

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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. 14472

APPLICATION OF COG OPERATING LLC
FOR THE CANCELLATION OF OPERATOR'S
AUTHORITY AND TERMINATION OF SPACING
UNITS, YESO ENERGY INC. DOW B 28
FEDERAL WELL NO 1, EDDY COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDING

EXAMINER HEARING

May 13, 2010
Santa Fe, New Mexico

RECEIVED OGD
2009 MAY 25 P 2:53

BEFORE: TERRY WARNELL: Hearing Examiner
DAVID BROOKS: Legal Adviser

This matter came for hearing before the New Mexico
Oil Conservation Division, Terry Warnell Hearing Examiner,
on May 13, 2010, 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

E X H I B I T S

1		
2		Page
3	APPLICANT'S WITNESS:	
4	BRENT ROBERTSON	
	Direct Examination by Mr. Hall	5
5	Cross-Examination by Mr. Bruce	15
	Cross-Examination by Ms. MacQuesten	18
6		
7	OCD'S WITNESS:	
8	DANIEL SANCHEZ	
	Direct Examination by Ms. MacQuesten	25
9	Cross-Examination by Mr. Hall	34
	Redirect Examination by Ms. MacQuesten	37
10		
11	COURT REPORTER'S CERTIFICATE	47
12	APPLICANT'S EXHIBITS	
13	Exhibits 1 - 7	15

A P P E A R A N C E S

15	FOR THE APPLICANT:	J. SCOTT HALL, ESQ.
16		Montgomery & Andrews
		325 Paseo De Peralta
17		Santa Fe, NM 87501
18	FOR THE OCD:	GAIL MACQUESTEN, ESQ.
		Assistant General Counsel
19		Oil Conservation Division
		1220 S. St. Francis Drive
20		Santa Fe, NM 87505
21	FOR YESO ENERGY, INC.,	
	and CHICA ENERGY, LLC:	JAMES BRUCE, ESQ.
22		Attorney at Law
		P. O. Box 1056
23		Santa Fe, NM 87501
24		
25		

1 HEARING EXAMINER: Let's call Case No. 14472,
2 Application of COG Operating, LLC for the Cancellation of
3 Operator's Authority and Termination of Spacing Units,
4 Yeso Energy Inc., Dow "B" 28 Federal Well No. 1, Eddy
5 County, New Mexico. Call for appearances.

6 MR. HALL: Mr. Examiner, Scott Hall of the
7 Montgomery & Andrews Law Firm of Santa Fe appearing on
8 behalf of COG Operating LLC, Concho, with one witness this
9 morning.

10 HEARING EXAMINER: Any other appearances?

11 MS. MACQUESTEN: Mr. Examiner, Gail MacQuesten
12 representing the Oil Conservation Division in this matter.
13 I have two witnesses available to testify, although I
14 don't know if they will be called or not.

15 HEARING EXAMINER: Thank you.

16 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe.
17 I'm entering appearances on behalf of Yeso Energy, Inc.,
18 and just this morning I found out I'm also entering an
19 appearance on behalf of Chica Energy, LLC.

20 HEARING EXAMINER: Okay. Let's talk about this
21 Chica just for a second. Florene just gave me a letter
22 upstairs this morning. I assume, Mr. Bruce, then you must
23 have a copy of this. Mr. Hall, you probably do not. This
24 was sent last night at 6:46 p.m. by e-mail and copied to
25 Ms. MacQuesten, Ms. Altomare, and Mr. Daniel Sanchez.

1 I'm only mentioning this because I want to get
2 it in the record. When I got this this morning, I quickly
3 did a search on OCD online to see if this was indeed an
4 approved operator by the State of New Mexico, which they
5 point out in the first sentence of the e-mail that they
6 are. I could not find any verification of that. I don't
7 know if they're an approved operator or not.

8 MR. BRUCE: And Mr. Examiner, as you well know,
9 the attorney for these companies, the primary attorney is
10 Phil Brewer down in Roswell, who I understood could not be
11 here today because of prior obligations.

12 And I have to confess, I do not know. I was
13 informed that -- well, I think it says in there that the
14 BLM is or has approved Chica as operator. Of course, you
15 also need Division approval and I'm fully aware of that.
16 But that is the extent of my knowledge, Mr. Examiner.

17 HEARING EXAMINER: Okay. Thank you. Do we need
18 to read this into the record or --

19 MR. BROOKS: Apparently, everyone has been
20 served with it, so we should probably make it a -- well,
21 no, I don't think we need to read it into the record or
22 even make it an exhibit, it's part of the file. Everyone
23 has received this e-mail from -- to Florene Davidson from
24 Julie Hodges of Chica Energy.

25 MR. HALL: I would object to making the e-mail

1 part of the record, the statements in the e-mail, on
2 hearsay grounds.

3 MR. BROOKS: Yeah. Well, I agree. It's part of
4 the case file but it should not be made an evidentiary
5 exhibit.

6 MR. BRUCE: And I would state that I received
7 something from Yeso Energy talking about Chica, I did not
8 receive this e-mail.

9 MR. BROOKS: Oh, okay. Well, has everyone seen
10 it other than you?

11 MR. BRUCE: I've seen it now.

12 MR. BROOKS: Okay. Very good. You may proceed
13 then, Mr. Examiner. I think that's disposed of.

14 HEARING EXAMINER: That's disposed of. Okay.
15 Mr. Hall?

16 MR. HALL: Thank you, Mr. Examiner. I'd call
17 our first witness this morning, Mr. Robertson.

18 BRENT ROBERTSON,
19 the witness herein, after first being duly sworn
20 upon his oath, was examined and testified as follows:

21 DIRECT EXAMINATION

22 BY MR. HALL:

23 Q. For the record, please state your name.

24 A. My name is Brent Robertson. I reside in
25 Midland, Texas. I'm employed by COG Operating, LLC. I'm

1 a senior landman working the southeastern part of
2 New Mexico.

3 Q. And have you previously testified before the
4 Division and had your credentials as a professional
5 landman accepted by the Division's Examiners?

