

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

6
7
8 14 September 1988

9 EXAMINER HEARING

10 IN THE MATTER OF:

11 Application of Santa Fe Energy Oper- CASE
12 ating Partners, L. P. for compulsory 9433
13 pooling, Lea County, New Mexico.

14 BEFORE: David R. Catanach, Examiner

15 TRANSCRIPT OF HEARING

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

18
19 For the Division: Robert G. Stovall
20 Attorney at Law
21 Legal Counsel to the Division
22 State Land Office Bldg.
23 Santa Fe, New Mexico

24 For the Applicant: Owen Lopez
25 Attorney at Law
HINKLE LAW FIRM
P. O. Box 2068
Santa Fe, New Mexico

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I N D E X

PATRICK J. TOWER

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CURT ANDERSON

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1 MR. CATANACH: Call Case 9433.

2 MR. STOVALL: Application of
3 Santa Fe Energy Operating Partners, L. P., for compulsory
4 pooling, Lea County, New Mexico.

5 MR. CATANACH: Are there ap-
6 pearances in this case?

7 MR. LOPEZ: Yes. May it
8 please the Eexaminer, my name is Owen Lopez of the Hinkle
9 Law Firm of Santa Fe, New Mexico, appearing on behalf of
10 the Applicant. and I have two witnesses.

11 MR. CATANACH: Any other ap-
12 pearances?

13 Will the witnesses please
14 stand and be sworn in at this time?

15

16 (Witnesses sworn.)

17

18

19 PATRICK J. TOWER,
20 being called as witness and being duly sworn upon his oath,
21 testified as follows, to-wit:

22

23

DIRECT EXAMINATION

24 BY MR. LOPEZ:

25

Q Please state your name for the record.

A My name Patrick Tower and I live in

1 Midland, Texas.

2 Q And why is your occupation and who is
3 your employer?

4 A I'm a landman employed by Santa Fe
5 Energy Operating Partners, L.P..

6 Q And have you previously testified before
7 the Commission and had your qualifications as a petroleum
8 landman accepted as a matter of record?

9 A Yes, I have.

10 Q Are you familiar with the land matters
11 involved in Case Number 9433?

12 A Yes, I am.

13 MR. LOPEZ: Do you consider
14 the witness qualified?

15 MR. CATANACH: Yes, sir.

16 Q Would you please state briefly what
17 Santa Fe seeks in this application?

18 A Santa Fe Energy Operating Partnes, L.P.,
19 seeks an order pooling all mineral interests from the sur-
20 face to the base of the Bone Spring formation underlying
21 the southwest quarter of the southeast quarter of Section
22 14, Township 18 South, Range 32 East in Lea County, New
23 Mexico, to form a standard 40-acre oil spacing and prora-
24 tion unit. The unit will be dedicated to a well located at
25 a standard location.

1 Santa Fe also requests consideration of
2 the cost of drilling and completing the well and the allo-
3 cation of the costs thereof, as well as actual operating
4 costs and charges for supervision.

5 Santa Fe asks that it be designated the
6 operator of the well and a charge for the risk involved in
7 drilling the well be assessed.

8 Q I now ask you to refer to what's been
9 marked as Exhibit Number One and ask you to explain it.

10 A Okay. Exhibit Number One is a land plat
11 showing the land position. The red outline designates the
12 spacing and proration unit and that portion of a Federal
13 lease that will be the subject of this hearing for this
14 well.

15 Q And who are the interest owners that
16 Santa Fe seeks to force pool in this case?

17 A Okay, they are as follows: James L.
18 Harden, and that's spelled H-A-R-D-E-N; Petro Atlas Corpor-
19 ation; C. Daniel Walker and wife, Jo Anne Walker; Jack Huff
20 and his wife Joan E. Huff; J. Cecil Rhodes; Charles A.
21 Heyne, that's spelled H-E-Y-N-E; Heyne Oil and Gas Inter-
22 ests, which are also formerly carried under the name of
23 Heyne Investments Limited and also as the Heirs and Devi-
24 sees of Fred J. Heyne, Junior, and wife, Marie Black Heyne;
25 Esperanza Energy Corporation; and Statex Petroleum Incor-

1 porated, or Inc..

