

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date JUNE 13, 1990 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
William A. Carr	Campbell and Mack, P.A.	Santa Fe
Gene L. Carroll	Lower Canon State Lands	Artesia
H. H. Bobb Kerduech	El Paso Natural Gas Co.	El Paso, TX
Maurice Trimmer	Byram Report	SF
C. W. Trimmer	C. W. Trimmer	Santa Fe, TX
Gene Lee	C. W. Trimmer	Frederick, N.M.
Jack Thomas	Elton Co. USA	MIDLAND, TX
Bill Duncan	"	"
Jim Kwolek	"	"
Bruce Heise	"	"
Phil Campbell	Brnd Creek Res.	Tulsa, OK
James Bruce	Hinkle Law Firm	Albuquerque, NM
Susan Gaultright	Phillips Petroleum	Odessa, TX
Bill Olson	non	

NEW MEXICO OIL CONSERVATION COMMISSION

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NAME	REPRESENTING	LOCATION
W. J. MULLIN	Phillips Petroleum	Odessa, TX
T. L. Pierce	Bird Creek Resources, Inc.	Tulsa, OK
D. W. Robb	Mitchell Energy	Midland, TX
Jack Hauloshi	" "	The Woodlands, Texas
Carl Richard	Slater Law Firm	SF
Scott Hall	Paville + Smyth	SF
Ernst L. Radtke	} Oxy USA Inc.	Midland, TX
Rick Foppiano		
Jeff Schuchl		
Ed Behm		
ROD SEALE	STEVENS + TULL, Inc	Midland, TX
Bob STEVENS	STEVENS + TULL, Inc	Midland, TX
John A. Dean	Sunco Trucking	Farmington, NM
Gary L. Horner	H. W. Horner	Farmington, NM

1 STATE OF NEW MEXICO
2 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
3 OIL CONSERVATION DIVISION
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7 EXAMINER HEARING
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9 IN THE MATTER OF:
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11 Application of Exxon Corporation Case 9937
12 for a unit agreement, Eddy
13 County, New Mexico
14
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16 TRANSCRIPT OF PROCEEDINGS
17

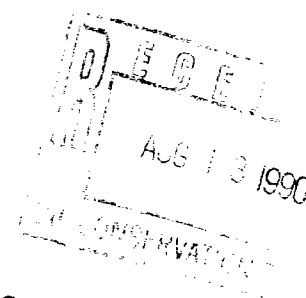
18 BEFORE: MICHAEL E. STOGNER, EXAMINER
19

20 STATE LAND OFFICE BUILDING

21 SANTA FE, NEW MEXICO

22 June 13, 1990
23

24 **ORIGINAL**
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CUMBRE COURT REPORTING
(505) 984-2244

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A P P E A R A N C E S

FOR THE DIVISION:

ROBERT G. STOVALL
Attorney at Law
Legal Counsel to the Divison
State Land Office Building
Santa Fe, New Mexico

FOR THE APPLICANT:

HINKLE, COX, EATON
COFFIELD & HENSLEY
Attorneys at Law
218 Montezuma
Santa Fe, New Mexico 87504-2068
BY: JAMES G. BRUCE, ESQ.

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1 HEARING EXAMINER: Call next case No. 9937.

2 MR. STOVALL: Application of Exxon
3 Corporation for a unit agreement, Eddy County, New
4 Mexico.

5 HEARING EXAMINER: Call for appearances.

6 MR. BRUCE: Mr. Examiner, my name is Jim
7 Bruce from the Hinkle law firm in Albuquerque
8 representing the Applicant, and I have two witnesses
9 to be sworn.

10 HEARING EXAMINER: Are there any other
11 appearances?

12 MR. PADILLA: Mr. Examiner, Ernest L.
13 Padilla of Santa Fe, New Mexico for Santa Fe Energy
14 Operating Partners, L.P. I have no witnesses.

15 JOE B. THOMAS,
16 the witness herein, after having been first duly sworn
17 upon his oath, was examined and testified as follows:

18 DIRECT EXAMINATION

19 BY MR. BRUCE:

20 Q. Would you please state your full name and
21 city of residence.

22 A. It's Joe B. Thomas, Midland, Texas.

23 Q. Who are you occupied by and in what
24 capacity?

25 A. I'm employed by Exxon Corporation as a

1 landman.