6 A. Yes, sir, I have.

7 Q. You're familiar with the subject matter of this
8 application and the well involved here?

9 A. Yes.

10 MR. HALL: At this point, Mr. Examiner, I'd
11 offer Mr. Robertson as a qualified expert petroleum
12 landman.

13 HEARING EXAMINER: Any objection?

14 MR. BRUCE: No objection.

15 HEARING EXAMINER: He's so qualified.

16 Q. Mr. Robertson, would you briefly explain to the
17 Examiner what COG seeks by its application?

18 A. COG seeks an order canceling the authority of
19 Yeso Energy, Inc. as the operator of the Dow "B" 28
20 Federal Well No. 1 and terminating all spacing and
21 proration units at any time dedicated to the well.

22 These include the south half of Cedar Lake
23 Morrow East, Wildcat Cedar Lake, Mississippian, and Cedar
24 Lake Morrow pools, and the southeast quarter of the
25 southeast quarter of the Cedar Lake Devonian pool in

1 Section 28, Township 17 South, Range 31 East, Eddy County,
2 New Mexico.

3 Yeso is the current operator of record of the
4 Dow "B" 28 Federal No. 1 Well, but the well has been
5 placed on the Division's plugging list pursuant to a
6 compliance order.

7 And rather than see the State spend money
8 unnecessarily on plugging the well, COG hopes to convert
9 the well to disposal operations. We want any remaining
10 Division authority that Yeso might have as an operator of
11 the well terminated and any other permits and dedications
12 rescinded so that they're not regulatory impediments to a
13 separated C-108 application from COG Operating, LLC for
14 authorization to inject produced salt water.

15 Q. Now, in the vicinity of this well in Section 28,
16 does COG have other operations?

17 A. We do. We currently operate a number of wells
18 that are a part of what's called the Skelly Unit.

19 Q. Would you look at Exhibit 1 and refer to that,
20 please?

21 A. Sure. Exhibit 1 is a land plat that depicts a
22 couple of -- three things, really. It depicts acreage
23 that is dedicated to the Skelly Unit. Those lands are
24 outlined in red on the plat.

25 The greenish blue outlines are lands that were

1 assigned to COG back in 2006 when we acquired the
2 interests of Mack Energy Corporation, Chase Oil
3 Corporation, and affiliated entities.

4 In yellow, it's a little bit hard to see, but
5 down south on the southeast side of the plat in yellow
6 we've highlighted the location of the Dow "B" 28 Federal
7 No. 1 Well.

8 And we currently operate all the wells located
9 within the Skelly Unit less and except the lands down in
10 the south half of Section 28.

11 We've been very active in the area in the last
12 year. We've drilled over 50 wells in the Skelly Unit.
13 Prior to that, we drilled probably another 24, 25 wells
14 primarily to test the Yeso formation, Paddock and Blinebry
15 members of the Yeso formation.

16 In 2010, we have development plans which have
17 been submitted to the BLM under our plan of development to
18 drill approximately another 50 wells on the unit.

19 We also have plans to commence operations to
20 deepen approximately ten wells to test the Yeso formation.
21 So we're very, very active in the area and have a very
22 aggressive development plan in this particular area.

23 We also have some leases that are not located on
24 this -- depicted on the plat just due north and west of
25 the Skelly Unit, which we're very active in developing as

1 well.

2 Q. In this area, what are the current daily volumes
3 of produced water disposed of by COG?

4 A. Currently, the wells in the Skelly Unit are
5 producing associated water in volumes of approximately
6 30,000 barrels per day.

7 Q. And so with the activity, do you anticipate that
8 the demand for disposal capacity will grow?

9 A. Absolutely. The Yeso formation produces a lot
10 of associated water, and given our aggressive development
11 plans in the area, we will definitely need additional
12 salt-water disposal capacity to produce these wells.

13 Q. Have you investigated the cost of drilling a new
14 disposal well in this area?

15 A. Yes. Our operations engineers involved in this
16 area indicated to me that to drill a new salt-water
17 disposal well in this area would cost approximately
18 \$3.1 million.

19 Q. And has your engineering department also
20 estimated the cost of plugging a well?

21 A. Yes, they have. They've taken a look at the
22 subject well and have estimated a plugging and abandonment
23 cost of roughly \$60,000.

24 Q. Turning back to the lands in the south half of
25 Section 28, are these BLM surface minerals?

1 A. Yes.

2 Q. And for this well, there is no bond running to
3 the State of New Mexico that would be affected by COG's
4 application; is that correct?

5 A. That's correct.

6 Q. Is COG making an effort to obtain a permit to
7 utilize the wellbore for injection from the BLM?

8 A. Yes. We are preparing an application. We have
9 filed and received a category determination by the BLM.
10 We are preparing the exhibits that are required by the BLM
11 to complete the application, and we'll file those as soon
12 as we can get those prepared.

13 Q. If we look at Exhibit 2, could you identify
14 that, please?

15 A. Yes. This is the processing fee category
16 determination decision that we have received from the BLM
17 in connection with our application for the salt-water
18 disposal right-of-way.

19 Q. And if you look at the top part of the category
20 determination decision, it refers to SWD Site Skelly
21 Federal 28 SWD No. 1. Is that the same well?

22 A. That is the same well. Assuming we are
23 successful in acquiring the right to convert the well, we
24 would rename it the Skelly Federal 28 SWD No. 1, but it is
25 the same well.

1 Q. Okay. What time do you anticipate it will take
2 the BLM to process COG's application?

3 A. Normally it takes approximately 30 to 60 days
4 for the BLM to process these types of applications once
5 they've received all the necessary paperwork. So we
6 anticipate in a month, two months.

7 Q. All right. And then once COG has the BLM
8 permitting in hand, does it anticipate making application
9 with the OCD for a C-108 injection permit?

10 A. Yes, we do.

11 Q. And at that time, will COG register the well
12 under its OGRID number and become operator of the well?

13 A. Yes.

14 Q. Under the new name for the well; is that right?

15 A. That's correct, and the new name is Skelly
16 Federal 28 SWD No. 1.

17 Q. Let's look at what we've marked as Exhibit 3.
18 Could you identify that, please?

19 A. Yes. Exhibit 3 is a printout of the OCD website
20 details surrounding the Dow "B" 28 Federal No. 1 listing
21 the current -- the violations of OCD regulations and the
22 current general well information.