2 Q Would you now please describe your
3 efforts to get these interest owners to join in the well?

4 A Yes, I will.

5 Initially Santa Fe sent out a well pro-
6 posal on March 30th, 1988, proposing this well which we
7 have given a name, the Shinnery Federal No. 1.

8 Initially Santa Fe proposed this as an
9 11,400 foot Wolfcamp test and later decided to make it a
10 Bone Spring, which I'll get into. On the March 30th pro-
11 posal, notice was sent to all the working interest partners
12 except for the Heyne, collectively the Heyne Group, in-
13 cluding entities with the Heyne name, which (unclear) by
14 Fred J. Heyne, and also Statex Petroleum, Inc., and the
15 reason they were not sent notice is there is some question
16 as to their ownership and title that we were trying to ver-
17 ify.

18 Conversations that I'll itemize, on
19 March 7th I had talked to Jack Huff concerning his elec-
20 tions, just discussions trying to find out what they're
21 going to do.

22 On April 11th I received a letter from
23 Esperanza clarifying with assignments some of the ownership
24 as to their interest, Statex and Heyne's Group, which is
25 all somewhat interrelated.

1 On April 15th Santa Fe reproposed the
2 Shinnery Federal as an 8800 foot Bone Spring test, which is
3 the well we plan to drill here.

4 At that time we enclosed the AFE and we
5 requested the parties to either option to participate with
6 us in the test or farm out or work some mutual agreement.
7 The proposal was sent to the same group that we sent on
8 March 30th, which excluded Statex and the Heyne Group at
9 that time.

10 On April 19th we sent out, after we re-
11 solved the ownership, there was a question of depth limit-
12 ations, which apparently did not exist, we proposed the
13 Shinnery Federal to Statex Petroleum, Inc., and the Heyne
14 interests, proposing it as a Bone Spring test and providing
15 them an AFE and requesting their participation or -- or
16 some type of mutual agreement.

17 On May 4th Petro Atlas sent us a letter
18 requesting assistance in, gathering additional well data
19 in the area and production information in order for them to
20 make their decision.

21 At the same time C. Daniel Walker, who
22 is directly tied or has past business relationship with
23 Petro Atlas, we discussed with him doing the same thing.

24 On May 6th Statex Petroleum, Incorporated,
25 sent us a letter agreeing to join the subject well

1 subject to an acceptable joint operating agreement.

2 Several discussions approximately around
3 these dates took place with C. Daniel Walker and Petro At-
4 las Corporation. By the way, James L. Harden, one of the
5 parties listed, is the President of Petro Atlas, so his
6 dealings represent both Petro Atlas and James L. Harden.

7 Several discussions concerning geology,
8 we had a geologist get on the phone with them. We discus-
9 sed the geology in the area and basically trying to give
10 them some assistance in making their decision.

11 And June 7th, 1988, we gathered some
12 production data on some offset wells and we sent that to
13 Petro Atlas, or James Harden and C. Daniel Walker, concern-
14 ing recent production levels and so forth.

15 On June 23rd we again talked to Petro
16 Atlas, James Harden and C. Daniel Walker. Petro Atlas at
17 that time indicated they would farm out to Santa Fe. Walker
18 indicated he would most likely join but he was going to go
19 to Europe and would not be back until July 30th and would
20 not do anything till he returned.

21 On June -- also on June 23rd we received
22 a letter from Esperanza committing their interest to an
23 agreement to basically farm out, or indicated they would
24 farm out, or that would be their election, it wasn't an
25 actual agreement.

1 On June 27th I had a discussion with
2 Fred Heyne, III, who represents collectively all of the
3 Heyne interests and entities that were mentioned. At that
4 time he advised the estate and the investment interests
5 were now carried under Heyne Oil and Gas Interests or were
6 in the process of being transferred and that's how he pre-
7 ferred to have the interests carried. Being they had not
8 made their election he indicated they would look at Esper-
9 anza's election before they would decide.

