

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 8 August 1984

7 EXAMINER HEARING

8 IN THE MATTER OF:

9 Application of Morris R. Antweil CASE  
10 for compulsory pooling, Lea County, 8300  
11 New Mexico.

12  
13 BEFORE: Richard L. Stamets, Examiner

14  
15 TRANSCRIPT OF HEARING

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

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20 For the Oil Conservation W. Perry Pearce  
21 Division: Attorney at Law  
22 Oil Conservation Commission  
State Land Office Bldg.  
Santa Fe, New Mexico 87501

23 For the Applicant: William F. Carr  
24 Attorney at Law  
25 CAMPBELL & BLACK P. A.  
P. O. Box 2208  
Santa Fe, New Mexico 87501

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I N D E X

R. M. WILLIAMS

Direct Examination by Mr. Carr

E X H I B I T S

Antweil Exhibit One, Land Plat

Antweil Exhibit Two, Tabulation

Antweil Exhibit Three, Letters

Antweil Exhibit Four, Document

MR. STAMETS: We'll call next Case 8300, being application of Morris R. Antweil for compulsory pooling, Lea County, New Mexico.

MR. CARR: May it please the Examiner, my name is William F. Carr, with the law firm Campbell and Black, P. A., of Santa Fe, appearing on behalf of Morris R. Antweil.

I have one witness who needs to be sworn.

MR. STAMETS: Any other appearances in this case?

(Witness sworn.)

R. M. WILLIAMS,  
being called as a witness and being duly sworn upon his oath, testified as follows, to-wit:

DIRECT EXAMINATION

BY MR. CARR:

Q Will you state your name and place of residence?

A R. M. Williams, Hobbs, New Mexico.

Q By whom are you employed and in what capacity?

A Employed by Morris R. Antweil as an en-

1 gineer.

2 Q Have you previously testified before this  
3 commission and had your credentials accepted and made a mat-  
4 ter of record?

5 A Yes, I have.

6 Q Are you familiar with the application in  
7 this case on behalf of Mr. Antweil?

8 A Yes, I am.

9 Q Are you familiar with the subject area?

10 A Yes.

11 MR. CARR: Are the witness'  
12 qualifications acceptable?

13 MR. STAMETS: They are.

14 Q Would you briefly state what Mr. Antweil  
15 seeks with this case?

16 A We seek to pool the -- all mineral inter-  
17 ests from the surface to the base of the Blinebry formation  
18 underlying the northeast quarter of the northwest quarter of  
19 Section 7, Township 20 South, Range 38 East, for the drill-  
20 ing of a well at a standard location.

21 Also, we'd like Morris R. Antweil to be  
22 designated as the operator and the risk charges to be estab-  
23 lished.

24 Q Mr. Williams, was this acreage pooled for  
25 the Drinkard formation at a previous time by this Commis-  
sion?

A Yes, it was, and we let that order expire

1  
2 because we weren't quite ready to drill the well at that  
3 time.

4 Q Have you prepared certain exhibits for  
5 introduction in this case?

6 A Yes, I have.

7 Q Would you please refer to what has been  
8 marked Antweil Exhibit One, and review this for Mr. Stamets?

9 A Exhibit One is a land plat in the vicin-  
10 ity of the proposed pooling. The 40-acre proration unit  
11 that we're requesting to be compulsory pooled in colored in  
12 yellow. Our proposed location is shown with a red dot, the  
13 solid red dot, and the other Blinebry producing wells in the  
14 vicinity have been circled with a red circle.

15 Q Is the Blinebry the primary objective in  
16 this well?

17 A Yes, it is.

18 Q Would you now refer to Exhibit Number Two  
19 and review this for Mr. Stamets?

20 A Exhibit Two is a tabulation of the un-  
21 leased minerals under this 40 acres.

22 There are three parties. Roy G. Barton  
23 has 19/320ths. Mr. Barton has indicated that he will join  
24 us in the drilling of this well but we don't have an actual  
25 signed agreement to that at this point, but we expect him to  
join.

Tenneco Oil Company has a 3/32nds inter-  
est and they have indicated that they will lease that inter-

1  
2 est to us but we have not actually received the lease but we  
3 expect we will.

4 And Millie B. Jones, a 1/320th interest  
5 and her address is unknown. We've been unable to locate  
6 her. This will be the fourth well now, and she was last --  
7 last known address was in the Seattle area and we've lost  
8 all track of her.

9 Q In your opinion have you made a good  
10 faith effort to locate Ms. Jones?

11 A Yes, we've checked the records, state re-  
12 cords, the vital statistics records in Washington State to  
13 see if she possibly had died.

14 We've checked with the banks in the area.  
15 She did have an account at one bank that's been inactive  
16 since 1959.

17 Q Could you now identify what's been marked  
18 as Antweil Exhibit Number Three?

19 A Exhibit Three is two -- two letters, a  
20 letter to Tenneco and a letter to Roy G. Barton, notifying  
21 them of this hearing.

22 Q What percentage of the acreage has volun-  
23 tarily been committed to this well?

24 A We will expect that everything except  
25 Millie Jones' interest will be.

26 Tenneco has indicated they will farmout  
27 and -- and Barton has indicated he will join, and they have  
28 been three other wells in that immediate vicinity with us,

1 so we would expect that it will be only the Millie Jones in-  
2 terest which is 1/320th that we don't have operating rights  
3 on.

4 Q At this time you do request, however,  
5 that the pooling order extend both to Barton and Tenneco?

6 A Since we don't have anything in writing  
7 at this point, yes.

8 Q Would you now refer to Exhibit Number  
9 Four and review this for Mr. Stamets?

10 A Exhibit Four is a detail of our antici-  
11 pated costs to drill and complete this 6100-foot well.

12 The total estimated costs of the well is  
13 \$420,000.

14 Q Are these costs in line with what's being  
15 charged by other operators for similar wells?

16 A Yes, they are.

17 Q Are you prepared to make a recommendation  
18 to the Examiner as to the risk penalty that should be asses-  
19 sed against any nonconsenting working interest owner?

20 A We would request a risk penalty of 200  
21 percent. We feel it is in an area of erratic Blinbry re-  
22 servoir development and this was the reason for our delay in  
23 drilling this location when we had the order approximately a  
24 year ago.

25 Q Have you made an estimate of overhead and  
administrative costs while drilling this well and also while  
producing the well if, in fact, it is a successful well?

1  
2 A Yes, we would request an overhead charge  
3 of \$3500 a month during the drilling period and \$350 a month  
4 for a producing well.

5 Q Are these costs in line with what's being  
6 charged by other operators in the area?

7 A Yes, they are.

8 Q Do you recommend these figures be incor-  
9 porated into the order which results from this hearing?

10 A Yes, we would.

11 Q Does Mr. Antweil seek to be designated  
12 operator of the proposed well?

13 A He does.

14 Q In your opinion will granting this appli-  
15 cation be in the best interest of conservation, the preven-  
16 tion of waste, and the protection of correlative rights?

17 A It will.

18 Q Were Exhibits One through four prepared  
19 by you?

20 A They were.

21 Q At this -- are they prepared by you?

22 A Or under my direction.

23 Q And are they accurate?

24 A They are.

25 MR. CARR: At this time, Mr.  
Stamets, we would offer Antweil Exhibits One through Four.

MR. STAMETS: The exhibits will  
be admitted.



Any questions of the witness?

He may be excused.

Anything further in this case?

MR. CARR: Nothing further in  
this case.

MR. STAMETS: 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 Conservation Division 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. 8300 heard by me on 8-8 1984.

Richard A. [Signature], Examiner  
Oil Conservation Division