

NEW MEXICO OIL CONSERVATION DIVISION

Examiner Hearing
Santa Fe, New Mexico
November 18, 1999 -- 8:15 A.M.

Name	Representing	Location
Robert Bullack	Yates Petroleum	Artesia
Paul R. Owen	Campbell, Carr, Beck & Shuman	Santa Fe
Shannon Nichols	Burlington Resources	Fort Worth
ALAN ALEXANDER	"	"
Ralph Nelms	"	"
Dave Cromwell	Emergen	Birmingham Ala
SCOTT HALL	MILLER LAW	SF
MARK MADONKA	Gilbert's Oil, Inc	Midland TX
HARRY SQUIRLES	Snyder, Karcher	Houston
Dr. Adams	Self	Santa Fe
W. Kellum	Kellum-Kellum	Santa Fe
William H. Davis	Campbell, Carr, Beck & Shuman	Santa Fe
Lyndy Chan	Charles B. Gillespie Jr.	Midland TX.
Ken [unclear]	Emergen	" "
Sam M. Williams	Emergen	" "

James Bruce

CVLH

Santa Fe

Was Ferry

EGL Resource

Midland, TX

Paul Lewicki

✓

✓

Brian W. Davis

Bureau of Land
Management - ABQ, NM

OIL CONSERVATION DIV.

STATE OF NEW MEXICO

99 DEC -2 PM 3:18 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY)
 THE OIL CONSERVATION DIVISION FOR THE)
 PURPOSE OF CONSIDERING:)

CASE NO. 12,282

APPLICATION OF YATES PETROLEUM)
 CORPORATION FOR APPROVAL OF A UNIT)
 AGREEMENT, LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGSEXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

November 18th, 1999

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, November 18th, 1999, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

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 Examiner Hearing
 CASE NO. 12,282

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

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FOR THE APPLICANT:

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Suite 1 - 110 N. Guadalupe
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: PAUL R. OWEN

* * *

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3
4
5
6 EXAMINER STOGNER: This hearing will come to
7 order. I'm Michael Stogner, appointed Hearing Examiner for
8 today's cases. Please note today's date, Thursday,
9 November the 18th, 1999, and we're here today to consider
10 Docket Number 35-99.

11 At this time I'll call Case Number 12,282.

12 MR. CARROLL: Application of Yates Petroleum
13 Corporation for approval of a unit agreement, Lea County,
14 New Mexico.

15 EXAMINER STOGNER: Call for appearances.

16 MR. CARR: Paul Owen of the Santa Fe law firm of
17 Campbell, Carr, Berge and Sheridan, for the Applicant,
18 Yates Petroleum Corporation. I have two witnesses in this
19 matter.

20 EXAMINER STOGNER: Any other appearances?
21 Will the witnesses please stand to be sworn?
22 (Thereupon, the witnesses were sworn.)

23 EXAMINER STOGNER: Mr. Owen?

24 MR. OWEN: May it please the Examiner, I call as
25 my first witness in this matter Mr. Robert Bullock.

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ROBERT BULLOCK,

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

DIRECT EXAMINATION

BY MR. BULLOCK:

Q. Mr. Bullock, please tell us your full name.

A. Robert Bullock.

Q. And where do you live?

A. Hope, New Mexico.

Q. Who do you work for?

A. I work for Yates Petroleum.

Q. What do you do for Yates?

A. I'm a landman.

Q. Have you previously testified before the Division
and had your credentials as a petroleum landman accepted
and made a matter of record?

A. Yes.

Q. Are you familiar with the Application filed in
this case?

A. Yes.

Q. Are you familiar with the proposed East Sand
Springs State Unit?

A. Yes, sir.

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

1 EXAMINER STOGNER: Mr. Bullock is so qualified.

2 Q. (By Mr. Owen) Mr. Bullock, I notice that you are
3 calling the unit the East Sand Springs State Unit, and it
4 was advertised as the Sand Springs State Unit. Why has the
5 name been changed?

6 A. That was done at the request of the Commissioner
7 of public lands. They had a unit by that name, so they
8 asked us to amend the name to the East Sand Springs State
9 Unit, which we have done.

10 Q. Are there any changes in the unit agreement or
11 the substance of your proposal, other than the name?

12 A. No.

13 Q. Why don't you tell us what Yates is seeking with
14 this Application?

15 A. We're seeking approval of this exploratory unit
16 agreement, comprising 4053.92 net acres, located in six
17 sections. These are located approximately twelve miles
18 east of Caprock, New Mexico.

