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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. 14335

APPLICATION OF WILLIAMS PRODUCTION
COMPANY, LLC, FOR PRE-APPROVAL OF
NON-STANDARD LOCATIONS IN THE ROSA
UNIT, SAN JUAN COUNTY, NEW MEXICO.

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REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

October 15, 2009
Santa Fe, New Mexico

BEFORE: TERRY WARNELL: Hearing Examiner
DAVID BROOKS: Technical Advisor

This matter came for hearing before the New Mexico
Oil Conservation Division, Terry Warnell Hearing Examiner,
on October 15, 2009, at the New Mexico Energy, Minerals
and Natural Resources Department, 1220 South St. Francis
Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: PEGGY A. SEDILLO, NM CCR NO. 88
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102

1 HEARING EXAMINER: We're going to hear Case
2 No. 14335, Application of Williams Production Company,
3 LLC, for preapproval of nonstandard locations in the Rosa
4 Unit, San Juan and Rio Arriba Counties, New Mexico. Call
5 for appearances.

6 MS. MUNDS-DRY: Good afternoon, Mr. Examiner,
7 Ocean Munds-Dry with the law firm of Holland and Hart,
8 LLP, here representing Williams Production Company, LLC
9 this afternoon. And I have two witnesses.

10 HEARING EXAMINER: No other appearances? Please
11 call your first witness.

12 MORGAN VERN HANSEN,
13 the witness herein, after first being duly sworn
14 upon his oath, was examined and testified as follows:

15 DIRECT EXAMINATION

16 BY MS. MUNDS-DRY:

17 Q. Would you please state your full name for the
18 record?

19 A. Morgan Vern Hansen.

20 Q. And where do you reside?

21 A. Tulsa, Oklahoma.

22 Q. And by whom are you employed?

23 A. By Williams Exploration and Production Company.

24 Q. And what is your position with Williams?

25 A. I'm senior staff landman.

1 Q. Have you previously testified before the
2 Division?

3 A. Yes, I have.

4 Q. And were your credentials as a petroleum landman
5 accepted as a matter of record?

6 A. Yes, they were.

7 Q. Are you familiar with the application that's
8 been filed in this case?

9 A. Yes, I am.

10 Q. And are you familiar with the status of the
11 lands that are in the subject area?

12 A. Yes, I am.

13 MS. MUNDS-DRY: Mr. Examiner, we would tender
14 Mr. Hansen as an expert in petroleum land matters.

15 HEARING EXAMINER: Mr. Hansen is so qualified.

16 Q. Mr. Hansen, would you briefly summarize what
17 Williams Production Company seeks with this application?

18 A. We seek preapproval of nonstandard locations in
19 the Rosa unit for all pools from which Williams produces
20 as the unit operator. We need an exception to the general
21 spacing and special pool rules. Special pool rules exist
22 for four of the pools in the Rosa unit and they are the
23 Basin, Dakota, and Order R10981B, Basin Fruitland Coal,
24 R8768F, the Blanco Mesaverde R10987A, and the Basin
25 Mancos, which is R12984. Each of these rules allow for

1 spacing exception when the well location is within a
2 federal unit, however, it is still necessary to submit
3 administrative applications to the OCD. The Rosa Pictured
4 Cliffs, the Carracas Pictured Cliffs, the
5 Cottonwood-Fruitland Sand are under the general spacing
6 rules for the state of New Mexico. For all pools, we seek
7 a blanket other allowing preapproved nonstandard locations
8 that will be no closer than 660 feet to the outer boundary
9 of the Rosa unit, or no closer than 660 feet to
10 uncommitted or partially committed tracts within the unit
11 boundaries or partially committed track that are closer to
12 ten feet to each spacing unit boundary.

13 Q. Would you please turn to what has been marked as
14 Exhibit No. 1 and identify this document for the
15 Examiners?

16 A. Exhibit No. 1 is a map of the Rosa unit. It
17 covers portions of Township 32 North, 6 West, 31 North 6
18 west, 31 5 Township 31 4 in Rio Arriba and San Juan
19 Counties, New Mexico.

