

STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

**ORIGINAL**

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

Case No: 14663  
PUBLIC VOLUME

APPLICATION OF WILLIAMS PRODUCTION COMPANY LLC FOR AN  
EXCEPTION TO THE SPECIAL RULES AND REGULATIONS FOR THE BASIN  
MANCOS GAS POOL FOR INCREASED WELL DENSITY IN THE ROSA UNIT,  
SAN JUAN AND RIO ARriba COUNTIES, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
PUBLIC VOLUME OF EXAMINER HEARING

BEFORE: WILLIAM V. JONES, Technical Examiner  
DAVID K. BROOKS, Legal Examiner

July 7, 2011

Santa Fe, New Mexico

This matter came on for hearing before the New  
Mexico Oil Conservation Division, WILLIAM V. JONES, Technical  
Examiner, and DAVID K. BROOKS, Legal Examiner, on July 7,  
2011, at the New Mexico Energy, Minerals and Natural  
Resources Department, 1220 South St. Francis, Drive, Room  
102, Santa Fe, New Mexico.

REPORTED BY: Irene Delgado, NM CCR 253  
Paul Baca Professional Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

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1 A P P E A R A N C E S

2 FOR THE APPLICANT:

3 HOLLAND & HART LLP

4 OCEAN MUNDS-DRY

5 110 N. Guadalupe, Suite 1

6 Santa Fe, NM 87501

7 FOR SAN JUAN BASIN RESOURCES:

8 JAMES BRUCE

9 P.O. Box 1056

10 Santa Fe, NM 87504

11 I N D E X

12 KENLEY HAYWOOD McQUEEN, JR.

13 Direct by Ms. Munds-Dry

14 Cross by Mr. Bruce

07

18

15 EXHIBITS

16 EXHIBITS 1 - 6 ADMITTED

17

17 EXHIBITS A - O ADMITTED UNDER SEAL

17

1 (Note: The public volume of the above-captioned proceeding  
2 commenced as follows:)

3 EXAMINER BROOKS: Very good. At this time we will  
4 call Case Number 14663, application of Williams Production  
5 Company LLC for an exception to the special rules and  
6 regulations for the Basin Mancos Pool for increased well  
7 density in the Rosa Unit, San Juan and Rio Arriba Counties,  
8 New Mexico. Call for appearances.

9 MS. MUNDS-DRY: Good morning, Mr. Examiners. Ocean  
10 Munds-Dry with the law firm of Holland and Hart, LLP,  
11 representing Williams Production Company LLC. I have one  
12 witness, and then I have a procedural matter to address.

13 EXAMINER BROOKS: Okay. Mr. Bruce?

14 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe  
15 representing San Juan Basin Resources LLC. I have no  
16 witnesses.

17 EXAMINER BROOKS: Very good. You may proceed with  
18 your procedural issue.

19 MS. MUNDS-DRY: Thank you, Mr. Brooks. As I  
20 notified you earlier this week -- and Mr. Bruce wasn't aware.  
21 He hadn't entered an appearance when we had that discussion,  
22 but I talked to Mr. Bruce -- a great portion of what we plan  
23 to present to you in our testimony and evidence today is  
24 considered highly proprietary and confidential by Williams so  
25 that we would ask -- and, you know, I don't have any

1 particular preference, other than portions of the proceeding  
2 today we would ask to be held confidential, both the  
3 testimony and exhibits we plan to present.

4 I have talked to Mr. Bruce, and I have provided him  
5 a copy of the non-confidential exhibits. Unfortunately they  
6 are sort of interspersed with -- our presentation had some  
7 not confidential exhibits and some that are. I think it  
8 would be cleaner if the entire hearing would -- would be held  
9 confidential, and it might be easier that way, but certainly  
10 if Mr. Bruce wants to be present for the non-confidential  
11 public portions of it, we certainly wouldn't have any  
12 objection to that other than he might be having to come in  
13 and out of the proceeding.

14 I took the liberty of drafting a confidentiality  
15 order, which I can submit to you, but I don't know if Mr.  
16 Bruce, if he has some thoughts on how to proceed and how you  
17 wanted to do that, Mr. Bruce.

18 EXAMINER BROOKS: Mr. Bruce?

19 MR. BRUCE: And I told Ms. Munds-Dry that I would --  
20 you know, if Williams needed to keep certain exhibits  
21 confidential, we had no objection to that.