2 Q. Have you previously testified before the
3 OCD as a petroleum landman?

4 A. Yes, I have.

5 Q. Are you familiar with the land matters
6 involved in Case 9937?

7 A. Yes, I am.

8 MR. BRUCE: Mr. Examiner, is the witness
9 acceptable?

10 HEARING EXAMINER: Mr. Thomas is so
11 qualified.

12 Q. (BY MR. BRUCE) Mr. Thomas, briefly, what
13 does Exxon seek in this case?

14 A. Exxon seeks approval of the Laguna Salado
15 South exploratory units to all depths consisting of
16 7,040 acres, more or less.

17 Q. Would you move on to Exhibit No. 1 and
18 describe the outlined unit, please.

19 A. Exhibit 1 is Exhibit A to the Laguna Salado
20 South proposed unit. It shows the aerial extent of
21 our acreage. The diagonal hachured lands or the
22 federal lands or USA consist of 5,640 acres,
23 approximately 80 percent of the unit. The horizontal
24 hachured lands is one state tract, Section 16, 640
25 acres, approximately 9 percent. And the unhachured

1 area or the clear area of the fee, which is 760 acres
2 or about 11 percent of the proposed unit.

3 Q. Thank you. Would you please now refer to
4 Exhibit No. 2 and describe its contents for the
5 Examiner.

6 A. Exhibit 2 is a unit agreement for the
7 development and operation of the Laguna Salado South
8 Unit. This Unit Agreement was prepared in accordance
9 with the federal regulations and amended by the State
10 of New Mexico. Exxon is named as the initial unit
11 operator.

12 This unit is a divided-type unit. That is,
13 only the working interest owners within a
14 participating area will share in the cost and
15 production from that participating area. It provides
16 for initial well within six months from approval of
17 the Unit Agreement for a 3,500-foot Ramsey test.

18 Q. Would you please briefly describe the Unit
19 Operating Agreement marked exhibit No. 3.

20 A. The Unit Operating Agreement is a Rocky
21 Mountain Unit Operating Agreement divided interest
22 type. This agreement was negotiated among all the
23 working interest owners. It provides for operations
24 within the unit area, substitution of any unit
25 operator, sharing of well costs among working interest

1 operators.

2 Q. And, in your opinion, are both the Unit
3 Agreement and the Unit Operating Agreement fair and
4 reasonable for operations of this unit?

5 A. Yes.

6 Q. Would you please move on to Exhibits No. 4
7 and 5 and describe what they are?

8 A. Exhibit 4 is a letter from the United
9 States Department of Interior, Bureau of Land
10 Management. We applied for the designation of Laguna
11 Salado South Unit as a logical unit subject to
12 exploration and development under the unitization
13 provisions of the Mineral Leasing Act.

14 By this letter, the second paragraph,
15 pursuant to unit Regulation 43 CFR 3180, the land
16 requested as outlined on Exxon's plat as Exhibit 1 to
17 this exhibit, is hereby designated as a logical unit
18 area. Since this proposed unit also embraces state
19 lands, the BLM asked that we go to the State
20 Commissioner of Public Lands and receive preliminary
21 approval from the State of New Mexico. This is
22 Exhibit 5.

23 The State of New Mexico letter states in
24 part that the office has reviewed the proposal which
25 meets the general requirements of the Commissioner of

1 Public Lands who has this date, which is June 12,
2 1990, is the letterhead dated of the letter, granted
3 the preliminary approval of the Laguna Salado South
4 exploratory unit.

5 Q. And final approval will take place after
6 the OCD grants its approval; is that correct?

7 A. That is correct.

8 Q. Would you please refer to Exhibit No. 6.
9 Briefly describe interest ownership in the unit and
10 also describe what percent of the interest owners have
11 preliminarily committed to the unit.

12 A. Exhibit 6 is Exhibit B to the Laguna Salado
13 South Unit Agreement. It sets out the tracts, the
14 ownership of the tracts, the lessee of record, the
15 working interest in percentage of ownership within
16 that tract. There are approximately 19 working
17 interest owners.

18 The royalty owners are between the United
19 States, the State of New Mexico, and fee lands. There
20 are three overriding royalty owners.

21 We have preliminary approval of 82 percent
22 of the working interest owners and expect at least 92
23 percent of the working interest owners to approve the
24 unit and unit operating agreement.

