

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. 12,377
)
APPLICATION OF CONCHO RESOURCES, INC.,)
FOR COMPULSORY POOLING, EDDY COUNTY,)
NEW MEXICO) ORIGINAL
)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

June 29th, 2000

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, June 29th, 2000, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

00 JUL 13 AM 4:59
OIL CONSERVATION DIV.

I N D E X

June 29th, 2000
Examiner Hearing
CASE NO. 12,377

	PAGE
EXHIBITS	3
APPEARANCES	3
APPLICANT'S WITNESSES:	
<u>MICHAEL M. GRAY</u> (Landman)	
Direct Examination by Mr. Kellahin	4
Examination by Examiner Stogner	16
<u>JAMES TURBYFILL</u> (Geologist)	
Direct Examination by Mr. Kellahin	18
Examination by Examiner Stogner	24
REPORTER'S CERTIFICATE	27

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	5	16
Exhibit 2	6	16
Exhibit 3	7	16
Exhibit 4	9	16
Exhibit 5	9	16
Exhibit 6	9	16
Exhibit 7	9	16
Exhibit 8	10	16
Exhibit 9	11	16
Exhibit 10	12	16
Exhibit 11	14	16
Exhibit 12	19	24
Exhibit 13	22	24
Exhibit 14	21	24
Exhibit 15	25	26

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A P P E A R A N C E S

FOR THE APPLICANT:

KELLAHIN & KELLAHIN
 117 N. Guadalupe
 P.O. Box 2265
 Santa Fe, New Mexico 87504-2265
 By: W. THOMAS KELLAHIN

* * *

1 WHEREUPON, the following proceedings were had at
2 12:30 p.m.:

3 EXAMINER STOGNER: And call next case, Number
4 12,377, which is the Application of Concho Resources, Inc.,
5 for compulsory pooling, Eddy County, New Mexico.

6 At this time I'll call for appearances.

7 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
8 the Santa Fe law firm of Kellahin and Kellahin, appearing
9 on behalf of the Applicant. I have two witnesses to be
10 sworn.

11 EXAMINER STOGNER: Any other appearances?
12 Would the witnesses please stand to be sworn?

13 (Thereupon, the witnesses were sworn.)

14 MICHAEL M. GRAY,
15 the witness herein, after having been first duly sworn upon
16 his oath, was examined and testified as follows:

17 DIRECT EXAMINATION

18 BY MR. KELLAHIN:

19 Q. Mr. Gray, would you please state your name and
20 occupation?

21 A. Michael M. Gray. I'm a senior landman with
22 Concho Resources, Inc., in Midland, Texas.

23 Q. As part of your duties for your company, have you
24 become knowledgeable about the ownership in the south half
25 of Section 10, which is the subject of this pooling

1 Application?

2 A. Yes, sir.

3 Q. With regards to that knowledge, were you also the
4 landman responsible for contacting the various working
5 interest owners and proposing this well to them?

6 A. Yes.

7 MR. KELLAHIN: We tender Mr. Gray as an expert
8 petroleum landman.

9 EXAMINER STOGNER: Mr. Gray is so qualified.

10 Q. (By Mr. Kellahin) Mr. Gray, let's start with the
11 plat first. Would you take a moment and identify what
12 we're looking at?

13 A. This is a locator plat identifying the south half
14 of Section 10, Township 17 South, Range 27 East, in Eddy
15 County, New Mexico, with the proposed location depicted in
16 Unit P of that section.

17 Q. All right, sir. To the best of your knowledge,
18 this is a well at a standard location for the deep gas?

19 A. Yes.

20 Q. The plan is to have a force-pooling order issued
21 for all formations below the top of the Wolfcamp for 320
22 spacing?

23 A. Yes.

24 Q. And the dedication, then, would be the south half
25 of the section?

1 A. Yes.

2 Q. In the event there is shallow gas production, are
3 you asking that the Division issue an order pooling the
4 southeast quarter?

5 A. Yes, sir.

6 Q. All right. Let's turn, then, to Exhibit 2 and
7 look how the leases are configured in Section 10. If we
8 look at just the south half, how is that south half
9 subdivided?

10 A. It's subdivided into two leases, being the north
11 half of the south half and the south half of the south
12 half.

13 Q. All right. In the south half of the south half,
14 who controls that?

15 A. Concho Resources, Inc., owns 100 percent of that
16 acreage.

17 Q. All right. At the time you proposed this well to
18 the interest owners, which is February 24th of this year,
19 what was the ownership configuration, to the best of your
20 knowledge, for the north half of the spacing unit?

21 A. The north half of the spacing unit was owned by
22 Southwestern Energy Production Company; OXY USA; Chi
23 Energy, Inc.; Yates Petroleum Company; Abo Petroleum
24 Company; Myco Industries, Inc.; and Yates Drilling Company.

25 Q. How did that come to happen that way?

1 A. All of the parties, other than Southwestern, had
2 acquired an interest in that tract via a term assignment
3 from Southwestern.

4 Q. All right. So Southwestern had the lease --

5 A. Yes.

6 Q. -- and then by a term assignment had assigned
7 portions of it to these other entities?

8 A. Yes.

9 Q. When we look at the percentages associated with
10 the names, are those percentages their interest within the
11 north half of the south half, or have they been calculated
12 to show their percentage interest in this proposed spacing
13 unit?