22 EXAMINER BROOKS: Okay. Ordinarily I would think  
23 the attorneys who would be parties -- who would be involved  
24 in the presentation of the case would be entitled to see any  
25 confidential exhibits that would be admitted into evidence,

1 even though they were admitted under seal. It may be, in the  
2 case of direct competitors, that we would direct that they  
3 not disclose those matters to their clients without prior  
4 consultation with the attorneys who are the attorneys for the  
5 moving party, but I don't really see how we can exclude the  
6 attorneys participating in the case from any evidence that's  
7 presented, unless of course they agreed to it.

8 MR. BRUCE: I would like to stay here, but probably  
9 my ability to reproduce anything Mr. McQueen is going to  
10 testify about in a confidential aspect is probably close to  
11 zero.

12 MS. MUNDS-DRY: I don't think we have any objection  
13 to allowing Mr. Bruce to see it with the understanding he  
14 wouldn't share with their client. I don't know how much it  
15 helps him.

16 EXAMINER BROOKS: I would think that would be the  
17 appropriate procedure, that he would be entitled to see it,  
18 but he would only be entitled, however, to share it with his  
19 clients after appropriate consultation.

20 MR. BRUCE: I have no objection.

21 EXAMINER BROOKS: So you may need to modify the  
22 order which you have -- you have prepared. However, I  
23 suppose we can do that at the conclusion of the case.

24 MR. BRUCE: I will agree to give these exhibits back  
25 at the end of the --

1 EXAMINER BROOKS: Very good. And we need -- we will  
2 need to ask you to step out because it's confidential in  
3 nature.

4 MS. MUNDS-DRY: There was a similar order I prepared  
5 in another hearing where we have similar language with  
6 sharing with just the attorneys, but I will have to modify  
7 that.

8 EXAMINER BROOKS: So we have everybody identified.  
9 And, of course, the court reporter necessarily is included in  
10 anything that is presented.

11 MS. MUNDS-DRY: I think with that, Mr. Brooks, we  
12 may proceed with the understanding that we are holding this  
13 proceeding as confidential.

14 EXAMINER BROOKS: Okay. If you would please  
15 designate which exhibits are to be filed under seal, and the  
16 court reporter will take appropriate -- you are requesting  
17 that all of the testimony be --

18 MS. MUNDS-DRY: The testimony as it relates to the  
19 confidential exhibits marked as -- and what we can do is, as  
20 we go through exhibits, I believe on each exhibit we have  
21 noted they are proprietary and confidential, so when we get  
22 to that exhibit, I can make a note of that and ask at that  
23 time that that portion of the testimony be considered  
24 confidential.

25 EXAMINER BROOKS: And please specify to the court

1 reporter that, "Beginning at this point this will be  
2 considered confidential" -- not beginning now, but, when you  
3 are ready to state that something is confidential, please so  
4 state so the court reporter can prepare a public transcript  
5 and a separate sealed transcript with the portions of it  
6 confidential.

7 MS. MUNDS-DRY: Thank you, Mr. Brooks.

8 EXAMINER BROOKS: You may proceed.

9 KENLEY HAYWOOD McQUEEN, JUNIOR

10 (Previously sworn, testified as follows:)

11 DIRECT EXAMINATION

12 BY MS. MUNDS-DRY:

13 Q. Would you please state your full name for the  
14 record?

15 A. Kenley Haywood McQueen, Junior.

16 Q. Mr. McQueen, where do you reside?

17 A. I reside in Tulsa, Oklahoma.

18 Q. By whom are you employed?

19 A. I'm employed by Williams.

20 Q. What do you do for Williams?

21 A. I'm the director of the San Juan Asset Team.

22 Q. And were your credentials -- you testified before  
23 the Division, and were your credentials accepted as a matter  
24 of record at that time?

25 A. I have, and they were.

1 Q. Are you familiar with the application that has been  
2 filed by Williams in this case?

3 A. I am.

4 Q. And have you made an engineering study of the land  
5 subject to this application and are you familiar with the  
6 status of the land?

7 A. I have, and I am.

8 MS. MUNDS-DRY: We tender Mr. McQueen as an expert  
9 in petroleum engineering.

10 MR. BRUCE: No objection.

11 EXAMINER BROOKS: He is so qualified.

12 Q. Mr. McQueen, if you could first for the Examiners  
13 briefly summarize what Williams seeks in this application.

14 A. Williams is seeking an exception to the special  
15 rules and regulations for the Basin Mancos Gas Pool to  
16 increase the well density from four to eight Mancos wells per  
17 320 spacing unit in the Rosa Unit.