20 Q. And does this identify the federal state and fee
21 acreage within the unit?

22 A. Yes, it does.

23 Q. And is there any uncommitted or partially
24 committed acreage within the Rosa unit?

25 A. There are three tracks that are -- there's one

1 track that is uncommitted, and two tracts that are
2 partially committed. The two partially committed tracts
3 are the northeast quarter of Section 25, 31 north, 5 west,
4 and the northeast quarter of Section 26, 31 north, 5 west.
5 The uncommitted tract lies in Sections 33 and 34 of 32
6 north, 6 west, and lies between Sections 3 and 4 of 31
7 north, 6 west.

8 Q. And again, I believe you stated that Williams
9 proposes to stay 660 from the boundaries of the
10 uncommitted or partially committed acreage?

11 A. Yes.

12 Q. Which formations does Williams produce from in
13 the Rosa unit?

14 A. Williams currently produces from the Fruitland,
15 the Pictured Cliffs, the Mesaverde, the Mancos, and the
16 Dakota.

17 Q. In this federal unit, is Williams require to
18 form participating areas?

19 A. Yes, we are.

20 Q. Would you please turn to what is marked as
21 Exhibit No. 2 and identify and review this document?

22 A. Exhibit No. 2 shows all of the participating
23 areas that currently exist overlying one another. In the
24 green, the largest probably -- well, the Mesaverde and the
25 Fruitland Coal are pretty equal in the amount of acreage,

1 but they cover different areas. But the Fruitland Coal is
2 in the green. The Pictured Cliffs, which is a very small
3 participating area, it is shown in purple and it is mainly
4 isolated to Township 32 north 6 west. And then the
5 Mesaverde participating area, which is in blue, and then
6 the Dakota participating area, which is in red.

7 Q. And does this then show there's substantial
8 overlap in many of the participating areas?

9 A. Yes.

10 Q. Does Williams commingle production from some or
11 all of the formations it produces from in the unit?

12 A. Currently we have commingled wells from the
13 Pictured Cliffs and Mesaverde formations, we have
14 commingled wells of the Mesaverde and the Dakota
15 formations, and then we also have commingled triple
16 completions of the Mesaverde, Mancos and the Dakota
17 formations.

18 Q. And do you expect in your future development to
19 have any additional commingling?

20 A. We are commingling multiple completions as a
21 practice.

22 Q. And is Williams going to call another witness to
23 discuss all the reasons why Williams seeks the preapproved
24 nonstandard locations?

25 A. Yes, Mr. McQueen will testify.

1 Q. Is the interest ownership different in each
2 formation in the unit that you produce from?

3 A. It can be.

4 Q. Having said that, will interest owners be
5 negatively affected by the granting of preapproval of the
6 nonstandard locations in the unit?

7 A. No, they will not.

8 Q. Mr. Hansen, how long have you been responsible
9 as a landman for the Rosa unit?

10 A. I'm in my 23rd year.

11 Q. And are you responsible in some form or fashion
12 for assisting in the filing of nonstandard locations?

13 A. Yes, I am.

14 Q. In all that time, have you ever had an objection
15 to a NSL application?

16 A. No, I have not.

17 Q. Going back to what we were talking about in
18 terms of any negative affect on the interest owners, if
19 you could expand on that, what is the formation of
20 participating areas, how does that affect when we get an
21 NSL application or when we're granted a nonstandard
22 location by virtue of being in a participating area?

