

STATE OF NEW MEXICO
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. 13,573

APPLICATION OF LANCE OIL AND GAS)
COMPANY, INC., FOR COMPULSORY POOLING)
AND OPTIONAL INFILL WELL PROVISIONS,)
SAN JUAN COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Hearing Examiner

October 6th, 2005

Santa Fe, New Mexico

2005 OCT 20 AM 9 07

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Hearing Examiner, on Thursday, October 6th, 2005, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

October 6th, 2005
 Examiner Hearing
 CASE NO. 13,573

	PAGE
APPEARANCES	3
APPLICANT'S WITNESS:	
<u>PAUL LEHRMAN</u> (Landman)	
Direct Examination by Mr. Carr	5
Examination by Examiner Ezeanyim	16
REPORTER'S CERTIFICATE	26

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	9	16
Exhibit 2	9	16
Exhibit 3	11	16
Exhibit 4	12	16
Exhibit 5	14	16

* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
Deputy General Counsel
Energy, Minerals and Natural Resources Department
1220 South St. Francis Drive
Santa Fe, New Mexico 87505

FOR THE APPLICANT:

HOLLAND & HART, L.L.P., and CAMPBELL & CARR
110 N. Guadalupe, Suite 1
P.O. Box 2208
Santa Fe, New Mexico 87504-2208
By: WILLIAM F. CARR

* * *

1 WHEREUPON, the following proceedings were had at
2 8:46 a.m.:

3 EXAMINER EZEANYIM: Pretty much, I would like to
4 go to the remaining docket in the order that they appear
5 there. I wanted to make a comment. I don't know who is
6 attorney for these two cases, 13,573 and 13,574. I would
7 like to combine them for purposes of testimony. Is that
8 okay if I do that? 13,573 and 13,574?

9 MR. CARR: May it please the Examiner, we're
10 going to present them separately, although the presentation
11 in the second case will be abbreviated. The only reason is
12 that there are different people being pooled in each of
13 those, but they're very, very similar. And the first one
14 will be a full presentation, and then we'll just ask that
15 you note that the witness is sworn, and we'll go through
16 the things that are different.

17 If you want to consolidate them, we could do it
18 that way, but I am going to have to break the ownership
19 part into two separate pieces.

20 EXAMINER EZEANYIM: No, I was thinking we could
21 go separately --

22 MR. CARR: Okay.

23 EXAMINER EZEANYIM: -- to make it easier on you.

24 (Off the record at 8:47 a.m.)

25 (The following proceedings had at 9:22 a.m.):

1 EXAMINER EZEANYIM: At this point I call Case
2 Number 13,573, and this is the Application of Lance Oil and
3 Gas Company, Inc., for compulsory pooling and optional
4 infill well provisions, San Juan County, New Mexico.

5 Call for appearances.

6 MR. CARR: May it please the Examiner, my name is
7 William F. Carr with the Santa Fe office of Holland and
8 Hart, L.L.P. We represent Lance Oil and Gas Company in
9 this matter, and I have one witness.

10 EXAMINER EZEANYIM: Any other appearances?
11 May the witness stand up to be sworn, please?
12 (Thereupon, the witness was sworn.)

13 MR. LEHRMAN: Is this thing really on?

14 MR. CARR: Just as a backup.

15 MR. LEHRMAN: I see it over here. I never really
16 know if it's on or not.

17 MR. CARR: Are you ready?

18 MR. LEHRMAN: Yes, sir.

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

22 DIRECT EXAMINATION

23 BY MR. CARR:

24 Q. Would you state your name for the record, please?

25 A. Paul Lehrman.

1 Q. Would you spell your last name?

2 A. L-e-h-r-m-a-n.

3 Q. Where do you reside?

4 A. Farmington, New Mexico.

5 Q. By whom are you employed?

6 A. Lance Oil and Gas Company.

7 Q. And what is your current position with Lance Oil
8 and Gas Company?

9 A. I'm a senior landman with Lance.

10 Q. Mr. Lehrman, have you previously testified before
11 this Division?

12 A. Yes, I have.

13 Q. At the time of that testimony, were your
14 credentials as an expert in petroleum land matters accepted
15 and made a matter of record?