19 Q. Have you brought exhibits for introduction in
20 this case?

21 A. Yes, we have.

22 Q. Why don't you turn to Exhibit Number 1, the unit
23 agreement, and review it for the Examiner, please?

24 A. This is the standard unit agreement that --
25 requested by the Commissioner of Public Lands. And page 2

1 of that agreement sets out the unit area. It has the
2 standard language required throughout the body of the
3 agreement. And then Exhibits A and B define the outline of
4 the unit, and Exhibit B sets out the leases that are
5 involved.

6 Q. Now, Exhibit A, when you refer to Exhibit A you
7 mean Exhibit A to the unit agreement, that is stapled
8 within the unit agreement?

9 A. That's correct.

10 Q. Does that indicate the boundaries of the proposed
11 unit?

12 A. Yes, it does.

13 Q. Does it indicate that you have a window within
14 the unit that is not being -- that might otherwise be in
15 the unit that is not being unitized in this case?

16 A. Right, we've indicated those windows with that
17 slash line that goes across that specific leasehold.

18 Q. Is this all state acreage?

19 A. Yes, it's all state, 100 percent state acreage.

20 Q. What is the status of those two tracts that you
21 have indicated as windows in the unit there?

22 A. They are going to be uncommitted to our unit.
23 And as a matter of fact, they're going to be unitized by
24 Manzano Oil Corporation for their state unit.

25 Q. Is that the Sand Springs State Unit?

1 A. Yes, that's correct.

2 Q. The reason for the name change?

3 A. Right.

4 Q. Does Exhibit B to the unit agreement, again
5 stapled within, as you indicated, does that reflect the
6 ownership within that unit?

7 A. Yes, we've set out the descriptions of the lands,
8 the acreage and the lease numbers, lessee of record and the
9 working interest within those leases.

10 Q. And within the acreage that is indicated on
11 Exhibit A to the unit agreement, have you received 100-
12 percent commitment to the unit?

13 A. No, the lands in Tract 11, going back to the map,
14 Tract 11 will not be committed to the unit. That leasehold
15 is also owned by Manzano, and it represents 194.68 acres
16 out of the unit will be uncommitted.

17 Q. What percentage of commitment have you received
18 so far?

19 A. It will be right at 95 percent, give or take a
20 little bit.

21 Q. And does that -- That 95 percent gives you
22 effective control of unit operations, does it not?

23 A. Yes.

24 Q. Okay. Now, Exhibit -- why don't you turn with me
25 to Exhibit Number 2? Well, also contained within Exhibit

1 Number 1 is the joint operating -- proposed joint operating
2 agreement; is that correct?

3 A. Yes, that's what Yates is going to use for the
4 operations on the wells in this unit.

5 Q. Okay. Also contained within the exhibits, it
6 appears that Exhibit Number 2 is an AFE. Could you review
7 the totals of that AFE for the Examiner, please?

8 A. The estimated total dryhole costs for the
9 drilling of this 12,500-foot Mississippian well, \$581,350,
10 dryhole. And the completed well costs are \$866,650.

11 Q. Now, Mr. Bullock, is this AFE for the initial
12 well, proposed initial well, within the unit?

13 A. Yes.

14 Q. And is that -- Referring back to Exhibit A within
15 the unit agreement, is that initial location indicated on
16 that map?

17 A. No, it's not located on my map. It's in Section
18 5.

19 Q. Will it be indicated on the geologic exhibits?

20 A. Yes.

21 Q. Okay. Mr. Bullock, does Yates desire to be the
22 designated unit operator?

23 A. Yes, we do.

24 Q. Does -- Have you received preliminary approval
25 from the Commissioner of Public Lands?

1 A. I talked with Pete Martinez this morning, and
2 they are going to approve this unit as we have given it to
3 them. They will have a two-well requirement for us on a
4 two-well commitment. First well, we'll have to spud on or
5 before 1-1 of 2000, and the second well will be required to
6 be spudded within six months from completion date of that
7 first well.