23 A. With the overlap in the participating areas, the
24 participating areas owned by the participating owners, it
25 is an undivided ownership from all of the lands it's

1 committed to the participating area. And when you end up
2 with multiple completions where you'll have one particular
3 formation, one being completed in a -- say, for instance,
4 our objective typically -- primary objective has been the
5 Mesaverde. And it is a very large participating area, and
6 we located that well 10 feet off the spacing unit
7 boundary, yet if we do a completion in the Dakota or the
8 Mancos, it makes it nonstandard for those particular
9 formations. The ownership of the spacing unit of the
10 actual lease upon which the well is located for the most
11 part is owned by one party or two parties, two of the same
12 parties undivided throughout the column, but because of
13 the participating areas and the varying ownership of the
14 lands in the participating area, there is differences in
15 the ownership as far as that goes.

16 Q. And how are your obligations under the unit
17 agreement in effect for the Rosa unit, how does that also
18 protect the interest owners in the unit?

19 A. We as unit operator are to act on behalf of the
20 all of the working interest owners, all of the interest
21 owners, whether they be working royal, overriding, et
22 cetera, and to develop the resource to explore it to its
23 fullest extent, and sometimes filing NSLs will delay
24 production. There's many reasons, many things that happen
25 with the filing of the NSLs that Mr. McQueen will go into

1 in detail, but it just makes it more difficult to conduct
2 operations fluidly like we would want to do. We're in a
3 very compressed drilling season with certain wildlife
4 restrictions and we have very little time in which to move
5 in, rig up, drill our wells, and then get out by the time
6 the restrictions kick in. And I believe that it would be
7 far more efficient to allow us to develop the acreage. We
8 go to great pains to make sure that we're not draining
9 from another well. It's not in our best interests, it is
10 not in anybody's best interests to do that. And that is
11 one of the reasons why we want to see this application go
12 forward.

13 Q. And does the ability to commingle, you know,
14 eventually, one, you have a nonstandard location, does
15 that lead to more production for interest owners?

16 A. Yes, it does. Ultimately it does.

17 Q. Have you discussed this application with the
18 BLM?

19 A. Yes, we have.

20 Q. And what were their concerns, if any?

21 A. The original concerns of the BLM was the
22 drainage issue from nonparticipating area lands to
23 participating area lands, or vice versa, and there is a
24 provision in the Rosa unit agreement which -- and it is in
25 many of the unit agreements -- which states that as unit

1 operator, we do not have to protect any lands committed to
2 the unit from drainage from any other lands related to the
3 unit, we're only obligated to protect lands that are
4 outside or noncommitted to the unit from drainage? Once
5 the BLM re-realized that -- because I think over the years
6 they had forgotten that provision existed -- they dropped
7 their objections.

8 Q. I'd like to go back to that in a minute. If you
9 would first identify Exhibits 3, 4, and 5 for the
10 Examiners.

11 A. Exhibit 3 is -- at the time it was called the
12 Oil Conservation -- the Rosa unit was entered into -- I
13 believe it was January of 1948. Let me get the exact date
14 here. It was the 6th of January 1948. It was submitted
15 to the Oil Conservation Commission, the United States
16 Geological Survey, and the State of New Mexico
17 Commissioner of Public Lands. Exhibit No. 3 is the
18 approval of the Rosa unit agreement from the Oil
19 Conservation Commission. Exhibit No. 4 is the approval --
20 although this is not a very good copy -- it is the
21 certification and approval from the State of New Mexico
22 Commissioner of Public Lands. And Exhibit No. 5 is the
23 Certification Determination from the United States
24 Geological Survey which has since been superceded -- well,
25 the Bureau of Land Management has taken over their

1 responsibilities.

2 Q. And why are these documents important in
3 consideration of this application?

4 A. Because all of these agencies thoroughly
5 reviewed the Rosa unit agreement and approved the
6 provisions of the agreement. And so all of the provisions
7 within the agreement, including those provisions which --
8 for drainage within the unit for the unitized lands
9 stating that all lands committed to the unit are unitized.
10 They knew and they understood those provisions and they
11 approved it.

12 Q. And do you have the unit agreement in front of
13 you there, Mr. Hansen? I'd like you to review that
14 provision you were just discussing.