10 On June 29th notice was sent of the
11 forced pooling with a copy of the application to all the
12 parties involved in this forced pooling to date that I've
13 named.

14 At that time we had set up for a July
15 20th hearing but ongoing negotiations, we felt we would
16 reach some agreements, but after several continuances we
17 discovered that we weren't reaching that point.

18 On July 11th Petro Atlas committed in
19 writing to reach a voluntary agreement; however, both their
20 interest and also Esperanza's were limited to an agreement
21 whereby it would expire September 25th of this -- of 1988.

22 On July 12th Jack Huff, C. Daniel
23 Walker, Statex, and J. Cecil Rhodes were sent an original
24 operating agreement as they had indicated that would be --
25 their likely decision would be to participate, however,

1 they have not signed it and we need to --

2 On July 18th a discussion took place
3 with Esperanza and they request -- they indicated they
4 would more than likely commit to a contract up through Sep-
5 tember 25th identical to Esperanza and requested that we
6 send a copy of Esperanza's signed agreement before they
7 would execute theirs.

8 On July 29th I had discussions with
9 Statex concerning our operating agreement and the provi-
10 sions in it with them.

11 On August 2nd additional discussion took
12 place with Jim Harden and Petro Atlas concerning the well
13 status and so forth.

14 August 25th additional discussion took
15 place with Dan Walker on the well status and, you know,
16 trying to solicit his final election in this well.

17 Backing up, on August 6th we at that
18 time provided verbally C. Daniel Walker with updated pro-
19 duction data on the offset wells. We collected that for
20 him and further passed that on.

21 September 1st additional discussions
22 took place with Petro Atlas and Jack Huff with reference to
23 well status and plans, what we were doing concerning we
24 were probably going to go ahead with the forced pooling, et
25 cetera, having trouble reaching all the voluntary

1 agreements.

2 Jack Huff said he would be going to
3 Colorado until September 20th and that he would be back
4 after that.

5 I talked to Statex on that same date.
6 They said that the operating agreement was acceptable, or
7 appeared to be; however, it was on their president's desk
8 for signature, and as the date of this hearing we have
9 still not received it.

10 We discussed, talked to Heyne on Septem-
11 ber 1st and they were -- had executed or part of the
12 interest had executed an agreement. They were waiting on
13 Charles Heyne, who had been out of pocket, to come over and
14 execute it and before they would send it back.

15 Discussions at that time, Cecil Rhodes
16 had been contacted. He had been contacted several discus-
17 sions previously, I don't have the exact dates but during
18 these time frames had (unclear) with Cecil Rhodes, who had
19 indicated he would probably participate; however, when he
20 was contacted in September he was out of town and we still
21 have not received the operating agreement back.

22 On September 9th we talked to -- I
23 talked to C. Daniel Walker again trying to solicit a com-
24 mitment and there again we could not arrive at mutual
25 agreement.

1 This is basically the summary of con-
2 tacts. There have been additional conversations with all
3 these parties. I have not documented all of them. These
4 are just the ones I happen to have noted with dates.

5 One additional thing to note, at C.
6 Daniel Walker's request we moved location, still a standard
7 location, but within that 40-acres we moved a little
8 farther south and east to try and accommodate and get a
9 decision out of him. We, insofar as the location, either
10 one was acceptable, same thing. We just started our per-
11 mitting process. So we agreed to that at his request to
12 solicit his participation; however, at this moment we still
13 do not have it.

14 Basically that is a summary of what --
15 what has occurred.

16 Q How much acreage in the southwest quart-
17 er of the southeast quarter of Section 14 does Santa Fe
18 operate?

19 A Rounding off numbers, Santa Fe approxi-
20 mately controls 40 percent. This group collectively repre-
21 sents the balance, or 60 percent.

22 Q I will now ask you to refer to what has
23 been marked as Exhibit Number Two and ask you to discuss
24 the cost for the proposed well.

25 A Exhibit Number Two is a well cost esti-

1 mate, or AFE, has been prepared by Santa Fe's District
2 Office, our Engineering Group.