8 Q. So your first well within the unit needs to be
9 spudded by the end of the year; is that correct?

10 A. By 1-1-2000.

11 Q. Did you have any lease-expiration issues in this
12 unit?

13 A. Yes, there's -- That's why we have to be spudding
14 by that date.

15 Q. If you do not spud that date, will you lose some
16 of the leases --

17 A. Yes.

18 Q. -- that you hold within the unit --

19 A. That's correct.

20 Q. -- within the proposed unit?

21 Mr. Bullock, does the unit agreement provide for
22 the periodic filing of plans of development?

23 A. Yes, it does.

24 Q. Will these be filed with the OCD, as well as
25 other agencies?

1 A. Yes.

2 Q. How often are they to be filed?

3 A. I believe yearly, once a year. I'm not sure of
4 that.

5 Q. Is Yates also planning to call a geologic witness
6 in this case?

7 A. Yes.

8 Q. Mr. Bullock, were Exhibits Number 1 and 2
9 prepared by you or compiled under your direction and
10 supervision?

11 A. Yes, sir.

12 MR. OWEN: Mr. Examiner, I move the admission of
13 Yates Exhibits Numbers 1 and 2.

14 EXAMINER STOGNER: Exhibits 1 and 2 will be
15 admitted into evidence at this time.

16 MR. OWEN: That's all I have for this witness at
17 this time.

18 EXAMINATION

19 BY EXAMINER STOGNER:

20 Q. Mr. Bullock, in looking up there at Tract 11 --
21 and of course it's adjacent to the acreage not included in
22 this, which I understand you say was going to be
23 communitized by Manzano; is that correct?

24 A. Yes, that's correct, yes.

25 Q. How come Tract 11 is not going to be included in

1 that Manzano --

2 A. They didn't want to commit and dilute their
3 interest, I take it. They didn't give me a real reason,
4 they just didn't want to join it.

5 Q. Okay.

6 A. They're unitizing the tract right above it, so I
7 guess they felt like there wasn't any need for them to be
8 in our unit and dilute their interest.

9 Q. Well, what I'm asking, why didn't they include
10 that in their proposed unit?

11 A. That well -- That lease has a well on it. That's
12 why that slash is through there.

13 Q. No, I'm talking about Tract 11 --

14 A. Yeah.

15 Q. -- that's not committed at this time. Why aren't
16 they committing it to their unit?

17 A. I don't know. You'll have to -- I don't know the
18 answer to that.

19 Q. Well, didn't you negotiate some sort of proposal
20 for Tract 11 with Manzano?

21 A. Yeah, they didn't want to commit it to our unit.

22 Q. But they didn't tell you that they were going --
23 or why they didn't want to include it in their unit?

24 A. No.

25 Q. That would really be two units, wouldn't it, that

1 Manzano is forming, since they're not contiguous? Wouldn't
2 that be right?

3 A. I don't know that the State Land Office sees it
4 that way. I don't know.

5 Q. Of course, there's other approvals in a unit, is
6 there not?

7 A. Yeah.

8 Q. But yours is contiguous throughout?

9 A. Yes.

10 Q. Are you familiar with Rule 507, about the
11 contiguous acreage rule?

12 A. I'm not thoroughly familiar with that ruling, no,
13 I'm not.

14 Q. But yours -- Okay, well, let me read it. Rule
15 507, Unitized Areas: "After petition and notice and
16 hearing, the Division may grant approval for the combining
17 of contiguous developed proration units into a unitized
18 area."

19 Yours fits this requirement, does it not?

20 A. Uh-huh.

21 Q. Okay. But it doesn't appear that theirs would?

22 A. I think all they're unitizing, though, is just
23 the south half of 34 and the southwest of 35. I'll let
24 them tell you that, but that's my understanding, that that
25 is all they're unitizing.

1 Q. Okay. Now, on your Exhibit Number 2, you
2 submitted the Sand Springs Unit Well Number 1 proposed AFE.

3 A. Right.

4 Q. Now, if I look over on your map that's provided
5 as Exhibit A of the unit agreement, now there's already a
6 plugged and abandoned well. Is this going to be on the
7 same wellpad or near that area?

8 A. It's close. I'm not sure exactly what the
9 footage of that well is, and it's a very shallow -- It only
10 went to 164 feet. It's -- We're going to be real close to
11 that.

12 Q. But you're not going to re-enter that old well,
13 that shallow well?

14 A. No, I don't believe we are, no.

15 EXAMINER STOGNER: Any other questions of this
16 witness?

17 FURTHER EXAMINATION

18 BY MR. OWEN:

19 Q. Well, Mr. Bullock, would you refer to page number
20 5 of the unit agreement? Does that, in fact, provide for
21 annual filing of the plan of development, at the bottom of
22 the page?