15 A. Together with other provisions within the unit,
16 Article 15 of the Rosa unit agreement -- and I'll read it
17 as best I can, it states, "The unit operator shall take
18 appropriate and adequate measures to prevent drainage of
19 unitized sections from unitized land by all wells on land
20 not subject to this agreement or pursuant to applicable
21 regulations, pay a fair and reasonable compensatorial
22 royalty as determined by a supervisor on federal land or
23 as approved by the Commissioner of state land."

24 There are further provisions in Article 16 which
25 state that during the effective life of this agreement,

1 drilling producing operations performed by the unit
2 operator performed on any unitized land will be accepted
3 and deemed to be operations under and for the benefit of
4 all unitized leases embracing land of the United States
5 and the state of New Mexico. Further, it states the State
6 of New Mexico and parties hereto holding interest in land
7 within the unit area other than federal land consent and
8 agree that drilling and producing operations conducted on
9 any tract of land committed to this agreement shall be
10 deemed to be performed upon and for the benefit of each
11 and every tract of land committed hereto.

12 Q. After reviewing those provisions of the unit
13 agreement and these other documents with the BLM, were
14 their concerns satisfied?

15 A. Yes, they were.

16 Q. And have you reviewed this application with the
17 OCD Aztec office?

18 A. Yes, we have.

19 Q. And do you know if they oppose this application?

20 A. They neither support or oppose this application.

21 Q. In your opinion, will this application result in
22 the more efficient operation of the unit?

23 A. Yes.

24 Q. And in your opinion, will the granting of this
25 application prevent waste and protect correlative rights?

1 A. Yes.

2 Q. Has Williams notified all interest owners in the
3 unit of this application?

4 A. All overriding royalty interest owners and
5 working interest owners were notified.

6 Q. And have you received any response to this
7 application?

8 A. None whatsoever.

9 Q. Is Exhibit No. 6 a notice packet containing the
10 notice affidavit, the letter that was sent to all the
11 interest owners, the list of interest owners, and the
12 return receipts for each letter that was sent?

13 A. Yes.

14 Q. Were Exhibits 1 through 6 either prepared by or
15 compiled under your direct supervision?

16 A. Yes, they were.

17 MS. MUNDS-DRY: Mr. Examiner, we would move the
18 admission of Williams Exhibits 1 through 6 into evidence.

19 HEARING EXAMINER: Exhibits 1 through 6 are
20 admitted.

21 MS. MUNDS-DRY: And that concludes my
22 examination of Mr. Hansen.

23 HEARING EXAMINER: Thank you. Mr. Brooks?

24 MR. BROOKS: I think I've asked this about the
25 rest of the unit before so I'm fairly sure of the answer,

1 but just for the record in this case, under the terms' of
2 the unit operating agreement, working interest proceeds
3 are allocated among working interest owners on a
4 participating area basis?

5 THE WITNESS: I'm not sure I understand -- the
6 production is allocated, is that what you're --

7 MR. BROOKS: Yes, production proceeds.

8 THE WITNESS: Yeah, on a pro rated acreage basis
9 within the participating area or drill block, as the case
10 may be.

11 MR. BROOKS: Yes. And that's provided in the
12 unit operating agreement.

13 THE WITNESS: It's provided in the unit
14 agreement also, yes.

15 MR. BROOKS: Yeah. My understanding is, the
16 unit agreement is prescribed by the BLM. In other words,
17 you have very little leeway about what you put in the unit
18 agreement, and the unit agreement provides that royalties
19 are allocated under a participating area basis?

20 THE WITNESS: Yes.

21 MR. BROOKS: But the unit operating agreements
22 in federal units provide how the working interest is going
23 to be distributed, and that can vary from one unit to
24 another.

