

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

5 September 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Chama Petroleum Com- CASE
pany for an unorthodox well location, 8330
Eddy County, New Mexico.

BEFORE: Gilbert P. Quintana, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation	Charles E. Roybal
Division:	Attorney at Law
	Energy and Minerals Dept.
	525 Camino de Los Marquez
	Santa Fe, New Mexico 87501

For the Applicant:

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3 MR. QUINTANA: We'll call next
4 Case 8330.

5 MR. ROYBAL: Case 8330.
6 Application of Chama Petroleum Company for an unorthodox
7 well location, Eddy County, New Mexico.

8 Mr. Hearing Examiner, the
9 applicant has requested continuance of this case until
10 September 19th, 1984.

11 MR. QUINTANA: Case 8330 will
12 so be continued until September 19th, 1984.

13 (Hearing concluded.)
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STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
STATE LAND OFFICE BLDG.
SANTA FE, NEW MEXICO

19 September 1984

EXAMINER HEARING

IN THE MATTER OF:

Application of Chama Petroleum
Company for an unorthodox well
location, Eddy County, New
Mexico.

CASE
8338

BEFORE: Michael E. Stogner, Examiner

TRANSCRIPT OF HEARING

A P P E A R A N C E S

For the Oil Conservation
Division:

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

For the Applicant:

William F. Carr
Attorney at Law
CAMPBELL AND BLACK P. A.
P. O. Box 2208
Santa Fe, New Mexico 87501

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I N D E X

MARK K. NEARBURG

Direct Examination by Mr. Carr

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Cross Examination by Mr. Stogner

6

E X H I B I T S

Chama Exhibit One, Plat

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3 MR. STOGNER: We will now call
4 Case Number 8330.

5 MR. TAYLOR: The application of
6 Chama Petroleum Company for an unorthodox well location, Eddy
7 County, New Mexico.

8 MR. CARR: May it please the
9 Examiner, my name is William F. Carr, with the law firm
10 Campbell and Black, P. A. of Santa Fe, appearing on behalf
11 of Chama Petroleum Company.

12 I have one witness who needs to
13 be sworn.

14 (Witness sworn.)

15 MR. STOGNER: Are there any
16 other appearances?

17
18 MARK K. NEARBURG,
19 being called as a witness and being duly sworn upon his
20 oath, testified as follows, to-wit:

21 DIRECT EXAMINATION

22 BY MR. CARR:

23 Q Will you state your name and place of
24 residence?

25 A Mark K. Nearburg, Dallas, Texas.

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Q By whom are you employed?

A Chama Petroleum Company.

Q In what capacity?

A Landman.

Q Mr. Nearburg, have you previously testified before this Commission or one of its examiners and had your credentials as a landman accepted and made a matter of record?

A Yes.

Q Are you familiar with the application filed in this case on behalf of Chama Petroleum Company?

A Yes.

Q Are you familiar with the subject acreage?

A Yes.

MR. CARR: Mr. Examiner, are the witness' qualifications acceptable?

MR. STOGNER: They are.

Q Mr. Nearburg, would you briefly state what Chama seeks with this application?

A Chama seeks an unorthodox well location 1980 from the north line and 660 feet from the east line, Section 5, Township 19 South, Range 26 East, to test the Pennsylvanian and Wolfcamp formations, with the north half of the section dedicated to that well.

Q If you were dedicating a stand-up unit consisting of the east half of this section, the well would

1
2 be at a standard location, would it not?

3 A Yes.

4 Q And why are you dedicating the north half
5 of this section?

6 A We have the entire north half under lease
7 and we have the well for re-entry.

8 Q And this is an existing well --

9 A Yes.

10 Q -- you're re-entering.

11 Would you refer to what has been marked
12 for identification as Chama Exhibit Number One and review
13 this for Mr. Stogner?

14 A Outlined in yellow is the north half of
15 Section 5 and the green dot represents the wellbore we would
16 like to re-enter.

17 Q Mr. Nearburg, toward whom are you moving?

18 A We have the offset acreage 80 acres to
19 the south. We're moving towards ourselves in all cases.

20 Q So you're not crowding any other operator
21 in the area?

22 A No.

23 Q In your opinion would granting this ap-
24 plication impair the correlative rights of any operator in
25 the area?

A No.

Q Will it prevent waste?

A No. Yes, strike that.

1
2 Q Will it result in an economic savings to
3 Chama being able to re-enter the well at this location?

4 A Yes.

5 Q Was Exhibit Number One prepared by you?

6 A Yes.

7 MR. CARR: At this time, Mr.
8 Stogner, we would offer into evidence Chama Exhibit Number
9 One.

10 MR. STOGNER: Exhibit Number
11 One will be admitted into evidence.

12 MR. CARR: That concludes my
13 direct examination of Mr. Nearburg.

14 CROSS EXAMINATION

15 BY MR. STOGNER:

16 Q Mr. Nearburg, who offsets you to the east
17 in Section number 4?

18 A That's Chama acreage.

19 Q Chama acreage, also.

20 A Yes.

21 Q Is there a producing well in Section 4 in
22 the Pennsylvanian formation?

23 A No.

24 Q Or the Wolfcamp formation?

25 A No.

Q How about to the south in Section 5?

A We have the north half southeast and

1 southwest quarter is HBP'd by a well we re-entered, the Mor-
2 rison dry hole.

3 Q But there is no Pennsylvanian or Wolfcamp
4 formation in either of those? They both have been tested?

5 A Let's see. I'm not exactly -- this Dor-
6 chester Morrison was a -- I believe it was a Morrow well
7 that was plugged and abandoned.

8 Q The well that you're re-entering, do you
9 have any information on that?

10 A Not particularly. It was drilled as a
11 dry hole in 1974, I believe.

12 Q Was its main objective the Pennsylvanian
13 or the Wolfcamp formations?

14 A It's main objective was the Morrow.

15 Q Was the Morrow; was it tested in the Mor-
16 row?

17 A I'm not sure. I don't think so. I think
18 they drilled it and plugged and abandoned it without even
19 testing it.

20 Q Who was the operator of that?

21 A Samedan.

22 Q Is this a standard location for an east
23 half dedication?

24 A Yes. When the well was originally drill-
25 ed it was drilled on an east half --

Q What's the nearest Pennsylvanian and
Wolfcamp formation producing well around here?

1
2 A I would imagine it would be in the South
3 Boyd Field or possibly even the East Cemetery.

4 Q Where is that located on this map?

5 A It's not even on this map. It's over in
6 a different township and range.

7 Q In what direction?

8 A West and south.

9 Q West and south?

10 A Yes.

11 Q Several miles, then.

12 A Oh, ten to twelve miles.

13 Q Good luck. I have no further questions.

14 MR. STOGNER: Is there any
15 other questions of Mr. Nearburg at this time?

16 MR. CARR: No further
17 questions.

18 MR. STOGNER: If not, he may be
19 excused.

20 Is there anything further in
21 Case Number 8330?

22 If not, this case will be taken
23 under advisement.

24
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 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
a copy of the transcript of the hearing
heard by me on Sept 19 1984.
Michael E. Steiner, Examiner
Oil Conservation Division