25 The State of New Mexico and the Bureau of

1 Land Management have committed approximately 89
2 percent of the royalty to the unit by those two
3 letters, previously Exhibits 4 and 5.

4 Q. Would you please refer to Exhibit No. 7 and
5 describe or summarize the chronology of land context
6 in forming this unit.

7 A. We have been working on this unit since
8 1986. There have been numerous land contacts
9 backwards and forwards among all the working interest
10 owners. There are summarized in Exhibit 7. We now
11 have reached agreement with a significant percentage
12 of the working interest owners and are ready to
13 proceed.

14 Q. And to reiterate, this is a voluntary unit,
15 is it not?

16 A. This is a voluntary unit.

17 Q. In your opinion, is the granting of this
18 application in the interest of conservation,
19 prevention of waste, and the protection of correlative
20 rights?

21 A. Yes.

22 Q. Were exhibits 1 through 7 prepared by you,
23 under your direction, or compiled from company
24 records?

25 A. Yes, sir.

1 Q. One last item, Mr. Thomas, does Exxon
2 request expedited approval of this Unit Agreement?

3 A. We ask for an expedited approval of this
4 matter due to a lease within the proposed unit area
5 whose primary term expires June 30, 1990. We also ask
6 for approval so that formal approval can be obtained
7 from the Bureau of Land Management and the
8 Commissioner of Public Lands. We would appreciate the
9 order, if possible, by June 15.

10 MR. BRUCE: Thank you, Mr. Thomas.

11 At this time I move the admission of
12 Exhibits 1 through 7.

13 HEARING EXAMINER: Exhibits 1 through 7
14 will be admitted into evidence.

15 MR. STOVALL: Please stay seated, Mr.
16 Thomas.

17 THE WITNESS: I'm sorry.

18 CROSS-EXAMINATION

19 BY MR. STOVALL:

20 Q. Mr. Thomas, we have a letter dated January
21 25, 1988, from Bettis Brothers, Inc., indicating they
22 didn't wish to join the unit. What's the status of
23 that interest at this time?

24 A. They did ratify the unit, and I've got a
25 copy of the ratification, but that was after that

1 letter.

2 Q. I have no doubt about that. The letter is
3 two years old. I just want to make sure they
4 weren't --

5 A. They have been contacted. I do not know if
6 they're going join the unit at this time. Since they
7 ratified it before, I assume they're going to ratify
8 it again. I don't have that information.

9 Q. What about the interests that haven't
10 joined you? What is your plan with that since that is
11 voluntary and cannot be a statutory unit?

12 A. That is correct. We're going to proceed in
13 attempt to get 100 percent of the working interest
14 owners signed.

15 Q. What does your Unit Agreement or Unit
16 Operating Agreement provide as far as participation in
17 costs and revenues?

18 A. We had -- since it is a divided-type unit,
19 only those interests within the participating area
20 will share in the well costs and production from that
21 well.

22 Q. On an acreage basis?

23 A. On an acreage basis.

24 Q. What do you propose as initial
25 participating area, let's say, for the initial well,

1 to start with?

2 A. The initial well, as Jim Kwolek will say,
3 has a primary and secondary objective, and it depends
4 on what comes in on the results of the initial well.
5 If it is the Ramsey, it will probably be 40 acres. If
6 it is a deeper objective, it will probably be whatever
7 the State of New Mexico will apply on a proration
8 unit.

9 Q. So it's your intention that the
10 participating area in the well be a proration unit
11 essentially in size?

12 A. That is correct.

13 Q. What about nonconsent to operations, is
14 there a provision for a penalty?

15 A. That is correct, there is a 300 percent
16 nonconsent penalty.

17 Q. Is that 300 percent of costs of 100 plus
18 200?

19 A. It's costs plus 200.

20 HEARING EXAMINER: Are there any other
21 questions of Mr. Thomas?

22 MR. BRUCE: Mr. Examiner, if I could point
23 out one thing.

24 REDIRECT-EXAMINATION

25 BY MR. BRUCE:

1 Q. Mr. Thomas, you mentioned that certain
2 people had ratified it, and you mentioned reratifying
3 the agreement. What is the reason for that?

4 A. What we've done, since this unit has been
5 going on so long, and the federal regulations have
6 changed since the ratifications were done, we felt it
7 was fair to let -- get everyone to re-examine the Unit
8 Agreement as amended and then reratify the Unit
9 Agreement. We felt that the ratification several
10 years old, it would not be equitable to those working
11 interest owners.

