth conversions from
2 time values difficult.

3 Closure into the west fault provides the
4 trapping mechanism. Porosity and permeability are enhanced
5 in the Ordovician reservoir as erosion has completely strip-
6 ped away the Mississippian sediments providing an oppor-
7 tunity for the Ordovician dolomite to be exposed subaerially
8 and develop Karst topography. The overlying Pennsylvanian
9 section provides the source for the hydrocarbons.

10 The gas/water contact has not been estab-
11 lished in the Ordovician, but the Stoltenburg No. 1 at a da-
12 tum of -2788 did not encounter any hydrocarbon shows in a
13 tested interval over the Ordovician formation.

14 The other main pay, a Pennsylvanian Can-
15 yon carbonate porosity zone, tested salt water.

16 The Canyon is also structurally control-
17 led. The structure on the Canyon formation pretty much mir-
18 rors the Ordovician structure.

19 Q In your opinion, Ms. Bentz, is your pro-
20 posed unorthodox location the best location for a south half
21 spacing unit in this section?

22 A Yes, it is.

23 Q In your opinion will the approval of
24 this application be in the interest of conservation, the
25 prevention of waste and the protection of correlative

1 rights?

2 A Yes, it will.

3 Q Were Exhibits One and Two prepared by
4 you?

5 A Yes, they were.

6 Q Identify for us, please, Ms. Bentz,
7 Exhibit Number Three.

8 A Exhibit Number Three is an affidavit of
9 mailing.

10 Q Pursuant to Rule 1207 of this Division to
11 the offset owners entitled to notice?

12 A Yes, it is.

13 MR. DICKERSON: Mr. Examiner,
14 original return receipts are attached to the copy of Exhibit
15 Number Three.

16 Applicant moves admission of
17 Exhibits One, Two and Three, and I have no further questions
18 of Ms. Bentz.

19 MR. CATANACH: Exhibits One,
20 Two and Three will be admitted into evidence.

21

22 CROSS EXAMINATION

23 BY MR. CATANACH:

24 Q Ms. Bentz, the primary target is the
25 Ordovician, is that correct?

1 A Yes, it is.

2 Q And you said that the Pennsylvanian was
3 -- you say it is productive in that area?

4 A Yes, it is, but like the Ordovician, it's
5 structurally controlled, too, so if you're high on the Ordo-
6 vician, you'll be high on the Penn.

7 Q Are there any wells, any producing wells,
8 to the east (unclear)?

9 A There's not any producing wells in miles.

10 Q Except those ones to the west.

11 A Right.

12 MR. DICKERSON: And those wells
13 to the west, Mr. Examiner, are completed but there is no
14 pipeline available in the area and there is no actual pro-
15 duction from the wells shown on the map.

16 Q They are new wells? Are they new wells?

17 A They've been completed within about the
18 past year and a half, but we're quite a distance from a
19 pipeline connection. We're going to have to build one, and
20 we're about 18 miles from any other kinds of production.

21 Q So, who owns -- who owns those wells?

22 A They're operated by Marshall Pipe and
23 Supply.

24 Q So -- so that you're crowding your own
25 acreage.

1 A Yes.

2 MR. CATANACH: I think that's
3 all I have of the witness. She may be excused.

4 MR. DICKERSON: And, Mr. Exam-
5 iner, for your information I'll just say that the other par-
6 ties shown on the land map marked Exhibit Number One are al-
7 so participants and interest owners in the existing com-
8 pleted wells shown on that map Number Two.

9 MR. CATANACH: Okay.

10 Is there anything further in
11 Case 9308?

12 MR. DICKERSON: No.

13 MR. CATANACH: It will be taken
14 under advisement.

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16 (Hearing concluded.)

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