25 THE WITNESS: The Rosa unit is a very old --

1 it's -- I've been told it's the oldest in the San Juan
2 Basin. The Rosa unit agreement has provisions for both
3 working interest and royalty. It focuses mainly in on the
4 royalty interests. And the operating agreement to the
5 Rosa Unit agreement is called the Rosa Unit Accounting
6 Agreement. And it deals with the relation between the
7 operator and the working interest owners, that's correct.
8 The Rosa Unit is also for all formations -- and this is
9 one of the things that I think made the BLM a little bit
10 more at ease with our application is that it's a
11 geological inference-type unit and it requires -- or it
12 allows the participating areas to be formed based upon the
13 amount of land which can be reasonably prove productive in
14 paying quantities. So, as little or as much acreage as is
15 necessary from the drilling of a given well or wells can
16 be brought into that participating area before the tracts
17 are actually developed.

18 MR. BROOKS: So you can have a drill block
19 brought into a participating area even though there's no
20 well on it?

21 THE WITNESS: That's correct. In fact, there's
22 two or three other units that are similar, the Northeast
23 Blanco. When they did the Fruitland Coal, they brought
24 the entire unit within -- into the participating area I
25 believe in the initial and first expansion. We have the

1 Cox Canyon Unit where Mesaverde participating area was
2 established for the entire unit boundary with one well.
3 The Rosa is very similar. We've done it in the Mesaverde
4 with the Mesaverde participating area where we've used
5 geological inference, however, we have gone to doing the
6 participating areas on a drill block basis because of the
7 -- it eliminates some of the competition between various
8 owners trying to get a larger interest in the
9 participating area without the acreage actually being
10 drilled. But also the unit allows for -- it's one of
11 those unusual units that reallocates the investment so
12 that all parties are kept whole from the drilling of the
13 wells.

14 MR. BROOKS: Okay. Thank you.

15 HEARING EXAMINER: I have no questions. You may
16 call your next witness.

17 KENLEY HAYWOOD McQUEEN, Jr.,
18 the witness herein, after first being duly sworn
19 upon his oath, was examined and testified as follows:

20 DIRECT EXAMINATION

21 BY MS. MUNDS-DRY:

22 Q. Would you please state your full name for the
23 record?

24 A. My full name is Kenley Haywood McQueen, Jr.

25 Q. And where do you reside?

1 A. I reside in Tulsa, Oklahoma.

2 Q. And by whom are you employed?

3 A. I am employed by Williams.

4 Q. And what is your position with Williams?

5 A. I am the Regional Director for the San Juan
6 Asset Team.

7 Q. Have you previously testified before the
8 Division and your credentials as a petroleum engineer been
9 accepted and made a matter of record?

10 A. I've previously testified before the Commission
11 and my credentials as an expert in petroleum engineering
12 were accepted and made a matter of record.

13 Q. Are you familiar with the application filed in
14 this case?

15 A. I am.

16 Q. And have you conducted an engineering study of
17 the area which is the subject of this application?

18 A. I have.

19 MS. MUNDS-DRY: We would tender Mr. McQueen as
20 an expert in petroleum engineering.

21 HEARING EXAMINER: Mr. McQueen is so recognized.

22 Q. Mr. McQueen, what are the reasons why Williams
23 seeks an NSL order?

24 A. We have a number of complicating issues in Rosa
25 which force us to utilize nonstandard locations. And they

1 include issues related to topography, archeology,
2 commingled production when one zone is in a participating
3 area and another zone is in a drill block. Placement of
4 Mesaverde locations and legal locations, our effort at the
5 green completions, and finally, we had some wells that are
6 not intended to be NSLs, but because of the drilling
7 operation, tend to walk as we get toward our bottom hole
8 location and end up at an NSL location.

9 Q. In the last two years, how many proposed drills
10 have been moved to an NSL?

11 A. In the last two years, we've had 45 NSL
12 completions that generated 29 application to the OCD.

13 Q. If you would please turn to what is marked as
14 Exhibit No. 7, identify this document and discuss some of
15 the topography issues in the Rosa Unit.