12 MR. BRUCE: Thank you.

13 Nothing further, Mr. Examiner.

14 HEARING EXAMINER: If there are no other
15 questions of Mr. Thomas, he may be excused.

16 THE WITNESS: Thank you.

17 JAMES KWOLEK,
18 the witness herein, after having been first duly sworn
19 upon his oath, was examined and testified as follows:

20 DIRECT EXAMINATION

21 BY MR. BRUCE:

22 Q. Mr. Kwolek, will you please state your full
23 name and city of residence.

24 A. My name is James Michael Kwolek, and I
25 reside in Midland, Texas.

1 Q. Who do you work for and in what capacity?

2 A. I work for Exxon Corporation as a
3 geologist.

4 Q. Have you previously testified before the
5 OCD as a geologist?

6 A. Yes, I have.

7 Q. Were your credentials accepted as a matter
8 of record?

9 A. Yes, they were.

10 Q. Are you familiar with the geology involved
11 in the Laguna Salado South Unit?

12 A. Yes, I am.

13 MR. BRUCE: Mr. Examiner, is the witness
14 acceptable?

15 HEARING EXAMINER: They are.

16 Q. (BY MR. BRUCE) Mr. Kwolek, would you
17 please refer to both Exhibits 8 and 9 and explain the
18 geology in the unit.

19 A. From a geologic perspective, the proposed
20 Laguna Salado South Unit, will test a stratigraphic
21 play in permeable Ramsey sands of the Delaware-Bell
22 Canyon formation. To illustrate the play concept of
23 the Ramsey sand, I've constructed two exhibits.
24 Exhibit 8 is a net sand isopach, and Exhibit 9 is a
25 structural cross-section.

1 Before commenting on the play concept, let
2 me note several factors on each of the exhibits.

3 Exhibit 8, which is the net sand isopach,
4 in the lower left-hand corner, I've placed a location
5 map to orient us both geologically and
6 geographically. As indicated by the star, Laguna
7 Salado South Unit locates on the northern flank of the
8 Delaware Basin in the southeast quarter of Eddy
9 County, New Mexico.

10 Highlighted on the figure 8 is an outline,
11 the dark, dashed line, which shows the proposed unit
12 boundaries. In Section 22, the fluorescent orange dot
13 represents the location of the proposed exploratory
14 test.

15 In addition, you may note that the contour
16 interval for the net sand isopach is 20 feet. And to
17 construct the map, I used a porosity cutoff of 22
18 percent. As illustrated on the net sand isopach, the
19 proposed location should penetrate approximately 90
20 feet of net sand.

21 Moving on to the Exhibit 9, a few
22 comments. First, it is hung on sea level as a datum.
23 I've included four wells for the cross-section, and an
24 orientation of the cross-section can be seen in the
25 upper right-hand corner. The cross-section goes

1 through three wells within the proposed unit area and
2 one well immediately outside.

3 Moving from west to east, we have
4 referenced the Laguna Grande Unit #3, the Blakemore
5 Estate #1, Laguna Grande #1, and Laguna Grande #2.

6 A significant horizon that is shown
7 correlatively is the Lamar Limestone. And immediately
8 below the Lamar Limestone is the primary objective for
9 the proposed unit, the Ramsey sand, which are shown or
10 shaded yellow on your cross-sections.

11 Let me now comment on the actual play
12 concept for this primary objective. The Ramsey sand
13 member can be characterized by two deep water
14 lithotypes. The first is a more massive channel sands
15 dominated by traction deposition within channel
16 topplers. The second lithotype is more silty laminite
17 sands which are dominated by suspension deposition
18 outside of the channel trends.

19 The sands within the channel trends are
20 slightly coarser grained, are better sorted with
21 correspondingly higher porosities and permeabilities
22 than the laminite sands, and therefore are our
23 exploration target.

24 The isopach map is contoured based on these
25 coarser grained Ramsey sands. The laminite sands,

1 which when you look at the structural cross-section,
2 are represented within the Ramsey interval by higher
3 gamma ray readings and lower porosities. These
4 laminates, as well as shales within the interval, as
5 well as the overlying Lamar Limestone, provide a
6 permeability trap and a seal for hydrocarbon
7 accumulation within the channel sands.