18 Q. Thank you. And if you could turn to what's been  
19 marked as Williams Exhibit Number 1 and identify it for the  
20 Examiners.

21 A. The Rosa Unit sits in portions of the San Juan and  
22 Rio Arriba County. The Rosa Unit itself is approximately  
23 54,200 acres in size and is shown on this exhibit with the  
24 red boundary. The Mancos participating area is shown in the  
25 brown color on the left or west side of the exhibit.



1 Q. And if you could review for the Examiners what rules  
2 govern the development of this pool.

3 A. This pool is spaced on 320 acres with up to four  
4 wells per spacing unit, and with the requirement that wells  
5 are drilled no closer than 660 feet to the outer boundary of  
6 the unit for uncommitted lands, and no closer than ten feet  
7 to any interior quarter quarter line or subdivision inner  
8 boundary.

9 Q. And is Williams pre-approved to have non-standard  
10 locations in the Rosa Unit in all the producing formations in  
11 the unit?

12 A. Yes. We are pre-approved through case Number 14335.  
13 That was Order Number R-13200-A. Williams, in that case, was  
14 granted pre-approval.

15 Q. And is Williams Exhibit Number 2 the notice packet  
16 which includes all the information showing that proper notice  
17 was given of this application?

18 A. That's correct.

19 MS. MUNDS-DRY: And, Mr. Examiner, when we were  
20 reviewing this notice last, it came to our attention  
21 yesterday that there were three parties that should have been  
22 notified and that were not. So at the conclusion of this  
23 hearing we will ask that this matter be continued for four  
24 weeks while we give that additional notice.

25 EXAMINER BROOKS: Very good.

1 MS. MUNDS-DRY: Just wanted to apprise you of that.

2 Q. If you could then, Mr. McQueen, before we go there,  
3 who did Williams notify of this application, understanding  
4 that there were a few parties that were missed?

5 A. We notified all interest owners and all offset  
6 operators. Actually the offset operators we did notify would  
7 have been Devon, Energen, Conoco-Phillips, and additionally  
8 we notified the State Land Office and Bureau of Land  
9 Management.

10 Q. Did you meet with BLM and the Forest Service  
11 regarding this application?

12 A. We did. We met with the BLM in Farmington on June  
13 23. We apprised the Forest Service of our application on a  
14 phone conference call on June 28.

15 Q. Did you meet with the OCD Aztec office about this  
16 application?

17 A. Yes. We also met with the OCD Aztec office on June  
18 23, and I had a follow-up phone call with Ms. Primo on  
19 July 1.

20 Q. And has Williams received any objection to this  
21 application?

22 A. We have received no objections.

23 Q. Thank you. Let's turn to what's been marked as  
24 Williams Number 3, which should be your next slide. If you  
25 could identify this for the Examiners.

1           A.     Basically this is the stratigraphic column that's  
2     present in the San Juan Basin, in particular in the Rosa  
3     Unit. And there are a number of productive gas zones within  
4     this stratigraphics column. Some of those are productive  
5     from coal bed methane gas, some of those are productive from  
6     tight gas sands, and some of those are productive from  
7     shales.

8                     Our interest today is in discussing in particular  
9     the Mancos Shale which basically sits below the base of the  
10    Mesa Verde and extends to the top of the Dakota and also  
11    includes the Greenhorn Formation. In Rosa it's approximately  
12    1800 feet thick.

13                    MS. MUNDS-DRY: And, for the record, Williams  
14    Exhibit Number A and the following testimony should be  
15    considered confidential.

16  
17                    (Williams Exhibit A, direct examination and  
18                    associated testimony are considered confidential  
19                    and under separate cover and seal.)

20  
21                    MS. MUNDS-DRY: For the record, the testimony  
22    related to the next exhibit, Exhibit B, shall be  
23    confidential.

24  
25                    (Williams Exhibit B, direct examination and

1 associated testimony are considered confidential  
2 and under separate cover and seal.)  
3

4 Q. (By Ms. Munds-Dry) Thank you, Mr. McQueen. Let's  
5 turn to Williams Exhibit Number 4. If you could explain to  
6 the Examiners what this shows.

7 A. I did want to show the Examiners where we had done  
8 our science work. Basically in 2008 we drilled these four  
9 vertical wells in West Rosa. In 2010, the green circles in  
10 East Rosa in 31-4 were drilled. We are currently completing  
11 those wells today, and, as I mentioned earlier, plan to have  
12 all of the completions in the Mancos here concluded before  
13 the forest closure on November 1.