16 A. Exhibit 7 is a topographical map of our Rosa
17 Unit. The surface contour interval here is 20 meters.
18 We're typically unable to build locations where we have
19 either 12 foot of cut or 12 foot of fill, which for our
20 location sizes work out to be about a 10 percent grade.
21 So what I've done on this map is highlighted the 10
22 percent grades. Anything that is 10 percent or less shown
23 as green on the map, and so everything that is shown in
24 white on the map are areas that typically would not be
25 accessible for us to build locations. And as you can see,

1 the terrain on the east side of the unit which is the
2 force portion of the unit, is largely inaccessible for
3 building surface locations. And it's probably worth
4 mentioning that even though a lot of the green areas are
5 flat enough for surfacing locations, many are located
6 along or close to water courses and often have surface
7 water shallow enough that a closed loop drilling system is
8 required under current rules which also diminishes our
9 economics and thereby makes the sites less desirable.
10 It's also worth mentioning that on the west side of the
11 unit, a large area adjacent to the San Juan River is
12 covered by the San Juan reservoir.

13 Q. Mr. McQueen, I'm handing the Examiners a map
14 that we're not admitting as an exhibit but that we're
15 showing to them for illustration purposes. Would you
16 identify this document?

17 A. Our second major impediment to siting wells in
18 Rosa is archeology. Our operations share the surface with
19 multiple archeological sites. The chief archeologist at
20 the BLM office has provided this map which has been
21 distributed to you, but he specifically requested that
22 this information be excluded from the public record. As
23 I'm sure you can appreciate, there's been an increasing
24 problem with vandalism and theft at archeological sites in
25 the west, and this is BLM sensitivity regarding the

1 distribution of information. This map shows in yellow the
2 major archeological sites that have been identified to
3 date in the Rosa Unit.

4 Q. And so generally speaking, if you can indicate
5 what colors indicate that there's an archeological site
6 and how that's determined.

7 A. Right. We've overlain the archeological onto
8 the topography map and the archeological sites, the major
9 archeological sites are identified in yellow on the
10 topographical map.

11 Q. And does that extend through all of the Rosa
12 Unit?

13 A. Yes.

14 Q. In the last year, how many proposed drills would
15 you say were moved to a nonstandard location due to
16 archeological reasons?

17 A. It's probably worth reviewing the process that
18 we use to identify our surface locations. And we start
19 with our geologic department that identifying on a
20 quarter-quarter basis or 10 acres, their selected site for
21 the drilling of a well. Once its location is chosen, our
22 surveyor and archeologist go to the site together for the
23 initial inspection and to address any archeology that may
24 be present. Typically, about 50 percent of our BLM sites
25 and about 20 percent of our US forest sites meet the

1 requirements of topography and no archeology. And of
2 those that require resiting, about 70 to 80 percent is for
3 archeology and the remaining is for topography.

4 Q. Would you please also discuss for the Examiners
5 some of the environmental reasons for a nonstandard
6 location?

7 A. In addition to the topography and
8 archeological issues, we have a number of ACEC areas for
9 preservation of wildlife habitat.

10 Q. I'm going to hand you what is marked as Williams
11 Exhibit No. 8.

12 A. The ACEC areas are shown in blue and by and
13 large are adjacent to the San Juan reservoir. And they
14 have been so designated because of wildlife habitat that's
15 present in these areas. In particular eagle nesting sites
16 and dove hawks. And in addition to that, we're subject to
17 winter closures for elk habitat. So because of these
18 environmental reasons, it also causes us to apply for NSL
19 locations from time to time to avoid these locations.

20 Q. Thank you. If you could please turn then and
21 discuss for the Examiners what are some of the geological
22 reasons Williams has encountered in the past to -- that
23 requires nonstandard locations.