8 Locally, the Ramsey channels were deposited
9 in a northeast-southwest orientation, and that's best
10 illustrated on Figure 8.

11 This orientation from southwest to
12 northeast conforms to regional mapping also. You'll
13 also note that the channel trend varies in width,
14 ranging from approximately one mile to four miles.
15 The proposed unit, it's anticipated that we are within
16 an area of a wide channel deposit, approximately four
17 miles in width. The sands within the Ramsey were
18 deposited as shingle-like, accretionary units with
19 permeability stratigraphic trapping updip, and that's
20 best illustrated on Figure 9.

21 As illustrated by the shading, the Ramsey
22 interval, the primary objective is not a single sand
23 but consists of several of these individual shingle
24 sands that are separated by tighter laminates.

25 You may also note that the orientation of

1 the cross-section is from the west to the east-
2 southeast, and this is in a downdip direction. If we
3 follow up from east to west on the cross-section,
4 you'll note that there is a pinchout of these
5 individual sands, allowing for additional trapping
6 mechanism. The primary objective, the Ramsey sands,
7 is a stratigraphic play in this area.

8 To date, four wells are of significance in
9 terms of penetrating in the Ramsey in the immediate
10 area, and those I'd like to point out. And those are
11 the four wells that are shown on the cross-section.
12 Three of the wells, the Laguna Grande, #3, 1, and 2,
13 were all drilled to the Morrow, and the Blakemore
14 Estate was drilled to the Bone Springs.

15 None of these wells, however, drill-stem
16 tested or production tested the Ramsey Reservoir.
17 However, in the Laguna Grande #3 and the Laguna Grande
18 #1, mud log shows were encountered in the Ramsey.

19 Returning to, if you look at Exhibit No. 8,
20 the net sand isopach, let me make a few comments about
21 the unit boundaries.

22 As illustrated on the exhibit, the western
23 boundary for the proposed unit is based on the
24 probable updip extent of relatively thick Ramsey sands
25 at the widest portion of the channel, updip once again

1 being to the northwest. And with respect to
2 reservoir, we're looking at, for mapping purposes, I
3 used an arbitrary cutoff of about 20 feet for the
4 proposed western boundary.

5 An exemption to this is the east half of
6 Section 29, which has some permeable sands mapped
7 across it. However, the east half of the section is
8 already committed to the Laguna Grande Unit, which is
9 a contracted exploratory unit that had the Morrow as
10 its primary objective.

11 The northern and southern boundaries of the
12 unit conform to narrowing of the overall channel
13 trend. The eastern boundary conforms to the downdip
14 limit of possible commercial production. And,
15 finally, to the northeast, the east line of Section 10
16 and 15 and the northern boundary of Section 23
17 coincide with the boundaries of the existing Nash Draw
18 Unit.

19 In summary, the Laguna Salado South Unit is
20 a high-risk stratigraphic prospect in the Ramsey.
21 However, the regional geologic factors, such as, one I
22 didn't point out, on Exhibit 8, you'll note that
23 approximately 2-1/2 miles to the southwest of the
24 proposed unit is the Malaga Delaware Pool, which
25 produces from the Ramsey sand and has cum'd

1 approximately 700,000 barrels of oil.

2 In addition to the regional geologic
3 factors, the well control, of which is spotted on the
4 net sand isopach, supports my contention that there is
5 a wide channel sand across the proposed unit, and the
6 supporting evidence of the mud logs on the Laguna
7 Grande Unit #1 and 2 offer encouragement that porous
8 and permeable sands are present, and production can be
9 established in the Ramsey sands within the proposed
10 Laguna Salado South Unit.

11 Q. Thank you, Mr. Kwolek. Do you have any
12 other exhibits?

13 A. One final exhibit, Exhibit No. 10, is a
14 geologic summary of the points that I have just
15 commented on.

16 Q. And it describes the Ramsey sand?

17 A. That is correct. It describes the geology
18 of the Ramsey sand, noting the previous drilling in
19 the immediate area, as well as the reasoning behind
20 the unit boundaries.

21 Q. Does it also briefly discuss secondary
22 objectives?

23 A. It mentions secondary objectives. The
24 primary objective for the proposed unit is the Ramsey
25 sand. However, in this immediate area, there is

1 proven potential in the Morrow, Atoka, Wolfcamp and
2 Bone Springs, and those are viable secondary
3 objectives for the proposed test well.