14 And in addition to these four science wells we  
15 drilled in 2010, we also drilled our first two horizontal  
16 wells from these locations here in West Rosa. And the bulk  
17 of subsequent testimony here today will be related to what we  
18 have learned from those two horizontal wells and how we  
19 believe we should discuss increased density on a go-forth  
20 basis.

21 Q. And what is Williams Exhibit Number 5?

22 A. I just wanted to demonstrate that, in addition to  
23 the science wells, there has been numerous Mancos  
24 penetrations over the years here in Rosa. In fact, all of  
25 those wells that have been penetrated in the Mancos are shown

1 here in the magenta circles. Basically any well that is  
2 drilled to the Dakota will see the Mancos interval. The  
3 reason that we've done a lot of science work is most of these  
4 wells that were drilled to Dakota were air drilled, and so we  
5 didn't have the mud in the hole to run the proper logs that  
6 we needed to gather the data necessary to properly analyze  
7 the interval.

8 MS. MUNDS-DRY: I am going to request that the  
9 testimony related to the next exhibit, Exhibit C, be  
10 considered confidential.

11

12 (Williams Exhibit C, direct examination and  
13 associated testimony are considered confidential  
14 and under separate cover and seal.)

15

16 MS. MUNDS-DRY: And Williams requests that Exhibit D  
17 and related testimony also be considered confidential.

18

19 (Williams Exhibit D, direct examination and  
20 associated testimony are considered confidential  
21 and under separate cover and seal.)

22

23 MS. MUNDS-DRY: And Exhibit E should also be  
24 considered confidential, as well as the testimony.

25

1 (Williams Exhibit E, direct examination and  
2 associated testimony are considered confidential  
3 and under separate cover and seal.)  
4

5 Q. (By Ms. Munds-Dry) And what is Williams Exhibit  
6 Number 6?

7 A. There is a SPE paper that's available, it's 119890,  
8 and it was published a few years ago, but it's an excellent  
9 paper on understanding microseismic interpretation in shale  
10 reservoirs, which is different than interpretation in  
11 conventional reservoirs.

12 And what this paper does is develop a concept of SRV  
13 or stimulated reservoir volume, and of course a component of  
14 volume is area, and the paper presents how -- or presents an  
15 approach which we have utilized in determining SRA, or  
16 stimulated reservoir area, and this is what we are using to  
17 base our conclusion for increased density on.

18 But I would -- I pulled some excerpts from the paper  
19 very briefly just so that everyone would understand what  
20 microseismic is. And microseismic events are mainly created  
21 as a result of sheer slippages around the hydraulic  
22 fractures. And the mechanism included sheer slippages  
23 induced by altered stresses near the tip of the fractures, as  
24 well as sheer slippages related to leak off induced pore  
25 pressure changes. So there is two types of sheer slippages

1 that we can see the results of when we measure microseismic.

2 So basically what this microseismic does for us is  
3 it records amplitude events that are observed in the  
4 subsurface during the stimulation of the well. And  
5 microseisms or microseismic events can be thought of as mini  
6 earthquakes that are taking place as the stimulation is  
7 conducted.

8 Q. Before we turn to our next exhibit, Mr. McQueen, I  
9 know Mr. Jones and Mr. Brooks are smarter than me, but if you  
10 could explain why microseismic -- and I know you began to go  
11 there -- is the best tool to determine density in this  
12 formation.

13 EXAMINER BROOKS: You should have pointed that to  
14 Mr. Jones. We share the same perspective on things, but  
15 these technical matters would be more understandable to our  
16 Technical Examiner.

17 A. Well, there is a number of analyses that are  
18 available to reservoir engineers to determine reservoir  
19 drainage. Those approaches are actually more complicated in  
20 shales than what they are in conventional reservoirs, and  
21 most of those require determination after some time of  
22 production.

23 The advantage of the microseismic is we can see what  
24 is being stimulated downhole at the time we do the  
25 stimulation, and from that we can actually calculate

1 stimulated reservoir volume at the time the well is  
2 stimulated rather than having to wait some months, or,  
3 probably in the case of shales where we are dealing with  
4 nanodarcy permeability, years to see pressure transients move  
5 across the reservoir.

6 It's really a mechanism to give us a very early look  
7 into what's going on at the reservoirs so that we can plan  
8 appropriately at that point rather than having to wait to  
9 sometime in the future for conducting other types of  
10 analyses.