24 A. Our early focus in the exploitation of our
25 conventional reservoirs in Rosa focused on the Mesaverde.

1 And while it's relatively easy to site a 320 acre or even
2 160 acre density, as we continue infill drilling the
3 Mesaverde, subsequent wells become more of a challenge
4 from the standpoint of trying to maximize recovery,
5 minimize interference and still find viable surface
6 locations. Today, most of our productive Mesaverde is
7 developed with four wells per spacing unit, and an
8 additional 20 wells drilled this year under Order R-13123
9 have five wells per spacing unit. However, since most of
10 our Mesaverde productive area is now part of the Mesaverde
11 participating area, we don't generate a large number of
12 NSLs from the Mesaverde locations, however, since we are
13 commingling Mesaverde production with deeper Mancos and
14 Dakota under Order R-13122, and since most of our Dakota
15 locations and all of our Mancos locations are not in a
16 participating area, our Mesaverde location picks many time
17 forces an NSL situation in both the Mancos and the Dakota.
18 We also have a few instances where the Mesaverde is space
19 with standups and the Dakota and Mancos are spaced with
20 laydowns, or vice versus.

21 Q. What about Williams' need for nonstandard
22 locations on our coal wells in the unit?

23 A. Well, our coal wells face the same challenges as
24 I described for conventional wells, but we also anticipate
25 that within the next two years that at least part of Rosa

1 will be approved for increased density to four well per
2 spacing unit. So again, as much as I described for a
3 major development, as we drill more wells in the spacing
4 unit, the need for an NSL location will become more likely
5 for the Fruitlands.

6 Q. In your opinion, will the granting of this
7 application lead to greater administrative efficiencies
8 for both Williams and the Oil Conservation Division?

9 A. Absolutely. We estimate that each NSL
10 application requires a minimum of 16 hours from our
11 landman and regulatory staff. With the approval of this
12 application, that could be reduced to zero.

13 Q. And likewise, although we can't guess how much
14 time the Division spends time on this, but something along
15 those lines?

16 A. I'm sure having been copied on some of the
17 e-mail correspondence between Mr. Brooks and Ms. Reilly,
18 there's a substantial amount of time that could be saved
19 on the Commission's behalf as well.

20 Q. And will the approval of this application be in
21 the best interest of conservation, the prevention of
22 waste, and the protection of correlative rights?

23 A. Yes, it will.

24 Q. And were Exhibits 7 and 8 prepared by you or
25 complied under your direct supervision?

1 A. They were.

2 MS. MUNDS-DRY: Mr. Examiner, we would move the
3 admission of Exhibits 7 and 8 into evidence.

4 HEARING EXAMINER: Exhibits 7 and 8 are
5 admitted.

6 MS. MUNDS-DRY: And that concludes my direct
7 examination of Mr. McQueen.

8 HEARING EXAMINER: Thank you. Mr. Brooks?

9 MR. BROOKS: I don't think I have any questions
10 for the witness. I want to make sure that Ms. Munds-Dry
11 collects all copies of the BLM map and takes them away
12 since there is a statute that provides that if material is
13 submitted to us in confidence, we have to maintain the
14 confidentiality and there are criminal penalties for not
15 doing so.

16 MS. MUNDS-DRY: I'll be sure to collect those.

17 HEARING EXAMINER: All right. I have no
18 questions.

19 MS. MUNDS-DRY: We ask that this matter be taken
20 under advisement.

21 HEARING EXAMINER: All right. Then with that,
22 we'll take Case No. 14335 under advisement. And that ends
23 the docket for today.

24 (Whereupon, the proceedings concluded.)
25 I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____.

Examiner

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO) ss.

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REPORTER'S CERTIFICATE

I, PEGGY A. SEDILLO, Certified Court Reporter of the firm Paul Baca Professional Court Reporters do hereby certify that the foregoing transcript is a complete and accurate record of said proceedings as the same were recorded by me or under my supervision.

Dated at Albuquerque, New Mexico this 10th day of November, 2009.


PEGGY A. SEDILLO, CCR NO. 88
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