4 Q. In your opinion, will the granting of this
5 application be in the interests of conservation, the
6 prevention of waste, and the protection of correlative
7 rights?

8 A. Yes, it would.

9 Q. Were Exhibits 8, 9, and 10 prepared by you
10 or under your direction?

11 A. Yes, they were.

12 MR. BRUCE: Mr. Examiner, I move the
13 admission of Exhibits 8, 9, and 10.

14 HEARING EXAMINER: Exhibits 8, 9, and 10
15 will be admitted into evidence at this time.

16 CROSS-EXAMINATION

17 BY HEARING EXAMINER:

18 What is Exxon's time frame on the proposed
19 well in Section 22?

20 A. The proposed well will be drilled by Santa
21 Fe, and the well will be drilled as soon as a permit
22 is obtained for the well, hopefully, by the end of
23 June.

24 Q. Who will be the operator of this unit?

25 A. Exxon will be operator.

1 Q. Will Exxon be the operator of that well?

2 A. Exxon will designate Santa Fe as the
3 drilling operator for that well.

4 Q. And then after it is completed or if it's
5 completed, then Exxon will take over operations?

6 A. As unit operator, yes, that's correct.

7 HEARING EXAMINER: Are there any other
8 questions of this witness? If not, he may be
9 excused.

10 Mr. Bruce, do you have anything further in
11 this case?

12 MR. BRUCE: No, Mr. Examiner. We will
13 submit a proposed order because of the requested
14 expedited approval. Other than that, nothing further.

15 HEARING EXAMINER: In that case, Case No.
16 9937 will be taken under advisement.

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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Deborah O'Bine, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I caused my notes to be transcribed under my personal supervision; and that the foregoing is a true and accurate record of the proceedings.

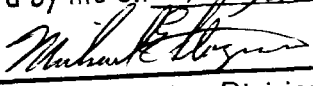
I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 15, 1989.



DEBORAH O'BINE
CSR No. 127

My commission expires: August 10, 1990

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 9937, heard by me on 13 June 1990.

_____, Examiner
Oil Conservation Division

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

CASE 9937, CASE 9939, CASE 9945,

CASE 9946, CASE 9924, CASE 9947,

CASE 9950, CASE 9953, CASE 9955

EXAMINER HEARING

IN THE MATTER OF:

Continued and Dismissed Cases

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

May 30, 1990

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 Building
Santa Fe, New Mexico

* * *

1 WHEREUPON, the following proceedings were had
2 at 8:19 a.m.:

3 EXAMINER CATANACH: Call the hearing to order
4 this morning for Docket Number 15-90.

5 At this time we'll call the continuances and
6 dismissals first.

7 Call Case 9937.

8 MR. STOVALL: Application of Exxon
9 Corporation for a unit agreement, Eddy County, New
10 Mexico.

11 Applicant requests this case be continued to
12 June 13th, 1990.

13 EXAMINER CATANACH: Case 9937 is hereby
14 continued to the June 13th docket.

15 * * *

16 EXAMINER CATANACH: Call Case 9939.

17 MR. STOVALL: Application of Santa Fe Energy
18 Operating Partners, L.P., for compulsory pooling and a
19 non-standard gas proration unit, Eddy County, New
20 Mexico.

21 Applicant requests this case be continued to
22 June 13th, 1990.

23 EXAMINER CATANACH: Case 9939 is hereby
24 continued to the June 13th docket.

25 * * *

1 EXAMINER CATANACH: Call Case 9945.

2 MR. STOVALL: Application of Mobile Producing
3 Texas and New Mexico, Inc., for an unorthodox oil well
4 location, Lea County, New Mexico.

5 Applicant requests this case be dismissed.

6 EXAMINER CATANACH: Case 9945 is hereby
7 dismissed.

8 * * *

9 EXAMINER CATANACH: Call Case 9946.

10 MR. STOVALL: Application of Mobil Producing
11 Texas and New Mexico, Inc., for an unorthodox oil well
12 location, Lea County, New Mexico.

13 Applicant requests this case be dismissed.

14 EXAMINER CATANACH: Case 9946 is hereby
15 dismissed.

16 * * *

17 EXAMINER CATANACH: Call Case 9924.

18 MR. STOVALL: Application of Strata
19 Production Company to amend Division Order No. R-9097,
20 Eddy County, New Mexico.