11 MS. MUNDS-DRY: Thank you. And for the record, the  
12 following exhibit and related testimony should be considered  
13 confidential.

14  
15 (Williams Exhibit F, direct examination and  
16 associated testimony are considered confidential  
17 and under separate cover and seal.)

18  
19 MS. MUNDS-DRY: For the record, the remaining  
20 exhibits and testimony should be considered confidential, so  
21 I don't have to interrupt each time.

22 EXAMINER BROOKS: Okay. Before we proceed further,  
23 I think the time has come that we need to take our lunch  
24 recess so we will stand in recess here until 1:30.

25



1 (Recess taken at 11:37 and the proceeding resumed at  
2 1:35 p.m. as follows:)

3

4 EXAMINER BROOKS: Well, then I guess we should go  
5 back on the record in Case Number 14663.

6 MS. MUNDS-DRY: Thank you, Mr. Brooks. And for the  
7 record, the rest of the portion of this testimony and these  
8 exhibits will be confidential.

9

10 (Williams Exhibits G through O, direct examination  
11 and associated testimony are considered  
12 confidential and under separate cover and seal.)

13

14 MS. MUNDS-DRY: At this time, Mr. Examiner, we ask  
15 the admission of Exhibits 1 through 6 and A through O in  
16 evidence.

17 EXAMINER BROOKS: Exhibits 1 through 6 will be  
18 admitted into evidence. Exhibits A through O will be  
19 admitted -- I'm sorry, did you have any objection?

20 MR. BRUCE: No objection.

21 EXAMINER BROOKS: Okay. Starting over again,  
22 Exhibits 1 through 6 will be admitted. Exhibits A through O  
23 will be admitted under seal.

24 (Exhibits 1 through 6 admitted.)

25 (Exhibits A through O admitted under seal.)

1 MS. MUNDS-DRY: Thank you, and I have nothing  
2 further for Mr. McQueen. I pass the witness.

3 EXAMINER BROOKS: Mr. Bruce?

4 CROSS-EXAMINATION

5 BY MR. BRUCE:

6 Q. Mr. McQueen, I haven't been involved in this  
7 reservoir before. It is a gas reservoir?

8 A. Yes. Dry gas.

9 Q. Dry gas. That was my next question.

10 A. In Rosa. The Mancos is productive with liquids. As  
11 you get towards the edge of the basin and as the Mancos  
12 interval becomes shallower, there are liquids that are  
13 seemingly produced from the Mancos.

14 Q. But in this area --

15 A. It's dry, yes.

16 Q. And obviously from -- from the prior case, at least  
17 at this point, Williams believes that east-west laterals are  
18 the best way to develop at this point?

19 A. Yes.

20 Q. In looking at your Exhibit 3 -- and I will try to  
21 restrain my curiosity too much on the double-secret exhibits,  
22 but -- which is just your stratigraphic section.

23 A. Uh-huh.

24 Q. At this point what you are looking at is the lower  
25 Mancos has the better productive capabilities at this

1 point?

2 A. That's what we have seen to date. But based on our  
3 cluster analysis, the two other zones calculate to have a lot  
4 of gas in place and are viable targets. One of those would  
5 be the red-green, which is above where we're at. The other  
6 would be the cyan, which is below where we are at.

7 Q. But probably your initial wells will -- will  
8 initially develop what you had called the black-brown and  
9 olive?

10 A. The black-brown and the olive. That's correct.

11 Q. And what I'm getting up to there is, I think I  
12 understand what you are saying, but what you are asking for  
13 is eight wells. What you are looking for is -- I don't even  
14 know if I can describe it adequately -- what you are looking  
15 at is several laterals proceeding from each well?

16 A. Yes.

17 Q. Three to four -- two to three to four, depending on  
18 the results you get?

19 A. Yes. And it will actually be double that amount  
20 because we plan to go both directions from the common pad.

21 Q. Okay.

22 A. We are actually in the final throes of contract  
23 negotiations to build a purpose-built rig for this project.  
24 And the rig has -- has a walking capability which means it  
25 moves itself on a drilling pad. And so our plan, our reason

1 for incorporating that capability is this rig will be able to  
2 walk itself from one wellhead to the next wellhead to the  
3 next wellhead without rigging down or without moving pipe  
4 from the derrick.

5 So our surface locations, we plan to put these  
6 wellheads somewhere between 7 and a half feet and 15 feet  
7 apart in a row, and then drill the wells directionally and  
8 then into the horizontal lateral from that point. Again, all  
9 directed at minimizing surface disturbances and surface  
10 impacts.