23 Q. And on the first page, it shows well
24 completions?

25 A. Yes.

1 Q. And identifies specific pools?

2 A. That's correct.

3 Q. And what are those?

4 A. The three well completions listed are the Cedar
5 Lake Morrow East Gas, the Wildcat Cedar Lake
6 Mississippian, and the Cedar Lake Morrow Gas.

7 Q. And if we turn to the very last page of
8 Exhibit 3, there is a section in there with the heading
9 "Compliance Hearing Order CHL-12930B." Do you see that?

10 A. Yes.

11 Q. And under comments, what does it say?

12 A. Under the comments section, it indicates an
13 issue, "Inactive wells order, Yeso to plug wells by March
14 15, 2010, or OCD may plug."

15 Q. And to your knowledge, the well has not yet been
16 plugged?

17 A. It has not yet been plugged, to my knowledge.

18 Q. Let's turn to Exhibit 4. Is Exhibit 4 a
19 compilation of Orders No. R-12930, R-12930A, and R-12930B
20 directed against Yeso Energy, Inc. that require the
21 plugging of the well?

22 A. Yes, that would be correct. I believe that they
23 are either to plug and abandon the well, or transfer
24 operations to a nonaffiliated Division approved operator
25 on or before that date, March 15th.

1 Q. Was COG advised by the Division that the
2 plugging of the Dow "B" Well was imminent?

3 A. Yes.

4 Q. And what did COG do about that?

5 A. We had discussion regarding the subject with
6 Mr. David Brooks and Gail MacQuesten after a hearing we
7 had back in April -- or maybe, actually, it was in --
8 well, I forget. It was a prior hearing.

9 Anyway, we had discussions and it was indicated
10 to me that our course of action should be to file an
11 application with the Division to basically suspend the
12 plugging and abandonment of the well in order that we
13 could attempt to assume the right to dispose of salt water
14 in the well and assume operatorship for that sole purpose.

15 So we sent a letter -- I also talked to Daniel
16 Sanchez regarding the situation and sent Mr. Sanchez a
17 letter indicating our intentions.

18 Q. And is that letter Exhibit 5?

19 A. Yes, it is.

20 Q. Let's turn to Exhibit 6. What are these and
21 what do they show us?

22 A. Exhibit 6 is an application for multiple
23 completion for the Dow "B" 28 Federal No. 1. It indicates
24 the pool, the perforations, the type of production
25 anticipated, production, et cetera. This is dated -- I

1 believe it was approved -- it looks like it was approved
2 on July 31, 1996.

3 Q. So would these be forms that would allow the
4 Hearing Examiner to determine the specific acreage
5 dedications for the pools to the well?

6 A. Yes. There's an acreage dedication plat
7 attached to the application.

8 Q. And so the first page, the C-107 shows -- for
9 the Wildcat Mississippian, it would be Unit P?

10 A. That's correct.

11 Q. Okay. And the second page would show a south
12 half dedication for the Morrow pool?

13 A. Yes, that's correct.

14 Q. And is COG requesting that the approvals of the
15 dedications of the proration units in those pools be
16 rescinded by the Division?

17 A. Yes.

18 Q. Were Exhibits 1 through 6 prepared or assembled
19 by you for this hearing?

20 A. Yes, they were.

21 MR. HALL: Mr. Hearing Examiner, if I may
22 approach for an additional exhibit, Exhibit 7, it's our
23 notice affidavit. That concludes our direct examination
24 of this witness. And I move Exhibits 1 through 7 into
25 evidence.

1 HEARING EXAMINER: Any objections to Exhibits 1
2 through 7?

3 MS. MACQUESTEN: No objection.

4 MR. BRUCE: No objection.

5 HEARING EXAMINER: Exhibits 1 through 7 are
6 admitted. Mr. Bruce?

7 CROSS-EXAMINATION

8 BY MR. BRICE:

9 Q. Mr. Robertson, I missed this, but I think you
10 testified you acquired interest in the Skelly Unit from
11 which company or companies?

12 A. Chase Oil Corporation and their affiliated
13 entities. They involve a number of family members that
14 own an interest in that particular unit.

15 Q. Okay. Now, based on past representation I'm
16 familiar with this unit. This is a Wiser Oil operator.
17 Is it still Wiser or is it Forest Oil?

18 A. Forest Oil Corporation operates in the unit area
19 from the surface down to the base of the San Andres
20 formation.

21 Q. Is COG a BLM approved suboperator or operator in
22 the unit?

23 A. Yes, as to depths below the base of the San
24 Andres.

25 Q. And you mentioned the wells you're drilling.

1 Are these vertical or horizontal, the Yeso wells?

2 A. They're vertical wells. We may deviate the
3 wells occasionally due to surface restrictions, but
4 they're not classified as horizontal.

5 Q. And the well we're here today about, it is
6 outside the unit; is that correct?

7 A. That's correct. It sits just south of the
8 southernmost boundary of the unit, yes.

9 Q. Okay, so it is not a unit well?

10 A. It is not a unit well.

11 Q. And if COG is allowed to do what it proposes,
12 what would be the injection zone?

13 A. I believe the injection zone is the Wolfcamp.

14 Q. Now, has COG checked out the working interest
15 ownership in the south half well unit?

16 A. We did a takeoff back in 2009 to take a look at
17 that, and yes; so we have.

18 Q. Does COG own any interest in that well, working
19 interest in that well?

20 A. No, we do not.

21 Q. At the time of the takeoff, did Yeso Energy own
22 a working interest in that well?

23 A. Yes.

24 Q. Other than the affidavit of notice, has COG
25 contacted Yeso Energy regarding this well?

1 A. Yes, we have. Back in 2009, we discussed the
2 well with Yeso Energy, and then again in March of this
3 year, we contacted Yeso Energy regarding the well.

4 Q. And did you offer to buy the well or make any
5 other type of offer?

6 A. We offered Yeso \$100,000 to acquire the wellbore
7 assuming they could deliver 100 percent of the working
8 interest in the well -- as to the wellbore only; no
9 leasehold, no operating rights in terms of operating
10 rights connected to the oil and gas lease.

11 Q. And on your Exhibit 2, which is the BLM
12 right-of-way form, has this been filed with the BLM yet?

13 A. Yes, the category determination has been filed
14 and approved.

15 Q. I believe you said it would take a month or two
16 from the filing date for a right-of-way or surface use
17 easement to be granted?