3 The -- for an 8800 foot Bone Spring
4 test the dry hole cost enumerated there is \$296,000 --
5 \$296,053.

6 The completed well cost is 547,611.

7 Q Is the proposed well cost in line with
8 those normally encountered in drilling wells to this depth
9 in Lea County?

10 A Yes, it is.

11 Q Do you have a recommendation as to the
12 amount which Santa Fe wishes to be paid for supervision and
13 administrative expenses?

14 A Yes. I recommend that the drilling well
15 rate be \$3520, whereas the producing well rate per month
16 will be \$352; both of these on a monthly basis, or a per
17 month basis.

18 Q And are the amounts that you've just re-
19 commended in line with the amounts normally charged by
20 Santa Fe and other operators for wells of this type in the
21 area?

22 A Yes, they are.

23 Q What type of operating agreement are you
24 using?

25 A We are using an AAPL Form 610 1982 Model

1 Form Operating Agreement with some amendments incorporated
2 in there.

3 Q And what penalty do you recommend
4 against nonconsenting interest owners?

5 A I've recommended cost plus 200 percent.

6 Q And it is pretty much standard in this
7 area?

8 A This is standard and this is also the
9 rate, similar to the rate that has been incorporated into
10 the operating agreement proposed for this well, and up to
11 this point no one has objected.

12 Q Were all of the interested parties noti-
13 fied of this hearing?

14 A Yes, they were. And in this connection
15 I'll ask you to refer to what's been identified as Exhibit
16 Three.

17 A Okay. Exhibit Number Three is a copy of
18 the notice letter of the hearing and copies of the certi-
19 fied return receipts from the parties so notified.

20 Q Okay. Were Exhibits One through Three
21 prepared by you or compiled from company records?

22 A Yes, they were.

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

1 rights?

2 A Yes, it will.

3 MR. LOPEZ: I have no further
4 questions for the witness.

5

6 CROSS EXAMINATION

7 BY MR. CATANACH:

8 Q Mr. Tower, can you provide us with a
9 breakdown of the interest ownerships in those various
10 pools?

11 A Yes, I can. Starting with James L.
12 Harden, his individual interest, he has .00001 percent.

13 MR. STOVALL: Excuse me, if I
14 may interrupt, Mr. Examiner, is it possible that that could
15 be tabulated and just in some way be photocopied and marked
16 as an exhibit rather than reading the individual interests
17 in?

18 MR. LOPEZ: Sure. sure.

19 MR. CATANACH: Yes, definite-
20 ly.

21 A Okay.

22 MR. LOPEZ: Mr. Stovall, we'll
23 submit it after the close of the hearing.

24 MR. STOVALL: That would save
25 some time and be easier to use that way and then he won't

1 have to read it in.

2 A Okay.

3 MR. CATANACH: I have no
4 further questions of the witness. He may be excused.

5

6 CURTIS ANDERSON,
7 being called as a witness and being duly sworn upon his
8 oath, testified as follows, to-wit:

9

10 DIRECT EXAMINATION

11 BY MR. LOPEZ:

12 Q Would you please state your name and
13 where you reside?

14 A My name is Curtis Anderson. I live in
15 Midland, Texas.

16 Q By whom are you employed and in what
17 capacity?

18 A I'm a geologist for Santa Fe Energy
19 Operating Partners.

20 Q Are you familiar with the application of
21 Santa Fe in this case?

22 A Yes, I am.

23 Q Have you previously testified before the
24 Commission and had your qualifications accepted as a matter
25 of record?

1 A Yes.

2 MR. LOPEZ: Is the witness
3 acceptable?

4 MR. CATANACH: He is.

5 Q I would now ask you to refer to what's
6 been identified as Exhibit Four and ask you to explain it.

7 A Exhibit Four is a production map of the
8 Querecho Plains Upper Bone Spring Field, located in Lea
9 County, New Mexico.

10 The wells that are colored green are the
11 producers in that field. The red box is our proposed loca-
12 tion at this hearing. What I've indicated at each produc-
13 ing well is the date of first production, cumulative oil
14 and the cumulative gas production to 4-1-88. The purpose
15 of this map is to identify the production that is the sub-
16 ject, primary objective at this location.