23 A. Yes, every twelve-month period.

24 MR. OWEN: Okay, that's all that I have of this
25 witness.

1 EXAMINER STOGNER: If there's no other questions
2 of Mr. Bullock, he may be excused.

3 MR. OWEN: May it please the Examiner, as my
4 second witness in this matter I call Mr. Reed Meek.

5 REED H. MEEK,
6 the witness herein, after having been first duly sworn upon
7 his oath, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY MR. OWEN:

10 Q. Mr. Meek, would you please state and spell your
11 name for us, your full name?

12 A. Reed H. Meek, M-e-e-k is the last name.

13 Q. How do you spell your first name?

14 A. R-e-e-d.

15 Q. Okay. Where do you live?

16 A. In Artesia, New Mexico.

17 Q. Who do you work for?

18 A. Yates Petroleum.

19 Q. What do you do for Yates?

20 A. I'm a geologist.

21 Q. Have you previously testified before this
22 Division?

23 A. Yes, I have.

24 Q. When was that?

25 A. Approximately 1992.

1 Q. Have you testified before this Division since
2 that time?

3 A. No.

4 Q. Why don't you go ahead and review for us a little
5 bit about your educational background?

6 A. I have a bachelor's degree in geology from
7 Brigham Young University and a master's degree from the
8 University of Wisconsin.

9 Q. And since you -- What have you done with that
10 degree? where have you worked?

11 A. I've spent about 15 years in the oil and gas
12 industry, beginning in 1984 with Conoco, Incorporated, in
13 Houston, Texas. I have worked areas in south Texas,
14 southeast New Mexico, northwest New Mexico, and I've done
15 some international work as well.

16 Q. Are you familiar with the Application filed in
17 this case?

18 A. Yes, I am.

19 Q. Have you made a geologic study of the area
20 surrounding the proposed East Sand Springs Unit?

21 A. Yes.

22 MR. OWEN: Mr. Examiner, I'd tender Mr. Meek as
23 an expert petroleum geologist.

24 EXAMINER STOGNER: Mr. Meek is so qualified.

25 Q. (By Mr. Owen) Mr. Meek, would you tell us what

1 horizons Yates is planning to unitize in the East Sand
2 Springs Unit?

3 A. Yes, we're unitizing all horizons.

4 Q. And what's the primary objective?

5 A. Our primary objective is the Atoka-Morrow
6 formation.

7 Q. What pool is that in?

8 A. It would be in the Sand Springs-Atoka-Morrow
9 Pool.

10 Q. Are there secondary objectives?

11 A. Yes, there are a number of secondary objectives
12 in the area. These include the Devonian, the
13 Mississippian, the Pennsylvanian and the Abo formation.

14 Q. Okay. Exhibit Number 3 appears to be an overview
15 of the project. Can you review Exhibit Number 3 for the
16 Examiner, please?

17 A. I'm sorry, I don't have a copy of it in front of
18 me.

19 Q. Okay.

20 A. Yes, this Exhibit is to show the outline of the
21 proposed unit, as well as the location of some of the other
22 exhibits that we'll be presenting, including, in the
23 southern part, a cross-section designated A-A', and it
24 includes three wells.

25 Also, about midway across the unit is a location

1 of the seismic line designated as Line 2755.

2 And then I've also indicated some fault
3 boundaries that communicate some of the geologic
4 constraints on why we're proposing this area as a unit, and
5 those will be discussed further on a structure map, which
6 is one of the further exhibits.

7 Q. Mr. Meek, is the location of the proposed initial
8 test well indicated on this exhibit as well?

9 A. That's right, it is located up in Section 5, in
10 the northwest corner of Section 5.

11 Q. And Mr. Meek, do you know if Yates is planning to
12 re-enter the previous wellbore that Mr. Bullock indicated
13 was close to that same location?

14 A. No, it's our intention to drill a new well.

15 Q. A new well?

16 A. Yes.

17 Q. Okay. Do you know who drilled that previous
18 well?

19 A. No, I do not.

20 Q. Okay. Why don't we turn to Yates Exhibit Number
21 4. Can you -- the cross-section. Can you review that for
22 the Examiner, please?