18 A. That's correct. We're still in the process of
19 completing the application. This is merely the category
20 determination indicating the fee that will be required to
21 process the application.

22 MR. BRUCE: I think that's all I have,
23 Mr. Examiner.

24 HEARING EXAMINER: Ms. MacQuesten?
25

CROSS-EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MS. MACQUESTEN:

Q. Mr. Robertson, do you know what the current status of the federal lease is for the Dow "B" Well?

A. Yes. The lease is held by production, and so it's still active and valid. It's held by production of a number of our wells, actually, that are part of the Skelly Unit.

Q. Was Yeso operating under that federal lease?

A. That's my knowledge, yes.

Q. When Mr. Hall first asked you what COG is asking for in this case, you talked about an order canceling the authority of Yeso to operate the well and to cancel the spacing and proration unit, and later on you said that you were also asking to suspend the plugging of the well?

A. That's correct.

Q. Was that in your application?

A. Yes, I believe it was.

Q. Could you show me where that is?

THE WITNESS: Scott, do you have a copy of the application? I don't have a copy with me.

MR. HALL: Mr. Examiner, if you look at Paragraph 2 of our application, it recites that the well is set to be plugged by the Division. And in Paragraph 3, it recites that COG operates a number of additional wells

1 in the area and has a need for additional disposal
2 capacity which is to convert and utilize this well for
3 disposal.

4 It's not expressly set out in there, but I think
5 you can draw a clear inference that it is in the request.

6 Q. So we're to infer from the application that
7 you're asking for a suspension of the plugging order?

8 A. Yes.

9 Q. And does the advertisement state that that's
10 what you're asking for?

11 A. I don't know the answer to that question.

12 THE WITNESS: Scott, do you have the
13 publication?

14 MR. HALL: I think it's reasonable to draw that
15 inference from the application and the advertisement.

16 Q. Mr. Robertson, I'm going to ask you to look at
17 the copy of the docket in this case. And the first few
18 lines of the docket reads,

19 "Application of COG Operating, LLC
20 for Cancellation of Operator's Authority
21 and Termination of Spacing Units, Yeso Energy
22 Inc. Dow "B" 28 Federal Well No. 1, Eddy
23 County, New Mexico.

24 "Applicant seeks an order canceling
25 the authority of Yeso Energy, Inc. as operator

1 of the Dow "B" 28 Federal Well No. 1 and
2 terminating all spacing and proration units
3 at any time dedicated to the well."

4 And then it goes on to describe what the spacing
5 units are. Is the language that you say we're supposed to
6 infer that the case has to do with canceling the plugging
7 order in this docket notice?

8 A. I would say yes.

9 Q. Where is that?

10 A. I believe -- the wording in the application and
11 the wording in the notice would imply that. I don't know
12 that it actually, word for word, says that, but that is
13 our intention.

14 Q. So if it was your intension and we are supposed
15 to infer that this case is about canceling the plugging
16 order, I take it you would have notified the OCD that that
17 was what you were trying to do, right?

18 A. Yes.

19 Q. And did you notice the OCD about this case?

20 MR. HALL: It's in Exhibit 7.

21 Q. Oh, the letter, the letter saying that you're
22 planning on doing something. But did you tell us that
23 when the case was filed, did you notify us as a party?

24 MR. HALL: I beg your pardon, the notice of
25 affidavit just went to Yeso Energy and BLM. But as you

1 know, you and I have had a number of telephone
2 conversations about the plans.

3 So there's no question that the Division knows
4 what we're asking for. It's my understanding that the
5 Division had agreed with what we were doing.

6 Q. My understanding was that COG was going to
7 become operator of record of this well; is that right?

8 A. That's correct.

9 Q. All right. But that isn't mentioned in the
10 application, is it?

11 A. I thought it was, but -- Yes, that's our
12 intention. Whether we specifically stated it in the
13 application or not, I'm not totally positive, but
14 obviously, that is our intention.

15 Q. Okay. Has COG applied with the Division to
16 become operator of record of this well?

17 A. We have not made that application yet.

18 Q. Okay. Are you aware that for COG to become
19 operator of record of the well, they would need to enter
20 into an agreed compliance order, or the OCD may require
21 them to?

22 A. Yes, ma'am, we are fully aware of that, and we
23 don't have any objections to that pending the exact
24 content of the compliance order. But in principle, we
25 have no problem with that.

1 Q. Okay. Have you negotiated one yet?

2 A. No, ma'am, not yet.

3 Q. Okay. When you testified, you indicated that
4 you hope after this hearing is resolved to file a C-108 to
5 convert the well to an injection well?

6 A. Yes.

7 Q. And after that, you intend to register the well
8 under your OGRID?

9 A. Yes.

10 Q. Do you have any time line for these things to
11 happen?

12 A. Yes. We would pursue this on an as-soon-as-
13 possible time frame. We would like to get this taken care
14 of as quickly as possible. So, assuming that we obtain
15 BLM approval of the salt-water disposal right-of-way and
16 get a favorable decision from the Division, it would be
17 one of our top priorities. So as soon as possible.

18 Q. Well, if you're asking us to suspend the
19 plugging order, what kind of time line are you asking for
20 suspension?

21 A. Until such time as we have received all
22 necessary approvals from the BLM and transfer operatorship
23 of the well. You know, we -- I'm guessing here, but I'm
24 saying maybe six months at the most.

25 Q. Okay. Are you familiar with the process for

1 change of operator within the OCD?

2 A. I'm familiar with the normal procedures for the
3 change of operatorship with the OCD, yes.

4 Q. And what is that?

5 A. Generally, the former operator -- or the current
6 operator of record will file a change of operator form
7 with the OCD transferring operations to whoever they're
8 wishing to transfer operations to, and then the OCD
9 electronically changes their records accordingly to
10 transfer the operatorship to the new operator of record.

11 We filed a number of change of operators when we
12 did the Chase Oil Corporation deal, approximately 800 of
13 them. So we're very familiar with the normal procedure.