17 Q Okay. I now ask you to refer to what's
18 been marked as Exhibit Five and explain it.

19 A Exhibit Five is a stratigraphic cross
20 section A-A' that includes the first Bone Spring sand in-
21 terval which is the primary objective at the proposed lo-
22 cation.

23 I'd like to draw your attention to the
24 yellow that is colored on the cross section. These are the
25 objective sands that are producing within the field and you

1 can see that they are enclosed within the First Bone Spring
2 interval (unclear).

3 In looking at the cross section from
4 left to right, which is from south to north --

5 Q You might want to refer to Exhibit Six,
6 Mr. Examiner, to see where the wells are located.

7 A Beginning with the well on the left,
8 which was operated by Mewbourne Oil, located in the south-
9 west quarter of the northeast quarter Section 23, Township
10 18 South, Range 32 East; identified there the yellow indi-
11 cates two separate producing sands within the Bone Spring
12 Sand interval. The black that is colored on there where
13 the indicated perforations are is the perforated interval.

14 In later exhibits I isopach these parti-
15 cular sands and isopach the porosity that is greater than
16 10 percent, which is the productive porosity in these
17 sands.

18 One location to the north and one log to
19 the right on the cross section is the Mewbourne Oil No. 4-L
20 also shown to be producing from these two objective sands.

21 As we move north to the proposed loca-
22 tion and to the well drilled by Amoco in the northwest
23 quarter of the northeast quarter of Section 14, you can see
24 that the objective sands, in particular the B-1-C Sand,
25 pinches out to the north and the porosity within the B-1-B

1 Sand decreases to the north, thus showing that stepping t
2 the north from the field production as it is, we are step-
3 ping in a direction where these sands do thin or (unclear).

4 Q I now refer you to what's been marked as
5 Exhibit Number Six and ask you to explain it.

6 A Exhibit Number Six is a structure map
7 that is mapped on top of the Bone Spring B-1-B Sand marker,
8 which is -- in essence, is the top of that particular sand.
9 And what this map shows is with the Upper Bone Spring
10 wells, producing wells indicated in green again, that we
11 are slightly up dip and/or on strike to production within
12 the field.

13 Q Now referring to Exhibit Number Seven,
14 would you explain it?

15 A Actually Exhibit Number Seven and Seven-
16 A can be talked of concurrently. I referred before to
17 porosity maps within the productive sand intervals in the
18 Querecho Plains Field, Number Seven is the porosity greater
19 than or equal to 7 percent -- excuse me, 10 percent in the
20 B-1-B Sand. Seven-A is a similar porosity within the B-1-C
21 Sand.

22 Now, note that within the main part of
23 the field in Section 23 and also to the south in Section
24 26, that the porosity thins and thickens erratically in the
25 field and that, as I mentioned before, moving north, step-

1 ping out to the north, the map showed thinning of this
2 porosity to the Amoco Well in the north half of 14.

3 Q As a result do you have an opinion with
4 respect to the penalty that should be imposed on noncon-
5 senting interest owners in the well?

6 A Well, based on the erratic thickening
7 and thinning of the thickness of porosity, and/or pay,
8 within these sands, and the pinching out towards the north,
9 and we're moving to the north with our proposed location,
10 based on that and possibly some mechanical difficulties in
11 drilling in this particular area, you can encounter shallow
12 lost circulations zones, I would recommend the penalty as
13 -- as stated by Pat Tower.

14 Q In your opinion will the granting of
15 this application be in the interest of the prevention of
16 waste and protection of correlative rights?

17 A Yes.

18 Q Were Exhibits Four through Seven,
19 Seven-A, prepared by you or under your supervision?

20 A Yes, they were.

21 MR. LOPEZ: I'd like to intro-
22 duce our exhibits. If I didn't introduce One through Three
23 I'll do that, too, and Four through Seven-A, and, Mr. Exa-
24 miner, I think we'll just make this Exhibit Eight, the
25 various percentage interests of the nonconsenting owners,

1 so let's make that Exhibit Eight and I'll move to intro-
2 duce all eight.