16 A. Yes.

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

19 A. Yes.

20 Q. And are you familiar with the status of the lands
21 in the subject area?

22 A. Yes, I am.

23 MR. CARR: We tender Mr. Lehrman as an expert in
24 petroleum land matters.

25 EXAMINER EZEANYIM: Mr. Lehrman is so qualified.

1 Q. (By Mr. Carr) Would you briefly summarize for
2 Mr. Ezeanyim what Lance Oil and Gas Company, Inc., seeks
3 with this Application?

4 A. We would like to pool all the mineral interests,
5 uncommitted interests in the Pictured Cliffs and the
6 Fruitland Coal formations in the south half of Section 16,
7 Township 29 North, Range 13 West, San Juan County.

8 Q. And you're seeking to pool everything from the
9 surface through the base of the Pictured Cliffs; is that
10 correct?

11 A. That's correct.

12 Q. The south-half spacing unit is a 320-acre unit,
13 and in what formation will you be -- what 320-acre
14 formations are the subject of this case?

15 A. That would be the Basin-Fruitland Coal Gas Pool.

16 Q. And are you proposing to drill two wells in that
17 formation?

18 A. Yes.

19 Q. They are the FRCP 16 Wells 1 and 2; is that
20 right?

21 A. That's correct.

22 Q. You are also are seeking to pool the southwest
23 quarter?

24 A. Yes, to form a southeast 160 -- or, I'm sorry,
25 the southwest 160 West Kutz-PC Gas Pool.

1 Q. And that will be dedicated to the FRCP 16 Number
2 1?

3 A. That's correct.

4 Q. And what about the southeast quarter?

5 A. The 16 Number 2 well will be the southeast West
6 Kutz-Pictured Cliff Gas Pool.

7 Q. And that well will be drilled to a standard
8 location?

9 A. Yes.

10 Q. Is it Lance's intention to have both wells
11 producing from both the Basin-Fruitland Coal Gas Pool and
12 the West Kutz-Pictured Cliffs Pool?

13 A. We hope so, but that's our objective.

14 Q. And the FRCP 16 Well Number 2 is the infill well
15 for the Basin-Fruitland Coal?

16 A. Yes, that's correct.

17 Q. Could you just summarize for us what the rules
18 are for these pools?

19 A. The special pool rules, Order R-8768-F, basically
20 provides for 320-acre spacing for the Basin Fruitland Coal,
21 but since we're in a low-productivity area it provides for
22 one infill well, which would be the FRCP 16 Number 2.

23 Q. And what about the West Kutz-Pictured Cliffs? Is
24 that under statewide rules?

25 A. Yes, that is under statewide rules, and that's

1 160-acre spacing which provides for 660-foot setbacks and,
2 again, the 160-acre spacing.

3 Q. Mr. Lehrman, would you refer to what has been
4 marked as Lance Oil and Gas Company Exhibit Number 1,
5 identify that and review it for the Examiner?

6 A. It's a plat showing the south half of Section 16,
7 Township 29 North, Range 13 West. The yellow depicts
8 acreage currently held by valid oil and gas leases by Lance
9 Oil and Gas. You can see the Animas River down there to
10 the right, with the two locations shown with black gas
11 markers, one in the southwest and one in the southeast.

12 Q. Now, the yellow acreage is acreage that has been
13 committed to the well?

14 A. Yes, that's correct.

15 Q. And the white acreage is the acreage that now
16 must be pooled?

17 A. That's correct.

18 Q. Let's go to Exhibit Number 2. Would you identify
19 that, please?

20 A. It is a list of the unleased mineral owners in
21 the south half of Section 16.

22 Q. And it is broken down by quarter section; is that
23 correct?

24 A. Yes, it's broken down by -- the first portion on
25 the first page is the southwest quarter, and then the

1 southeast quarter begins at the very bottom of that page
2 and continues on to the next page.

3 Q. And this is a current list of those owners who
4 have not voluntarily committed their interest to this well?

5 A. That's correct.

6 Q. And it corresponds to the area that is white on
7 Exhibit Number 1?

8 A. Yes.

9 Q. All other interests have committed to the well?

10 A. Yes.

11 Q. What percentage of the interest has been
12 committed to the two wells proposed by Lance on this
13 spacing unit?

14 A. In the south-half Fruitland Coal, 61 percent; the
15 southwest quarter PC is 81 percent; and the southeast PC is
16 41 percent.