14 Q. And that normal procedure includes the current
15 operator approving the transfer?

16 A. Yes.

17 Q. But you haven't been able to get Yeso to approve
18 the transfer of this well?

19 A. No.

20 Q. Are you asking in this order that the OCD
21 approve the transfer without Yeso's concurrence?

22 A. Yes.

23 Q. Okay. Thank you.

24 A. You're welcome.

25 MR. HALL: No further questions of the witness,

1 but a closing statement.

2 MR. BROOKS: I have a question of the witness.
3 I think I know the answer from what's been said, but I
4 want to be sure.

5 If I'm to understand correctly, COG has no
6 interest in this property at this time except the
7 possibility that their application to use this well as a
8 disposal well pursuant -- for surface easement from BLM as
9 the federal surface owner to use this well as a disposal
10 well will be granted; that expectation is the only
11 interest COG has; is that correct?

12 THE WITNESS: Yes, sir, that's correct.

13 MR. BROOKS: I thought that was the case. Thank
14 you. That's all I have.

15 HEARING EXAMINER: And you say you approached
16 Yeso and offered \$100,000 for the well?

17 THE WITNESS: That's correct.

18 HEARING EXAMINER: Who did you approach at Yeso?

19 THE WITNESS: Gene Lee.

20 HEARING EXAMINER: And was that the same person
21 you approached about the change of operator when they
22 didn't --

23 THE WITNESS: Yes.

24 HEARING EXAMINER: And he denied to do that?

25 THE WITNESS: We didn't receive any response to

1 our offer, which -- One of the conditions of our offer was
2 that the operatorship be transferred and approved by the
3 Division. We didn't receive any response.

4 HEARING EXAMINER: Okay. That's all the
5 questions I've got. I'm not sure we're ready for closing
6 comments yet. Do you have any witnesses that you would
7 like to call?

8 MR. BRUCE: I have no witnesses, Mr. Examiner.

9 MS. MACQUESTEN: Mr. Examiner, I have available
10 to testify Daniel Sanchez and Jane Prouty if you have any
11 questions that you would like to explore Chica Energy and
12 Yeso well transfers.

13 HEARING EXAMINER: I have a question or two
14 about Chica Energy. I think that you should call your
15 witness that maybe can help us out with that.

16 MS. MACQUESTEN: Okay. I'll call Daniel
17 Sanchez.

18 DANIEL SANCHEZ,
19 the witness herein, after first being duly sworn
20 upon his oath, was examined and testified as follows:

21 DIRECT EXAMINATION

22 BY MS. MACQUESTEN:

23 Q. Mr. Sanchez, would you state your full name for
24 the record, please?

25 A. Daniel Sanchez.

1 Q. And where are you employed?

2 A. With the Oil Conservation Division.

3 Q. What do you do there?

4 A. I'm the Compliance and Enforcement Manager.

5 Q. Are you familiar with the compliance actions
6 against Yeso Energy, Inc.?

7 A. Yes.

8 Q. And are you aware of the current plugging order
9 that is in effect on the Yeso wells?

10 A. Yes, I am.

11 Q. Can you recall what the provision was regarding
12 the plugging of the wells, the deadline and the
13 conditions?

14 A. The order gave Yeso until March 15, 2010 to
15 either plug the wells or transfer those wells to an
16 unaffiliated operator.

17 Q. Did the OCD receive any inquiries regarding well
18 transfers of the federal wells that Yeso operates?

19 A. Yes, we did get one from COG originally on the
20 Dow 28 well.

21 Q. And that was just an inquiry as to acquiring a
22 well?

23 A. Yes.

24 Q. They have not actually filed any application to
25 become operator of record of that well?

1 A. No, they have not.

2 Q. Did you receive any contact from Chica Energy?

3 A. Yes, we did. Chica was going to be a startup
4 company. As a startup company, we now require these
5 operators to sit down with us, myself, or Mikal Altomare,
6 or one of the attorneys on staff, and go through a list of
7 issues that we've had with new operators in the past.

8 And it's kind of an orientation for that
9 operator to let them know what to avoid to keep them out
10 of trouble once they do become an operator in the state.

11 Q. And did you go through that process with Chica
12 Energy?

13 A. Yes, we did.

14 Q. Who was representing Chica at the time?

15 A. Julie Hodges.

16 Q. And what is her connection with Chica?

17 A. She, from my understanding, was co-owner of
18 Chica Energy.

19 Q. After that orientation process, was Chica
20 registered as an operator in New Mexico?

21 A. I believe they were.

22 Q. And what time period was this?

23 A. I'm thinking February, March, somewhere in
24 there. Or late March. I don't know the exact date for
25 sure anymore. We've done so many of these that I can't

1 really pin it down, I'd have to look it up.

2 Q. But it was this year?

3 A. It was this year, yes.

4 Q. After the orientation -- well, during
5 orientation, did Chica Energy express any interest
6 acquiring the Yeso wells?

7 A. Yes, they did.

8 Q. And what happened regarding the Yeso wells?

9 A. Well, one of the things that we do is to ensure
10 that a new operator isn't affiliated with an old company
11 that may have had compliance issues that we would need to
12 address.

13 We were assured by Chica that they were not
14 affiliated with anyone, that they were a brand new startup
15 company and it was going to be a new business for them.

16 Q. On the basis of that representation, you went
17 ahead and registered them as an operator?

18 A. Yes, we did.

19 Q. Had you known that Chica -- if at that time you
20 had information to believe that Chica was connected to a
21 company that was deeply out of compliance with OCD rules,
22 you would have had the ability to deny registration to
23 Chica; is that right?

24 A. Yes.

25 Q. But based on the representation that they were

1 not associated with a company that was out of compliance,
2 you went ahead and registered them as an operator?

3 A. That's correct.

4 Q. Did you find out anything after that that caused
5 you to question whether they were connected to an operator
6 out of compliance?

7 A. Yes, we did.

8 Q. And what was that?

9 A. The district supervisor out of Artesia seemed to
10 recognize the name or the names of the Chica operators and
11 he looked into it on Facebook -- the Roswell Facebook, I
12 guess. I'm not familiar with Facebook. So. But he was.
13 And he got into it and realized that Julie Hodges is the
14 daughter of Gene Lee of Yeso.

15 We also had our attorney Mikal Altomare look up
16 a few things, addresses and phone numbers, which all kind
17 of went together in terms of tying Yeso to Chica Energy.