23 A. This is a three-well stratigraphic cross-section,
24 and the datum that the cross-section is hung on is the top
25 of the Austin Shale or the base of the Chester, which is a

1 lime formation in the Mississippian.

2 The intent of the cross-section is to show that
3 the center well, the Carper-McAlester State "AD" Number
4 1 -- that the Morrow has been deposited in an incised
5 valley system and that the sands that are located in the
6 basal part of the Morrow were deposited as channel sands in
7 this incised valley system, and that's the primary target
8 of our proposed unit.

9 Q. And are the wells that are part of this cross-
10 section or reflected on this cross-section, are those
11 reflected also on the index map on the bottom of the --

12 A. That's right, this is represented on the index
13 map, Exhibit Number 3, as the cross-section A-A'.

14 Q. And Mr. Meek, is this dip that you're showing
15 with the Carper-McAlester State "AD" Number 1 -- does that
16 reflect a valley between these faults that you have
17 indicated on the index map?

18 A. That's right, we believe that the Morrow
19 formation, the sands that we target when we drill for the
20 Morrow, were deposited in topographic lows, which are
21 either incised valleys or fault-controlled depositional
22 lows.

23 And we believe in this area we have evidence from
24 the fault -- from the well here and the Carper-McAlester
25 well as well, as I'll show with the seismic line, evidence

1 that there is some fault boundaries controlling the
2 location of this depositional channel.

3 Q. Well, let's go ahead and turn to that seismic
4 line, Yates Exhibit Number 5. Can you tell us why that's
5 significant?

6 A. Yeah, the seismic line is an east-west line about
7 midway through our unit -- it crosses Section 12 and
8 Section 7 -- and it indicates the presence of a fault. And
9 across this fault, going from the west to the east, we see
10 a thickening of the Morrow formation that gives us some
11 indication that this is part of a control on where the
12 Morrow channel existed at the time of deposition.

13 Q. And is that thickening, that thickening of the
14 sands, is your target in this case?

15 A. That's right.

16 Q. Okay. Now, Exhibit Number 6 appears to be a
17 structure map. Can you tell us about that, what that map
18 reflects?

19 A. Okay, the map is contoured on the top of the
20 Mississippian or the base of the Morrow Section, so it's
21 the best representation we can make of the structural
22 configuration at the time of the Morrow deposition. It
23 takes into account all the well control, and there are a
24 number of wells that penetrate this horizon, and gives us
25 an indication -- as well as taking into account the

1 interpretation from the seismic data, and gives us an
2 indication that there is a channel feature that's bounded
3 on both the east and west sides by faulting.

4 Q. And is that also reflected on Exhibit Number 7,
5 your isopach?

6 A. That's correct, the isopach map is to illustrate
7 how the Morrow formation, or the Atoka-Morrow formation,
8 thickens down through the center of this valley.

9 Q. Okay. And again, your initial test well is going
10 to be located up there in the northwest of Section 5; is
11 that correct?

12 A. That's correct.

13 Q. Is that initial test well location indicated on
14 the isopach and the structure map and the --

15 A. I believe it's indicated on all three of the maps
16 that I've presented.

17 Q. Overall, what does your geologic study tell you
18 about the subject formation in this area?

19 A. Well, we find that the Atoka-Morrow section is
20 primarily a shaly section, but there are sands, and we
21 believe that these sands are generally deposited in some
22 type of channel-type of system. And one of the things that
23 we try to identify in exploring for this horizon is the
24 location of these channels, using either seismic or
25 subsurface well interpretation techniques, and to target

1 these paleo- or ancient channels for drilling.

2 Q. Why have you located the proposed initial test
3 well up in Section 5?

4 A. Well, first of all, we believe that it's a
5 location that's in this channel system.

6 We also recognize that there is some risk that we
7 may not find the sands that we're targeting, and one of the
8 things that we try to do in locating wells is identify
9 secondary objectives that may be zones that would be
10 productive as well in the case that we don't find the
11 primary objective sands.

12 In this case, we're offsetting the McKnight --
13 Actually, it's the Manzano Snake Eyes State well, which is
14 in the northeast of Section 6, which is producing from a
15 zone in the Abo formation. So we see that as a secondary
16 objective in this well, although the Atoka-Morrow is our
17 primary objective.

18 Q. So the well control from that well wouldn't have
19 been helpful for, say, your cross-section? It's not
20 producing from the same formation; is that right?