17 Q. Would you --

18 EXAMINER EZEANYIM: Repeat that --

19 THE WITNESS: The south-half Fruitland Coal is 61
20 percent; the southwest PC is 81 percent; and the southeast
21 PC is 41 percent.

22 Q. (By Mr. Carr) Would you refer to Exhibit 3 and
23 review Lance's efforts to obtain voluntary participation of
24 the interest owners in these spacing units in the proposed
25 wells?

1 A. Yes, the Exhibit Number 3 is a letter sent out by
2 Lance to mineral owners that were determined by a title
3 opinion by an attorney, offering to lease their acreage in
4 the proposed drill block. That was sent out on March 30th
5 of this year.

6 Q. Now, behind that you have another letter. What
7 is this?

8 A. If you turn over -- actually, my --

9 Q. It has two copies.

10 A. Yeah, it has two copies. On September 6th, we
11 also sent out a second letter to unleased mineral interest
12 owners offering them several options. One was an oil and
13 gas lease, one option was to participate as a working
14 interest owner in the drill block, and we also make an
15 offer to sell the mineral interests. And then it provides
16 for recognition of the pooling statutes. And basically
17 what happens is, we ask them to make an election and send
18 it back in an envelope. And that went out on September 6th
19 of this year.

20 Q. In addition to these letters, have you contacted
21 these parties by telephone?

22 A. Yes, most of the parties have been contacted, you
23 know, either in person or by phone to try to get them to
24 make an election prior to this hearing.

25 Q. And then on September 13th they were advised by

1 certified mail of today's hearing?

2 A. That's correct.

3 Q. In your opinion, have you made a good faith
4 effort to locate and obtain the voluntary participation in
5 these wells of all interest owners in the spacing unit?

6 A. Yes.

7 Q. What is Exhibit Number 4?

8 A. Exhibit Number 4 is Lance's internal
9 authorization for expenditure for the cost associated with
10 drilling the FRCP 16 Number 1 well, which is the well in
11 the southwest quarter.

12 Q. And what are those totals?

13 A. The total costs are actually on page number 2.
14 The summary total of intangible and tangible costs are, the
15 dryhole costs are approximately \$162,000. To complete
16 would be \$442,000, with the total well cost being
17 approximately \$603,000.

18 Q. Are these costs in line with what is charged by
19 other operators in the area for similar wells?

20 A. Yes.

21 Q. And these are consistent with the actual costs
22 incurred by Lance in developing other properties?

23 A. Yes.

24 Q. Will there be a joint operating agreement for the
25 well?

1 A. Yes.

2 Q. Will this operating agreement contain the
3 accounting procedures for joint operations?

4 A. Yes.

5 Q. And do these COPAS accounting procedures provide
6 for periodic adjustment of the overhead and administrative
7 charges?

8 A. Yes.

9 Q. And does Lance request that the order entered in
10 this case provide that these costs be adjusted in
11 accordance with COPAS procedures?

12 A. Yes.

13 Q. Have you made an estimate of the overhead and
14 administrative costs to be incurred while drilling the well
15 and also while producing it, if it is successful?

16 A. Yes, we have.

17 Q. And what are those figures?

18 A. The figures are \$3500 for a drilling well rate
19 and \$350 a month for producing well rate.

20 Q. These are your standard figures?

21 A. Yes.

22 Q. And they're consistent with the 2004-2005 Ernst
23 and Young survey?

24 A. Yes, that's what we use.

25 Q. Do you recommend that these figures be

1 incorporated into any order that results from today's
2 hearing?

3 A. Yes.

4 Q. Does Lance request the 200-percent charge for
5 risk authorized by statute be assessed against any interest
6 owner who doesn't voluntarily participate in the well?

7 A. Yes.

8 Q. Does Lance Oil and Gas Company, Inc., seek to be
9 designated operator of each of these wells?

10 A. Yes.

11 Q. Is Exhibit Number 5 an affidavit confirming that
12 notice of this hearing has been provided in accordance with
13 the Rules of the Division?

14 A. Yes, that's correct.

15 Q. And there is a copy of the letter and also a list
16 identifying each of the interest owners?

17 A. Yes, affidavit with the attached list of
18 uncommitted interests, and letter from Holland and Hart,
19 and then the actual Application with the certified copies
20 attached.