18 So we did confront Julie Hodges with that and
19 she vehemently denied even knowing who Gene Lee was or
20 anything about Yeso. The address that was given for their
21 office is the nextdoor neighbor of Gene Lee, and the
22 business of the husband who is the other owner of Chica
23 was listed as the -- I can't remember if it was the same
24 address as Gene Lee's new business or right next door to
25 Gene Lee's business. But we did tie it together.

1 And when we told Chica that we thought we were
2 pretty sure that they were connected, we told them that if
3 they wanted to continue with trying to get those wells,
4 they would have to enter into an agreed compliance order
5 with us to make sure that those wells were put back in
6 production. The last known production of these wells was
7 back in 2006.

8 Q. Now, this requirement of an agreed compliance
9 order, you would require that of any operator taking over
10 these wells; is that true?

11 A. Yes.

12 Q. Not just --

13 A. Not just Chica, it would have been anyone
14 wanting to come in and take over wells that had been
15 inactive for that period of time.

16 Q. Now, you said Ms. Hodges denies having any
17 connection to Yeso; is that right?

18 A. Yes.

19 Q. But after that conversation, did she attempt to
20 provide any information to show that she wasn't connected
21 to them?

22 A. We never heard from her again other than just
23 recently.

24 Q. So she didn't pursue becoming the operator of
25 record after that conversation?

1 A. No. As a matter of fact, a few weeks ago, she
2 asked that her bond be pulled, and we did release the
3 bond.

4 Q. Okay. Let me back up just a little bit and ask
5 you, when she initially expressed interest in acquiring
6 the Yeso wells, was she asking to acquire all of them, or
7 just some of them?

8 A. All of them.

9 Q. And those Yeso wells included both federal wells
10 and some state or fee wells?

11 A. Yes. I believe it was three state or fee wells.

12 Q. So there would have been bonding involved for
13 those wells?

14 A. Yes.

15 Q. Did she later indicate that -- And she posted
16 some bonds?

17 A. She did post the blanket bond, and at that time
18 she was told, I believe by Mr. Brooks and Dorothy Philips,
19 that they would also require single well bonds on the
20 three fee wells.

21 Q. Okay. At some point, did she narrow her request
22 to just those wells that did not require bonding?

23 A. According to this, the e-mail, what they're
24 asking for now is just federal wells. So they did pull
25 their bond.

1 But there was a letter that was written to
2 Dorothy Philips. This is dated March 22, 2010. And this
3 is from Julie Hodges. It says, "I received your letter
4 dated March 22 --" Excuse me. I do not see a date on
5 this. But she's talking about a letter she received from
6 Dorothy on March 22, 2010, returning the additional bonds
7 and assignment of cash collateral.

8 "We considered the offer submitted
9 to Yeso Energy, Inc. and have declined to
10 purchase the wells that need the additional
11 bonding.

12 "Please disregard the need for the
13 additional bonding, and I would like to
14 change the well list previously submitted
15 on the permit to change operator.

16 "Can you please void the change of
17 operator form submitted and certified by
18 Yeso Energy and Chica Energy? I will
19 submit a new change of operator form online
20 and request the wells that do not need
21 additional bonding."

22 Q. So Ms. Hodges had applied to become operator of
23 record for all of the Yeso wells, but with this letter,
24 she was withdrawing that particular application?

25 A. Yes.

1 Q. And she was indicating that she would apply in
2 the future for just those wells that didn't require the
3 bonding?

4 A. Yes.

5 Q. Did she apply for those?

6 A. As of this morning, no. We do not have any
7 record of her requesting change of operatorship on those
8 wells.

9 Q. So the one change of operator request that we
10 have was cancelled at Ms. Hodges' request?

11 A. Yes.

12 Q. And did you speak to Dorothy Philips this
13 morning to see what the status was on any request for just
14 the wells that did not require bonding?

15 A. Yes.

16 Q. And did she show you that there was a draft
17 permit status for just the federal wells?

18 A. Yes, I believe she did show me that.

19 Q. But that draft says it would require approval of
20 Yeso, as well as Chica, before it would come to Dorothy
21 for approval?

22 A. Yes.

23 Q. So the OCD has nothing before it to approve as
24 far as a request for transferring the wells to Chica?

25 A. As of this morning, no.

1 MS. MACQUESTEN: I think that's all I have at
2 this point.

3 CROSS-EXAMINATION

4 BY MR. HALL:

5 Q. Mr. Sanchez, Ms. MacQuesten asked you about some
6 of these orders that the Division has entered against
7 Yeso. One of them, Order No. R-12930, which I think was
8 the first Examiner order, I want to read to you one of the
9 findings in there and ask you about it. It is Finding
10 Paragraph 4E.

11 MR. HALL: And this is in Exhibit 4,
12 Mr. Examiner, the top order.

13 Q. The Finding on 4E says,
14 "The Division notified Yeso by
15 letter dated November 20, 2006 that its
16 authority to transport from or inject into
17 its wells was terminated effective immediately."
18 Close quote. You further notified Yeso that it
19 had also failed to file acceptable C-115s for the months
20 of June, July and August 2006. Yeso received this letter
21 and acknowledged this much by e-mail to the Division on
22 November 27, 2006.

23 Is that November 20, 2006 letter terminating
24 transporting authority, would that come from you in the
25 ordinary course of things?

1 A. I can't remember if I signed that one or not.

2 Q. All right, you don't remember. Do you know if
3 Yeso's authority to transport or inject has ever been
4 reinstated by the Division for any of the wells?

5 A. That, I don't remember. I do not think so, but
6 I'd have to check. I do know that the last C-115 that was
7 accepted was back in 2007.

8 Q. All right. The more recent orders, the last
9 order, R-12930B, those orders contain both findings in the
10 critical provisions that Yeso was to plug and abandon the
11 wells?

12 A. Yes.

13 Q. Including the Dow "B" 28 well?

14 A. Yes.

15 Q. By March 15, 2010?

16 A. That's correct.

17 Q. And if it did not do so, it was to transfer the
18 wells?

19 A. During that same time frame.

20 Q. Right. And neither of those acts has happened?

21 A. No.

22 Q. And the orders don't provide for any alternative
23 remedy except plugging by the Division; is that correct?

24 A. That is my understanding, yes.

25 Q. Okay. No further questions.

1 MR. BRUCE: I don't think I have any questions
2 for Mr. Sanchez.

3 MR. BROOKS: Once again, I think I know the
4 answer to this based on some conversations I've had with
5 Ed Martin, but is it true the Division has not taken any
6 action toward plugging these wells at this point?