11 EXAMINER BROOKS: I would like to be out there and  
12 watch that rig walking from one wellhead to another.

13 Q. This isn't going to look like the Terminator movie,  
14 is it, Mr. McQueen?

15 A. They build these rigs in Edmonton, Alberta, and we  
16 were up there week before last and watched one walk, and it  
17 was really the most incredible sight I had ever seen because  
18 this rig, this 20 foot substructure and 136 foot mass took  
19 its two rails, picked them up, moved them forward, set down  
20 the rails, and then the hydraulics picked up the rig and  
21 moved the rig down the rails, set down the rig, the rig  
22 picked up its rails, moved them down again, set them down,  
23 and then the rig moved. And it looked like to me we could be  
24 off one hole and started on another hole within an hour.  
25 It's quite impressive.

1 Q. I imagine -- two questions on that -- I imagine it  
2 doesn't come cheap?

3 A. No.

4 Q. My other question, how is it being transported down  
5 here?

6 A. It requires about almost 30 truckloads of  
7 movement.

8 Q. And I think I only have one other question, and it  
9 relates to what -- the exhibit you have up there, what  
10 does -- what's --

11 MS. MUNDS-DRY: I'm sorry, but we ask that this  
12 portion of the testimony be considered confidential, and of  
13 course you can --

14 MR. BRUCE: Absolutely.

15 MS. MUNDS-DRY: -- ask questions about it.

16

17 (Williams Exhibit O, cross-examination and  
18 associated testimony are considered confidential  
19 and under separate cover and seal.)

20 (Examiner inquiry was conducted under separate cover  
21 and seal following which the record concluded as  
22 follows:)

23

24 EXAMINER BROOKS: Attorneys have any more questions  
25 for this witness?

1 MS. MUNDS-DRY: I do not.

2 MR. BRUCE: Let the record reflect that I'm  
3 returning Williams Exhibits A through O to Ms. Munds-Dry.

4 EXAMINER BROOKS: Let us return the extra copies  
5 that the Examiners have, also.

6 MS. MUNDS-DRY: I can come by and collect those.

7 EXAMINER BROOKS: These are the public exhibits,  
8 and, yeah, I think these are the complete sets from the  
9 Examiners. So we will retain only the ones that the court  
10 reporter has which will be kept separate under seal. Did you  
11 have anything else, Ms. Munds-Dry?

12 MS. MUNDS-DRY: No. I would just add, as I  
13 mentioned at the beginning, we would ask that this matter be  
14 continued for four weeks for notice purposes. We have a few  
15 other parties.

16 EXAMINER BROOKS: I appreciate you reminding me  
17 because I probably would have forgotten. Mr. Bruce?

18 MR. BRUCE: Nothing.

19 EXAMINER BROOKS: Does your client oppose the  
20 granting of this application?

21 MR. BRUCE: Absolutely not.

22 EXAMINER BROOKS: Okay, very good. Case Number  
23 14663 will be continued to August 18 -- I'm sorry --  
24 August 4.

25 MS. MUNDS-DRY: August 4.

1 EXAMINER BROOKS: August 4. And before Ms.  
 2 Munds-Dry leaves, since you can be an observer on behalf of  
 3 Mr. Feldewert, I have something I need to say to Mr. Bruce.  
 4 We will go off the record.

5 \* \* \* \* \*

16 I do hereby certify that the foregoing is  
 17 a complete record of the proceedings in  
 18 the Examiner hearing of Case No. 14663  
 19 heard by me on July 7, 2011  
David K. Brooks Examiner  
 Oil Conservation Division

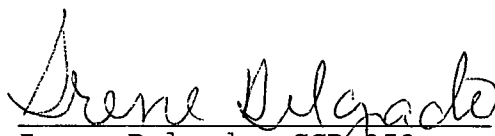
## REPORTER'S CERTIFICATE

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I, IRENE DELGADO, New Mexico CCR 253, DO HEREBY  
CERTIFY THAT ON July 7, 2011, proceedings in the  
above-captioned case were taken before me and that I did  
report in stenographic shorthand the proceedings set forth  
herein, and the foregoing pages are a true and correct  
transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor  
related to nor contracted with any of the parties or  
attorneys in this case and that I have no interest whatsoever  
in the final disposition of this case in any court.

WITNESS MY HAND this \_\_\_\_\_ day of JULY 2011.

  
Irene Delgado, CCR 253  
Expires: 12-31-2011