21 MR. CARR: And may it please the Examiner, the
22 affidavit of publication -- I have it, it just has not been
23 included in this exhibit. And with your permission, I'll
24 provide that immediately after the hearing, but it --

25 EXAMINER EZEANYIM: Okay.

1 MR. CARR: -- was published, and we do have the
2 affidavit of publication.

3 EXAMINER EZEANYIM: Okay, I'll take
4 administrative notice of that.

5 THE WITNESS: What's on the back?

6 MR. CARR: It's on your copy, it just isn't on
7 mine.

8 MS. MacQUESTEN: Okay, so we're all right.

9 MR. CARR: All right, so we're all right. Next
10 crisis avoided.

11 (Laughter)

12 Q. (By Mr. Carr) Mr. Lehrman, how soon do you
13 propose to commence the drilling of this well?

14 A. Pardon me?

15 Q. How soon do you plan to start drilling?

16 A. We would like to start as soon as possible.

17 Lance has engaged a company from Wyoming. Rig availability
18 in the San Juan Basin is virtually impossible, so we've
19 actually engaged a company from Wyoming and brought a rig
20 down to drill some other wells that we have permitted, but
21 we're shortly going to run out of locations and would like
22 to drill this as soon as possible, to not lose that rig
23 because it will probably go back to Wyoming and then we
24 won't be able to get another one back.

25 Q. Were Exhibits 1 through 5 prepared by you or

1 compiled at your direction?

2 A. Yes.

3 MR. CARR: May it please the Examiner, at this
4 time we'd move the admission into evidence of Lance
5 Exhibits 1 through 5.

6 EXAMINER EZEANYIM: Lance Exhibits 1 through 5
7 will be admitted into evidence.

8 MR. CARR: And that concludes my direct
9 examination of Mr. Lehrman in this case.

10 MS. MacQUESTEN: No questions, thank you.

11 EXAMINATION

12 BY EXAMINER EZEANYIM:

13 Q. Okay, I start with, you said that you needed this
14 order issued as soon as possible. What do you mean, "as
15 soon as possible"? Because it might have to be -- my
16 schedule. What do you mean, "as soon as possible"? The
17 rig is already on location?

18 A. No, no, it's not. We have several other
19 locations that we can drill prior to this. Are you asking
20 me --

21 Q. Yeah, if you can give me an estimate or when you
22 think you may have that rig?

23 A. If possible, we would like to have the order by
24 the end of the month, I think. Maybe sometime even in
25 early November. Like I said, we have several other

1 locations that we have permitted and made location and can
2 move the rig to, but we feel it's imperative that we get
3 the order fairly quickly so we don't lose that rig.

4 Q. Okay. Now, if we go back to the south half of
5 the well unit, you are going to drill the FRCP 16 Well
6 Number 2 in the southeast quarter. You said it's a
7 standard location. What is the location of that FC well?
8 Do you know -- Do you have the physical location of that
9 well?

10 A. The actual footages?

11 Q. Yeah.

12 A. No, I don't know off the top of my head. I'll
13 have to get those numbers for you. We have a definitive
14 location, I just don't have those footages.

15 Q. But they are a standard location in the FC?

16 A. Yes.

17 MR. CARR: Yes.

18 EXAMINER EZEANYIM: Okay, I would like to have
19 that.

20 MR. CARR: Yes, sir.

21 THE WITNESS: Okay.

22 MR. CARR: We can provide that today.

23 EXAMINER EZEANYIM: Okay, good.

24 Q. (By Examiner Ezeanyim) And in this well you are
25 primarily targeting the FC. In this particular well, it's

1 an infill well, you want to drill to the FC, right?

2 A. Yes, we'd like to hopefully produce both the
3 wells from the Fruitland Coal and the Pictured Cliffs.

4 Q. Both wells, okay.

5 A. Yes.

6 Q. Okay, I'm coming to that. And because -- in this
7 Number 2, you didn't mention about downhole commingling,
8 and it appears to me that you're going to only have your
9 target in the FC. Are you going to go to PC too?

