

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

11 July 1984

EXAMINER HEARING

IN THE MATTER OF

Application of Coastal Oil & Gas
Corporation for an unorthodox oil
well location, Lea County, New
Mexico.

CASE
8239

BEFORE: Richard L. Stamets, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

For the Applicant:

James G. Bruce
Attorney at Law
HINKLE LAW FIRM
P. O. Box 2068
Santa Fe, New Mexico 87501

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I N D E X

H. C. LUTHER

Direct Examination by Mr. Bruce

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E X H I B I T S

Coastal Exhibit One, Structure Map

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Coastal Exhibit Two, Isopach

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MR. STAMETS: Call next Case 8239. Application of Coastal Oil & Gas Corporation for an unorthodox oil well location, Lea County, New Mexico.

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

MR. STAMETS: Any other appearances in this case?

(Witness sworn.)

H. C. LUTHER,
being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. BRUCE:

Q Would you please state your name, address, occupation, and employer?

A My name is H. C. Luther and I'm employed by Coastal Oil and Gas, Midland, Texas.

Q And are you a geologist hired by them?

A Yes, I am a geologist.

Q And have you previously testified before the OCD and had your credentials accepted as a matter of record?

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A Yes, I have.

Q And are you familiar with Case 8239 and the geological matters pertaining to that case?

A Yes, I am.

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

MR. STAMETS: Yes, he is.

Q Mr. Luther, would you briefly state what it is that Coastal Oil and Gas seeks by its application in this case?

A We would like to drill an unorthodox oil well location, 990 from the south and 1980 from the west line of Township 13 -- Section 31, Township 13 South, Range 33 East, Baum-Pennsylvanian Field, southwest quarter of said Section 31 to be dedicated to the well.

Q Would you please refer to Exhibit One and describe that for the Examiner?

A The first thing I want to -- in the structure map on top of the Bough C, which is the first exhibit, the well in the southwest quarter of Section 31, 1-31 is an abandoned well and they forgot to put the mark of an abandoned well on it.

This is a structure map on top of the Bough C, which is the lower producing member of the Baum Field with the Bough B being about 100 feet above.

The structure map is shown -- is a south dipping formation, the Baum -- the Bough C is a south dip-

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2 ping and this is a stratigraphic type trap and has been
3 since the discovery well in the field with no closure indi-
4 cated.

5 This map is on a 10-foot contour interval
6 and you can enclose it on two, so it's more stratigraphy
7 than it is structure.

8 The proposed location, located 1980 from
9 the west line and 990 is being proposed to recover more oil
out of the Bough C zone.

10 We feel like that the -- in our previous
11 drilling in this field, which has been about five wells in
12 the last year, that we have had success. The field is real-
13 ly drilled on 160 acres with option on 80's and right now
we're into drilling on 80's.

14 Q And the Coastal acreage is shown in yel-
15 low on this map?

16 A Yeah, the Coastal acreage is shown in
17 yellow on the map.

18 Q Would you please refer to Exhibit Number
19 Two and just briefly describe that?

20 A This is an Isopach of the Bough C poros-
21 ity. It, again, is the lower member, and this shows you the
22 thickness of the pay zone.

23 We have found in our previous drilling
24 that sometime this things thicken and we anticipate having
25 at least eight to ten feet of pay in the Bough C, and also
we have the Bough B as a backup.

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2 The MWJ Well, located in Section 6, is in
3 the northwest quarter of the northeast quarter, has produced
4 for many years out of the Bough C.

5 The 1-31, the abandoned well in the north
6 -- southwest quarter has produced out of the Bough C.

7 Recently MWJ, this well made about 200
8 barrels a month. It's made 400,000 barrels of oil. Recent-
9 ly they perforated the Bough B in that and increased their
10 production up to 3000 barrels per month, so we feel like
11 that the 31 has 5 feet of Bough B in it and with the Bough C
12 possibilities and the Bough B that we would adequately drain
13 the remaining acreage in this southwest quarter of Section
14 31.

15 Q And Exhibits One and Two drawn on the
16 Bough C are more or less representative of the Bough B.

17 A They are. I have built up Bough B so
18 many times that you have records. Last time I was here I
19 brought up the maps and you've got tons of those maps, and
20 they're here, no doubt.

21 Q And were Exhibits One and Two prepared by
22 you or under your direction?

23 A Yes, sir, they were.

24 Q And is the granting of this application,
25 in your opinion, in the interest of conservation, the pre-
vention of waste, and the protection of correlative rights?

A That is true.

MR. BRUCE: We move the

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admission of Exhibits One and Two.

MR. STAMETS: The exhibits will
be admitted.

MR. BRUCE: I have no further
questions of this witness.

MR. STAMETS: Are there any
questions of the witness? He may be excused.

Anything further in this case?

The case 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. 8238
heard by me on 7-16 1984.

Richard L. Smith Examiner
Oil Conservation Division

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

20 June 1984

EXAMINER HEARING

IN THE MATTER OF

Application of Coastal Oil & Gas
Corporation for an unorthodox oil
well location, Lea County, New
Mexico.

CASE
8239

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

W. Perry Pearce
Attorney at Law
Legal Counsel to the Division
State Land Office Bldg.
Santa Fe, New Mexico 87501

For the Applicant:

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3 MR. STOGNER: We'll call next
4 Case Number 8239.

5 MR. PEARCE: That case is on
6 the application of Coastal Oil and Gas Corporation for an
7 unorthodox oil well location, Lea County, New Mexico.

8 Mr. Examiner, that case is to
9 be continued until July the 11th, 1984.

10 MR. STOGNER: Case Number 8239
11 will be continued until July 11th, 1984.

12 (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 CSR

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 8239,
heard by me on June 20, 1984.
Michael E. Shapiro, Examiner
Oil Conservation Division