7 THE WITNESS: Yes. Once we heard from COG that
8 they were interested in one of the wells, we did hold off
9 on that. And once we heard that Chica was interested in
10 them, we decided to hold off entirely on them. There are
11 two Yeso wells that had been plugged by the State, but of
12 course not the one in question.

13 MR. BROOKS: All right.

14 HEARING EXAMINER: So the two that were plugged
15 and then the one that we're talking about here today,
16 those are the only three state wells?

17 THE WITNESS: The one we're talking about today
18 is a federal well.

19 HEARING EXAMINER: I don't have any further
20 questions. I don't see a need to call Jane.

21 MR. BROOKS: Nor do I.

22 MS. MACQUESTEN: Mr. Examiner, if I could ask a
23 follow-up question on the issue of the OCD's intent
24 regarding plugging?

25 HEARING EXAMINER: Okay.

REDIRECT EXAMINATION

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

BY MS. MACQUESTEN:

Q. I understand that you've testified that the OCD has voluntarily suspended its actions to plug these wells until this matter gets resolved?

A. Yes.

Q. You heard Mr. Robertson's testimony that they would ask that plugging of this particular well be suspended while they act to obtain authority to inject and become operator of record. What is your position on the amount of time you would be willing to suspend the plugging activity on this well to get this matter resolved?

A. I think Mr. Robertson's estimate of six months is more than reasonable. And I would not be adverse to extending that if it looked like they were working towards a resolution to that as well and it was going to take a little bit more time.

Q. Would you want some end date at which point you would say the State now has the authority to plug the well?

A. Given some kind of extenuating circumstances beyond the six months, I would say the six months would be adequate.

Q. How long has the State been seeking compliance

1 on these Yeso wells?

2 A. Close to five years, probably, if not longer.

3 Q. That's all. Thank you.

4 MR. BROOKS: Well, in testifying as to what the
5 Division would be willing to do, you're not -- Well,
6 I'm -- I shouldn't assume that. Are you waiving any
7 objection you have, jurisdictional objection you have to a
8 hearing order being entered? Because it's my
9 understanding based on Ms. MacQuesten's previous
10 examination of a witness.

11 It seems to me there's a good basis for a
12 jurisdictional objection to any kind of order being
13 entered on what the Division can and can't do about
14 plugging these wells in this case. Do you mean to be
15 waiving any such objection, or are you just telling us
16 what you would be willing to do as a matter of your
17 discretion?

18 THE WITNESS: As a matter of my discretion and
19 based solely on this one well.

20 MR. BROOKS: Yeah. Thank you.

21 HEARING EXAMINER: Thank you. I don't believe
22 we that we need to call your next witness.

23 MS. MACQUESTEN: All right.

24 HEARING EXAMINER: Mr. Hall, you had mentioned
25 earlier that you had a closing argument.

1 MR. HALL: I do have some comments,
2 Mr. Examiner. I'm aware of another similar application
3 that may have come before the Division's Examiners, and
4 neither do the Division's rules, particularly the
5 compliance rules, provide a clear path for a request for a
6 relief like this.

7 Although, in my view, I think the Division does
8 have the authority to grant the relief that COG is
9 requesting. And I'll give you a recitation of where I
10 think that authority may be.

11 I think if you look to the generalized authority
12 under Section 20-2-11 of the Oil and Gas Act, and then to
13 its plugging authority generally under Section 70-2-12 B
14 18, and 70-2-38, and then in the Division rules, the
15 compliance rules at Part 15, specifically 19.15.5.10 B 4
16 and B 5, the Division also has clear authority to deny
17 APDs under 19.15.14.10, and then terminate allowables for
18 authorizations to inject under 19.15.16.19 B..

19 And I think that was, in fact, done and is
20 referenced in Order R-12930 at Finding 4E; that was done
21 on November 20, 2006, as I understand it.

22 And then also, the Division has a rule that
23 provides for stays in order to prevent waste and gross
24 negative consequences in appropriate circumstances. And
25 that rule is Rule 19.15.4.23, specifically as to the

1 relief that COG is requesting here. Hence, there is no
2 clear process.

3 We are asking for the Division to simply put the
4 brakes on plugging of the wells imminent, and by doing
5 that, not otherwise upsetting the existing orders.

6 We hope to allow COG sufficient time to obtain
7 the requisite permits from BLM and make a C-108
8 application to the Division under Part 26, and at that
9 time, COG would seek to register the well under its name
10 and OGRID number and under the new well name.

11 My reading of the injection rules in the C-108
12 applications, those may be made only by the operator. So
13 I think that would have to be a simultaneous process.

14 In addition, we're asking that the Division
15 terminate the authority of Yeso Energy to act as operator
16 of the Dow "B" 28 Federal No. 1 under any of the
17 Division's rules, regulations, or permits, terminate the
18 spacing unit applications to the well simply because the
19 Division's regulatory records should be clear on that
20 particular account.

21 COG is not asking for the amendment of the
22 modification of Orders R-12930A or B. Any order entered
23 in this case should further provide that Yeso is relieved
24 of no liabilities or responsibility under those standing
25 orders.

1 COG is not asking for transfer of title to the
2 well or other property rights. The Division's provenance
3 is not titular, it's simply regulatory, and that's what
4 this application is driving at. Bearing in mind that the
5 Division has already made numerous findings that the well
6 is abandoned. The Division has informed us that its
7 preference is for COG to become a party to a new
8 compliance order covering the well.

9 The terms of such a compliance order have not
10 yet been specified or agreed to. COG is agreeable to the
11 concept and will negotiate those terms with Division's
12 counsel.

13 I think all of this process together is
14 consistent with the goals of the existing orders providing
15 for the transfer of the wells to a new operator, competent
16 and qualified operator, rather than the alternative,
17 plugging the well. We think the savings to the State of
18 New Mexico will result in -- well, can be put to good use.