10 A. We'll probably go, you know, just into the Lewis
11 Shale. Our main objective is the Fruitland Coal, but
12 honestly, Mr. Examiner, the PC is somewhat sporadic in that
13 area --

14 Q. Uh-huh.

15 A. -- so it's a secondary objective. But you know,
16 we'll drill through the PC into the Lewis Shale, with the
17 main objective being the Fruitland Coal. So that's a
18 possibility, but it just depends on, you know, what the
19 logs look like and everything.

20 Q. Okay, and that goes to my next question now. I
21 will go to Number 1. You have to have a dual completion in
22 the FC and the PC, right?

23 A. It would be the same --

24 Q. The same with the other one --

25 A. Yeah, it would --

1 Q. Okay, now --

2 A. -- be the same as Number 2.

3 Q. -- I'm looking at the -- I'm looking at the
4 publication here. It didn't say in the FC that they're
5 going to have dual completion, but in the Well Number 1,
6 you're going to have dual com- -- and do downhole
7 commingling?

8 A. If we feel like the PC is productive.

9 Q. Okay.

10 A. You know, it will depend on drilling of the well
11 and what our geoscientist feels would be possibly
12 productive in the PC.

13 Q. Uh-huh.

14 A. Like I said, there is some PC in the area, and in
15 some areas there's not PC, but we would like that -- we
16 permitted that, you know, just depending on what it looks
17 like, you know, logwise.

18 Q. Okay. How do you know you are going to do
19 downhole commingling when the well is not yet drilled?

20 A. Pardon me?

21 Q. How do you know you are going to do downhole
22 commingling when the well is not yet drilled?

23 A. Well, it's just a possibility, you know, like to
24 leave that option open, I guess. It's like any well, you
25 know, if you're -- the Fruitland Coal and the PC are so

1 close together, a lot of times you get -- even though
2 that's disputed, you're going to get some -- It would be
3 almost impossible to drill into the Fruitland Coal without
4 getting into the PC.

5 Q. I know.

6 A. But we own all rights, we own all depths, so we
7 think it's a possibility, although in some instances we
8 haven't done it, but we would like to have that as a
9 possibility.

10 Q. Yeah, what I'm getting here is -- well, they
11 have an offset well that shows that you might have that in
12 the -- you might have downhole commingling in the PC -- or
13 you just assume -- or you want to get permission to do
14 that. And I want to remind you that even though you stated
15 it here, and even if we issue you an order, you know you
16 still have to obtain your downhole commingling
17 administratively --

18 A. Yes.

19 Q. -- before you do that. You might propose now you
20 are going to do downhole commingling. When you go there,
21 you might find that you might complete them singly --

22 A. Yes.

23 Q. -- and then produce them singly.

24 A. Yes.

25 Q. So in that case you can submit it. But if you

1 have to downhole commingle them, of course, you know you
2 have to apply for downhole commingling, because this order
3 is not going to approve downhole commingling.

4 A. Right.

5 MR. CARR: Mr. Examiner, under the Rules, Basin-
6 Fruitland Coal and West Kutz-Pictured Cliffs are pre-
7 approved for commingling.

8 THE WITNESS: Yes, I was going to mention that.
9 That's a pre-approved pool.

10 EXAMINER EZEANYIM: Can you repeat that?

11 MR. CARR: Under Rule -- I believe it's 303,
12 there are a number of pools that are pre-approved for
13 commingling --

14 EXAMINER EZEANYIM: Oh --

15 MR. CARR: -- and these pools --

16 EXAMINER EZEANYIM: -- okay --

17 MR. CARR: -- these pools are pre-approved for --

18 EXAMINER EZEANYIM: -- okay --

19 MR. CARR: -- for downhole commingling.

20 EXAMINER EZEANYIM: -- okay, that's different, if
21 they are pre-approved you can do that at the District.

22 THE WITNESS: Right.

23 MR. CARR: Yes.

24 EXAMINER EZEANYIM: Yeah, okay.

25 MR. CARR: So that's why we didn't bring it here.

1 They'll have to take that to the district.

2 EXAMINER EZEANYIM: Okay.

3 THE WITNESS: We're aware of those procedures. I
4 appreciate that reminder, but we're still not sure -- Like
5 I said, you know, we've had some PC in the area and we've
6 had some that just, you know, obviously wouldn't produce
7 anything at all from the PC.