21 A. It is not producing from the Atoka-Morrow, no.

22 Q. Okay. Given the geographic features in this
23 area, is this an area that can be best developed under a
24 unit plan?

25 A. Yes.

1 Q. Okay. How soon do you plan to drill that initial
2 test well?

3 A. Well, due to some expiring lease considerations,
4 we need to spud the well before 1-1 of 2000.

5 Q. In that case, do you request that the order in
6 this case be expedited?

7 A. Yes, we do.

8 Q. In your opinion, will approval of this
9 Application be in the best interests of conservation, the
10 prevention of waste and the protection of correlative
11 rights?

12 A. Yes.

13 Q. Is Exhibit Number 8 a written summary of your
14 geologic presentation?

15 A. That's right.

16 Q. Was that summary also provided to the State land
17 office?

18 A. Yes, it was.

19 Q. Were Exhibits 3 through 8 prepared by you or
20 under your direction and supervision?

21 A. Yes, they were.

22 MR. OWEN: Mr. Examiner, I tender for admission
23 Yates Exhibits 3 through 8.

24 EXAMINER STOGNER: Exhibits 3 through 8 will be
25 admitted into evidence at this time.

EXAMINATION

BY EXAMINER STOGNER:

Q. On your geological maps that you provided, it appears that this valley or fault zone extends further to the south, or does it actually stop in Sections 25 and 26?

A. Well, we believe it extends at least into Section 25, because we believe that the Carper-McAlester well, which is on the cross-section, is located within this valley system.

As far as how much further to the south it extends, we can only guess. We don't have the seismic data that we need to extend that further to the south.

Q. It looks like you have some well control down there in Sections 35 and 36. Was that investigated, or does that not go deep enough?

A. Those wells -- There are some wells to the south that go deep enough. The ones that show TDs of less than 11,000 feet are not deep enough, but there is one well there at 12,896 feet that is deep enough to have penetrated this formation. That well was not investigated in this study.

Q. Now in referring to Exhibit Number 7, you have a permeability and porosity pinchout up in the north?

A. Yes.

Q. How did you come to that conclusion? Just by the

1 well control?

2 A. You'll notice there are two wells up just to the
3 north of the proposed unit boundary in Sections 28 and 26.
4 Both of these wells have a well-developed basal Morrow sand
5 in them. Neither of them was completed or is productive
6 from that sand. And based on the fact that the sand was
7 not produced in those wells, although it could possibly be
8 prospective, we've inferred that perhaps there is a
9 permeability/porosity pinchout that has made those sands
10 nonproductive.

11 Q. And what can you tell me about the well in
12 Section 6 that went down to 13,447?

13 A. We see evidence of well developed Morrow sands in
14 that well as well, but they were not completed. In
15 speaking with the geologist that worked for Manzano at the
16 time, they re-entered that well and recompleted it to the
17 Abo. They had made an attempt to get down into the Morrow
18 and recomplete those sands but were unable to because of
19 mechanical problems.

20 Q. When was that well drilled? Do you know?

21 A. I couldn't give you the precise date, but the
22 original well, I believe, was drilled sometime in the
23 1960s.

24 EXAMINER STOGNER: Any other questions of this
25 witness?

1 MR. OWEN: I have no further questions, Mr.

2 Examiner.

3 EXAMINER STOGNER: Mr. Meek, you may be excused.

4 THE WITNESS: Thank you.

5 MR. OWEN: Mr. Examiner, I do note that the
6 Applicant has a lease-expiration problem and needs to get
7 this initial test well drilled by the end of this year. I
8 request that the order -- if you're so inclined, the order
9 approving this unit be expedited and be issued in the very
10 near future so that the Applicant can get its well down and
11 avoid the lease expiration.

12 That's all I have in this case.

13 EXAMINER STOGNER: Your request will be so noted,
14 Mr. Owen.

15 If there's nothing further in Case Number 12,282,
16 then this matter will be taken under advisement.

17 (Thereupon, these proceedings were concluded at
18 8:52 a.m.)

19 * * *

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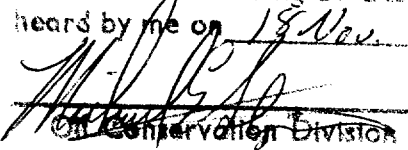
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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 12282
heard by me on 18 Nov. 1999.

Examiner
Oil Conservation Division

CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Court 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 November 22nd, 1999.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002