19 That concludes my comments, Mr. Examiner.

20 HEARING EXAMINER: Thank you. Any other closing
21 comments?

22 MR. BRUCE: Mr. Examiner, as you know, I'm late
23 to this case. I found out about it yesterday about 3:00
24 p.m. Here I am. I understand that Mr. Phil Brewer, who
25 is the usual attorney for Yeso Energy, requested a

1 continuance which was denied.

2 I would renew that request since I see issues
3 regarding the change of operator and issues based on COG's
4 testimony.

5 Those include -- First of all, Yeso Energy is a
6 working interest owner and operator on the Dow "B" Federal
7 lease. As such, it has the prior right to use its
8 wellbore.

9 And I didn't have time to dig it up, but there's
10 an IBLA case on that issue. I think it's a Penrack Oil
11 Corporation case. So I don't think that COG just has the
12 authority to come to the Division and get a change of
13 operator, and that's it. It has to go to the BLM.

14 COG couldn't buy the well, so it's in essence,
15 seeking to condemn the well, as I understand it, without
16 payment to Yeso. That's another issue.

17 And the third one is, if the BLM has indeed
18 approved a new operator for the well, then COG must appeal
19 that decision up to the BLM state director, and then on up
20 to the IBLA. I don't think you can just obtain -- Since
21 this is a federal lease, I think it has to go through the
22 BLM and on up that road.

23 As a result, I ask at least for a two week
24 continuance so that these issues can be addressed in more
25 detail since I just found out about those today. And I

1 will be submitting that IBLA decision to the Division and
2 to counsel of record later today.

3 HEARING EXAMINER: Ms. MacQuesten, did you have
4 anything to add?

5 MS. MACQUESTEN: Yes, thank you. Mr. Examiners,
6 the OCD doesn't oppose working with either party to find a
7 resolution that would allow this well to be used rather
8 than plugged.

9 And I think that's quite evident from
10 Mr. Sanchez' testimony that we suspended all actions to
11 get this well plugged once we understood that COG was
12 interested, and also suspended the actions on the wells
13 that Chica Energy expressed interest in..

14 And they're right now in a holding pattern, and
15 we're willing to stay in that holding pattern until we get
16 this resolved. At some point, however, we would like to
17 be able to proceed if it is our -- if things don't work
18 out. But we're quite happy to hold until we can get this
19 resolved, so that's not really an issue.

20 What we see as the real practical problem in
21 this case is that COG wants to become operator of record
22 in the well, and our process requires the current operator
23 to approve the transfer and the current operator is not
24 willing to approve that transfer. Yeso does not want to
25 transfer the well to COG.

1 So COG's path forward, which involves becoming
2 operator of record, is going to hit a snag when they try
3 to file and become operator of record if Yeso doesn't
4 approve it.

5 We take no position on the relative rights of
6 the parties in this action, but if the Examiners determine
7 that COG has the right to become operator of record, we
8 would ask that something be put into the order to that
9 effect so that we know we can affect that change without
10 Yeso's approval.

11 Because right now, that would be the stumbling
12 block that we would face if we got an application from
13 COG. Thank you.

14 HEARING EXAMINER: Thank you.

15 MR. BROOKS: Well, Mr. Examiner, it looks to me
16 like this case is -- First of all, I would say that
17 Ms. MacQuesten has made one point that I think is
18 absolutely valid, that neither the application nor the --
19 and clearly not the notice -- indicate that this is a
20 proceeding to require the Division to refrain from
21 exercising the plugging authority granted to it by
22 previous orders. And consequently, I think there's
23 jurisdictional objection to doing that.

24 So far as the other related -- I understand your
25 gripe, Mr. Hall. You're not asking that COG at this time

1 be named operator of the wells, simply that Yeso be struck
2 as operator of the well which would leave no operator. Is
3 that the way you see it?

4 MR. HALL: Well, that's right. COG intends to
5 become operator of the well. But the Division has asked
6 that we enter into a compliance order, which we're willing
7 to do, but we don't know the terms yet, the conditions.
8 And until that's done, we don't feel like we can take
9 on --

10 MR. BROOKS: Well, additionally, would you agree
11 with me that there would be no basis for naming COG as
12 operator of the well unless and until the BLM grants the
13 easement that's been applied for?

14 MR. HALL: I think that's probably correct.

15 MR. BROOKS: Okay, I think you have two
16 alternatives, Mr. Examiner. You can take the case under
17 advisement just to determine whether we should strike Yeso
18 as the operator, if indeed we have the authority to do
19 that on this record, or we could continue the case with
20 the view that it would be presented at such time as the
21 BLM has granted, if they do, COG's request and nomination
22 for an easement to use this well.

23 In the meantime, the Division can suspend the
24 plugging or go forward with it as the Division sees fit.

25 HEARING EXAMINER: Well, I did hear Daniel say

1 that the Division is willing to suspend the --

2 MR. BROOKS: He did indicate that they were
3 willing to suspend the plugging. I continue to believe we
4 don't have the jurisdiction to order it in this case since
5 there was no -- Well, we could if the Division consented
6 to it, but I don't think otherwise, because it's not in
7 the application of the notice.

8 HEARING EXAMINER: Okay. Let's take a ten
9 minute break. I need to speak with Mr. Brooks.

10 (Note: A break was taken.)

11 HEARING EXAMINER: Okay, we'll go back on the
12 record then. If there are no more comments dealing with
13 Case No. 14772, we will take the case under advisement.

14 (Whereupon, the proceedings concluded.)

15
16
17
18
19
20
21
22
23
24
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
Oil Conservation Division

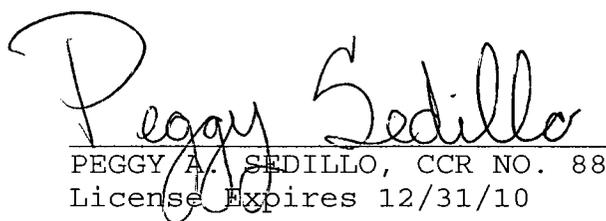
1 STATE OF NEW MEXICO)
) ss.
2 COUNTY OF BERNALILLO)

3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 21st day of May, 2010.


PEGGY A. SEDILLO, CCR NO. 88
License Expires 12/31/10