8 EXAMINER EZEANYIM: Yeah, okay. You know, the
9 point I'm trying to make here is that operators understand
10 that we are dealing with only compulsory pooling issue
11 here, even if you -- I will mention that the downhole
12 commingling -- that's hypothetical.

13 THE WITNESS: Right.

14 EXAMINER EZEANYIM: -- and since you mention
15 that, these pre-approved pools have to go to the District.
16 If they are not pre-approved, they have to come to us for
17 downhole commingling whenever you decide to do that.

18 THE WITNESS: Okay.

19 Q. (By Examiner Ezeanyim) In a way, you are talking
20 about -- go back to Exhibit -- Let me see if I can find
21 that number. Just out of my curiosity I want to know how
22 you come up with that number. Let me find it.

23 Okay, this is Exhibit -- Number 3? I think the
24 last page? No, the second page -- the last page -- where,
25 you know, the September 6th letter, 2005. You know, that's

1 number one, you know. Just for my curiosity, how did you
2 come up with that \$564.06? Is there any calculation that
3 gives you that, or is that an arbitrary number that you
4 give to these unleased mineral interests to see if they can
5 lease with you? I can understand the one-eighth, but you
6 are going to give them this bonus consideration for
7 \$564.06. How do you calculate that? Is there any way you
8 calculate it, or you just get that number off the -- just
9 my --

10 A. Well, what we did is, we had an attorney render
11 title opinion based on his research in the county, and
12 there's a lot of smaller tracts in this drill block. If
13 you notice on the map how small some of these tracts are,
14 some of them can range from, you know, a quarter of an
15 acre, to an acre, to an eighth of an acre. It just depends
16 on how the actual mineral interests came out. And then we
17 actually have some tracts where people only own, let's say,
18 an undivided half in that small tract.

19 So what you're going to have is a very small
20 mineral percentage, multiplied by the offer for a net
21 mineral acre, and then sometimes we round up or round down.
22 So we try to take it out to two places. Sometimes we just
23 make it an even offer, but we try to make it as close to
24 the net that they actually own as possible.

25 Q. I don't know whether you are required under the

1 statutes to give a bonus consideration. You know, you
2 could take it off and -- just one-eighth. Is there
3 anything that says you have to give a bonus consideration?
4 You know, just for my information. It's not that it has
5 anything to do with this.

6 A. It's just commensurate with industry practice.

7 Q. Okay. I'm going to the advertisement now.
8 You've made other attempts to notify every interest owner
9 here?

10 A. Yes.

11 Q. And I understand that these two wells, none of
12 them has been drilled. Has anyone drilled yet? These two
13 wells, none has been drilled?

14 A. No, no.

15 Q. And you are also asking for optional infill well
16 and provision for --

17 MR. CARR: Not in this case. This case we have
18 them both, so --

19 THE WITNESS: Yes.

20 MR. CARR: It will be in the second case that we
21 seek just the infill provisions that are --

22 EXAMINER EZEANYIM: Okay.

23 MR. CARR: -- authorized --

24 EXAMINER EZEANYIM: Okay --

25 MR. CARR: -- by --

1 EXAMINER EZEANYIM: -- maybe that's -- Okay.

2 MR. CARR: We asked for it, but we were wrong.

3 EXAMINER EZEANYIM: Okay, okay. I mean, I don't
4 think you --

5 MR. CARR: Yeah, we did ask for it, I mean, but
6 it was in error because --

7 EXAMINER EZEANYIM: Okay, you're asking for it in
8 this case?

9 MR. CARR: In the second of these two cases.
10 this first case, we already have the infill well covered by
11 the Application, so we wouldn't need the procedures.

12 EXAMINER EZEANYIM: Okay, I understand now.
13 Okay, good.

14 Anything further?

15 MR. CARR: Nothing further in this case.

16 EXAMINER EZEANYIM: Okay. With nothing further,
17 then Case Number 13,573 will be taken under advisement.

18 (Thereupon, these proceedings were concluded at
19 9:44 a.m.)

20 * * *

21 I do hereby certify that the foregoing is
22 a complete record of the proceedings in
the Examiner hearing of Case No. 13573
heard by me on

23 
24 _____, Examiner
Oil Conservation Division
25

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 October 7th, 2005.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006