21 Applicant requests this case be continued to
22 June 13th, 1990.

23 EXAMINER CATANACH: Case 9924 is hereby
24 continued to the June 13th docket.

25 * * *

1 EXAMINER CATANACH: Call Case 9947.

2 MR. STOVALL: Application of Texaco, Inc.,
3 for pool creation and special pool rules, Lea County,
4 New Mexico.

5 Applicant requests this case be dismissed.

6 EXAMINER CATANACH: Case 9947 is hereby
7 dismissed.

8 * * *

9 EXAMINER CATANACH: Call Case 9950.

10 MR. STOVALL: Application of Meridian Oil,
11 Inc., for compulsory pooling, Eddy County, New Mexico.

12 Applicant requests this case be continued to
13 June 27th, 1990.

14 EXAMINER CATANACH: Case 9950 is hereby
15 continued to June 27th.

16 * * *

17 EXAMINER CATANACH: Call Case 9953.

18 MR. STOVALL: Application of Oryx Energy
19 Company for compulsory pooling, Lea County, New Mexico.

20 Applicant requests this case be continued to
21 June 13th, 1990.

22 EXAMINER CATANACH: Case 9953 is hereby
23 continued to June 13th.

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1 EXAMINER CATANACH: Call Case 9955.

2 MR.STOVALL: Application of Sunco Trucking
3 Water Disposal for a permit to construct and operate a
4 commercial wastewater evaporation pond, San Juan
5 County, New Mexico.

6 Applicant requests this case be continued to
7 June 13th, 1990.

8 EXAMINER CATANACH: Case 9955 is hereby
9 continued to the June 13th docket.

10 (Thereupon, these proceedings were concluded
11 at 8:21 a.m.)

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CERTIFICATE OF REPORTER

STATE OF NEW MEXICO)
) ss.
COUNTY OF SANTA FE)

I, Steven T. Brenner, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL June 5, 1990.



STEVEN T. BRENNER
CSR No. 106

My commission expires: October 14, 1990

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 9837, heard by me on May 30 1990.

David R. Cumbre, Examiner
Oil Conservation Division

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
CASE 9937, CASE 9924, CASE 9918, CASE 9919,
CASE 9938, CASE 9927, CASE 9939, CASE 9941,
CASE 9942, CASE 9943, CASE 9930

EXAMINER HEARING

IN THE MATTER OF:

CONTINUED AND DISMISSED CASES

TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

May 16, 1990

A P P E A R A N C E S

FOR THE DIVISION:

ROBERT G. STOVALL
Attorney at Law
Legal Counsel to the Divison
State Land Office Building
Santa Fe, New Mexico

1 HEARING EXAMINER: This hearing will come
2 to order for Docket Number 13-90. I'm Michael E.
3 Stogner, appointed hearing officer for today's docket,
4 May 16, 1990. I'll run through the continuances and
5 dismissed cases first.

6 At this time I'll call Case No. 9937.

7 MR. STOVALL: Application of Exxon
8 Corporation for a unit agreement, Eddy County, New
9 Mexico.

10 Applicant requests this case be continued
11 to May 30, 1990.

12 HEARING EXAMINER: Case No. 9937 will be so
13 continued.

14 * * * * *

15 HEARING EXAMINER: Call next case, No.
16 9924.

17 MR. STOVALL: Application of Strata
18 Production Company to amend Division Order No. R-9097,
19 Eddy County, New Mexico.

20 Applicant requests this case be continued
21 to May 30th.

22 HEARING EXAMINER: Case No. 9924 will also
23 be continued to the Examiner's hearing scheduled for
24 May 30, 1990.

25 * * * * *

1 HEARING EXAMINER: Call next case, No.
2 9918.

3 MR. STOVALL: Application of Mesa Operating
4 Limited Partnership for compulsory pooling, San Juan
5 County, New Mexico.

6 Applicant requests this case be continued
7 to the Examiner docket of June 13, 1990.

8 HEARING EXAMINER: Case 9918 will be so
9 continued.

10 * * * * *

11 HEARING EXAMINER: Call next case, No.
12 9919.

13 MR. STOVALL: Application of Mesa Operating
14 Limited Partnership for compulsory pooling, San Juan
15 County, New Mexico.