3 MR. CATANACH: Okay, Exhibits
4 One through Eight will be admitted into evidence in this
5 case.

6 MR. LOPEZ: And that concludes
7 our testimony.

8 MR. CATANACH: I have no
9 questions of the witness.

10 Is there anything further in
11 Case 9433?

12 If not, it may be taken under
13 advisement.

14
15 (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. 9433 heard by me on September 14 1988.
David R. Catanub, Examiner
Oil Conservation Division

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MR. STOGNER: Call next Case Number 9433, which is the application of Santa Fe Energy Operating Partners, Limited Partners, for compulsory pooling, Lea County, New Mexico.

At the applicant's request this case will be continued to the Examiner's Hearing scheduled for September 14th, 1988.

(Hearing concluded.)

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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. 9433 heard by me on 31 August 1988.

Michael E. Slagter Examiner
Oil Conservation Division

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

31 August 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Santa Fe Operating CASE
Partners, L. P. for compulsory pool- 9433
ing, Lea County, New Mexico.

BEFORE: Michael E. Stogner, 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. STOGNER: Call next Case Number 9433, which is the application of Santa Fe Energy Operating Partners, Limited Partners, for compulsory pooling, Lea County, New Mexico.

At the applicant's request this case will be continued to the Examiner's Hearing scheduled for September 14th, 1988.

(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. 9433, heard by me on 31 August 1988.

Michael E. Stegner, Examiner
Oil Conservation Division

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

17 August 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Santa Fe Energy Operat- CASE
ing Partners, L. P. for compulsory 9433
pooling, Lea County, New Mexico.

BEFORE: David R. Catanach, Examiner

TRANSCRIPT OF HEARING

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 Bldg.
Santa Fe, New Mexico

For the Applicant:

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MR. CATANACH: Call next Case
Number 9433.

MR. STOVALL: Application of
Santa Fe Energy Operating Partners, L. P. for compulsory
pooling, Lea County, New Mexico.

The applicant has requested
that Case No. 9433 be continued.

MR. CATANACH: Case No. 9433
will be continued to the Examiner Hearing August 31, 1988.

(Hearing concluded.)

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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. 9435, heard by me on August 17 1988.

David R. Catant, Examiner
Oil Conservation Division

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

6
7
8 3 August 1988

9 EXAMINER HEARING

10 IN THE MATTER OF:

11 Application of Santa Fe Energy Operat- CASE
12 ing Partners, L. P. for compulsory 9433
13 pooling, Lea County, New Mexico.

14 BEFORE: Michael E. Stogner, Examiner

15
16 TRANSCRIPT OF HEARING

17
18 A P P E A R A N C E S

19 For the Division: Robert G. Stovall
20 Attorney at Law
21 Legal Counsel to the Division
22 State Land Office Bldg.
Santa Fe, New Mexico

23 For the Applicant:
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MR. STOGNER: Call next Case
Number 9433.

MR. STOVALL: Application of
Santa Fe Energy Operating Partners, L.P. for compulsory
pooling, Lea County, New Mexico.

The applicant has requested
that Case No. 9433 be continued.

MR. STOGNER: Case No. 9433
will be continued to the Examiner Hearing August 17, 1988.

(Hearing concluded.)

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

20 July 1988

EXAMINER HEARING

IN THE MATTER OF:

Application of Santa Fe Energy Operat- CASE
ing Partners, L. P. for compulsory 9433
pooling, Lea County, New Mexico.

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

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 Bldg.
Santa Fe, New Mexico

For the Applicant:

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MR. STOGNER: Call next Case
Number 9433.

MR. STOVALL: Application of
Santa Fe Energy Operating Partners, L. P. for compulsory
pooling, Lea County, New Mexico.

The applicant has requested
that Case No. 9433 be continued.

MR. STOGNER: Case No. 9433
will be continued to the Examiner Hearing August 3, 1988.

(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. 9433,
heard by me on 20 July 1988.
Michael C. Stegner, Examiner
Oil Conservation Division