16 Applicant also requests this case be
17 continued to June 13th.

18 HEARING EXAMINER: Case No. 9919 will also
19 be continued to the Examiner's hearing scheduled for
20 June 13, 1990.

21 * * * * *

22 HEARING EXAMINER: Call next case, No.
23 9938.

24 MR. STOVALL: Application of Petroleum
25 Production Management, Inc., for compulsory pooling,

1 Lea County, New Mexico.

2 Applicant requests this case be dismissed.

3 HEARING EXAMINER: Case 9938 will be
4 dismissed.

5 * * * * *

6 HEARING EXAMINER: Call next case, No.
7 9927.

8 MR. STOVALL: Application of Pacific
9 Enterprises Oil Company (USA) for compulsory pooling,
10 Eddy County, New Mexico.

11 Applicant requests this case be dismissed.

12 HEARING EXAMINER: Case No. 9927 will be
13 dismissed.

14 * * * * *

15 HEARING EXAMINER: Call next case, No.
16 9939.

17 MR. STOVALL: Application of Santa Fe
18 Energy Operating Partners, L.P., for compulsory
19 pooling and a nonstandard gas proration unit, Eddy
20 County, New Mexico.

21 Applicant requests this case be continued
22 and readvertised for May 30, 1990.

23 HEARING EXAMINER: Case No. 9939 will also
24 be continued to the Examiner's hearing scheduled for
25 May 30, 1990, at which time it will be readvertised.

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HEARING EXAMINER: Call next case, No.

9941.

MR. STOVALL: Application of Osborn Heirs
Company for compulsory pooling, Lea County, New
Mexico.

Applicant requests this case be dismissed.

HEARING EXAMINER: Case 9941 will be
dismissed.

* * * * *

HEARING EXAMINER: Call next case, No.

9942.

MR. STOVALL: Application of Osborn Heirs
Company, for compulsory pooling, Lea County, New
Mexico.

Applicant requests this case be dismissed.

HEARING EXAMINER: Case 9942 will be
dismissed.

* * * * *

HEARING EXAMINER: Call next case, No.

9943.

MR. STOVALL: Application of Osborn Heirs
Company for compulsory pooling, Lea County, New
Mexico.

Applicant requests this case be dismissed.

1 HEARING EXAMINER: Case No. 9943 will be
2 dismissed.

3 * * * * *

4 HEARING EXAMINER: On the third page, I'll
5 call Case No. 9911.

6 MR. STOVALL: Application of Union Oil
7 Company of California for a highly-deviated
8 directional drilling pilot project and unorthodox coal
9 gas well location, Rio Arriba County, New Mexico.

10 Applicant requests this case be dismissed.

11 HEARING EXAMINER: Case No. 9911 will be
12 dismissed.

13 * * * * *

14 HEARING EXAMINER: Call next case, No.
15 9930.

16 MR. STOVALL: Application of Union Oil
17 Company of California to amend Division Order No.
18 R-6375, as amended, Rio Arriba County, New Mexico.

19 Applicant requests this case be continued
20 to the Examiner docket set for June 13, 1990.

21 HEARING EXAMINER: Case No. 9930 will be
22 continued to the Examiner's hearing scheduled for June
23 13, 1990.

24 * * * * *

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1 CERTIFICATE OF REPORTER

2
3 STATE OF NEW MEXICO)
4 COUNTY OF SANTA FE) ss.
5

6 I, Carla Diane Rodriguez, Certified
7 Shorthand Reporter and Notary Public, HEREBY CERTIFY
8 that the foregoing transcript of proceedings before
9 the Oil Conservation Division was reported by me; that
10 I caused my notes to be transcribed under my personal
11 supervision; and that the foregoing is a true and
12 accurate record of the proceedings.

13 I FURTHER CERTIFY that I am not a relative
14 or employee of any of the parties or attorneys
15 involved in this matter and that I have no personal
16 interest in the final disposition of this matter.

17 WITNESS MY HAND AND SEAL May 23, 1990.

18 
19 CARLA DIANE RODRIGUEZ
20 CSR No. 91

21 My commission expires: May 25, 1991

22
23 I do hereby certify that the foregoing is
24 a complete record of the proceedings in
the Examiner hearing of Case No. 4937,
25 heard by me on 16 May 1990.


Michael H. Hays, Examiner
Oil Conservation Division