14 A. The interest in the north half, as depicted on
15 Exhibit 2, are the proportionate spacing unit interests of
16 these parties at the time the well was proposed.

17 Q. All right. So Southwestern, for example, has 50
18 percent of the north half of the spacing unit, and their
19 proportionate share of the spacing unit, then, is 25?

20 A. That's correct.

21 Q. And the math works for the rest of them?

22 A. Yes, sir.

23 Q. All right. Let's turn to the proposal letter.
24 We'll use one as an example. It's marked as Exhibit 3.
25 This is your letter to Southwestern?

1 A. Yes, sir.

2 Q. All right. February 24th is the first proposal
3 that you make to the interest owners?

4 A. Yes.

5 Q. And at this point in time, your knowledge is, the
6 term assignment is in effect?

7 A. Yes.

8 Q. So do you propose it to Southwestern and all
9 these other entities?

10 A. Yes.

11 Q. What happens?

12 A. Of the entities that we proposed the well to, we
13 received positive responses to join in our well from Yates
14 Petroleum Corporation and the other Yates-affiliated
15 companies, and OXY USA, Inc.

16 Southwestern Energy Production Company indicated
17 a desire not to participate in the well, as did Chi Energy,
18 Inc.

19 Q. All right, so Southwestern and Chi are standing
20 out?

21 A. Yes.

22 Q. All the rest, pursuant to this letter, returned
23 to you proposed AFEs that they have executed?

24 A. Yates and OXY both executed AFEs, and Yates
25 executed the joint operating agreement.

1 Q. All right. Let's turn now and have you identify
2 for the record Exhibit 4, 5 and 6. What are those?

3 A. Exhibit 4 is our proposal letter, dated February
4 24th, to Yates Petroleum Corporation and its affiliates.

5 Exhibit Number 5 is our proposal letter to OXY
6 USA, Inc.

7 And Exhibit 6 is our proposal letter to Chi
8 Energy, Inc.

9 Q. All right, so everybody's got the same letter,
10 all sent on February 24th?

11 A. Yes.

12 Q. All right, let's move to Exhibit 7, which is the
13 operating agreement. What is the purpose of introducing
14 this document?

15 A. The operating agreement is introduced as it was
16 an attachment to the proposal letter of February 24th,
17 which was sent to all of the owners in the north half of
18 the south half of Section 10.

19 Q. All right, so all these owners have this proposed
20 operating agreement?

21 A. Yes.

22 Q. And the opportunity to review that along with the
23 AFE and consider the proposal?

24 A. Yes.

25 Q. All right. Did any of the parties contacted

1 object to you about your proposed overhead rates --

2 A. No.

3 Q. -- under the operating agreement?

4 What are the rates that you're proposing?

5 A. The proposed overhead rates on the COPAS form of
6 this operating agreement are \$5400 per month for a drilling
7 well and \$540 per month for a producing well.

8 Q. Are those the rates you're asking the Division to
9 adopt in issuing a compulsory pooling order in this case?

10 A. Yes.

11 Q. Now, there is an escalation procedure in COPAS
12 that will escalate those rates, true?

13 A. That's correct.

14 Q. And you're asking the Division to apply similar
15 escalation language within the content of the pooling
16 order?

17 A. Yes, sir.

18 Q. All right, turn to Exhibit 8 with me and tell me
19 what this is.

20 A. Exhibit 8 is a copy of the authority for
21 expenditure and the operating agreement pages, which have
22 been executed by Yates Petroleum Corporation and their
23 affiliates.

24 Q. All right, this is confirmation that at least the
25 Yates entities are voluntarily agreeing to participate?

1 A. Yes.

2 Q. Okay, identify and describe what Exhibit 9 is.

3 A. Exhibit 9 is two letters, the first dated April
4 17, 2000, which responds to a proposal by Southwestern
5 Energy Production Company, which is also attached. The
6 Southwestern Energy Production Company proposal dated April
7 6, 2000, offering to sell us a one-year term assignment of
8 their interest in the north half of the south half of
9 Section 10, at a cost that calculates to \$350 per acre,
10 delivering a 75-percent net revenue interest.

11 Our responding letter of April 17 reiterated a
12 verbal offer I had made to Southwestern Energy of \$200 per
13 net acre, and the delivery to Concho of a 78-percent net-
14 revenue interest.

15 Q. As of today's hearing, Mr. Gray, have you been
16 able to reach a voluntary agreement with Southwestern
17 Energy?

18 A. No, sir.

19 Q. What's taken so long between the proposal in
20 February to today in going through the process of trying to
21 get the voluntary commitment of the interest owners?

22 A. Well, referring back to Exhibit 9, the letter is
23 dated April 6th, and the response of April 17. Shortly
24 thereafter, on May 1, 2000, we were given a copy of a
25 letter between Southwestern Energy and OXY USA, Inc.,

1 whereby those two parties had agreed to enter into farmout
2 agreements with one another, including this acreage, upon
3 approval of the former farmout agreement.

4 Q. All right, let's go back.

5 A. Okay, all right.

6 Q. Prior to the Exhibit 10 letter, Southwestern has
7 its interest?

8 A. Yes.

9 Q. The others have their interest pursuant to a term
10 assignment, right?

11 A. That's correct.

12 Q. When did the term assignment expire?

13 A. The term assignment did not expire until June
14 15th of 2000.

15 Q. Up until that time, it was your hope to have a
16 commitment by all the interest owners, including
17 Southwestern?

18 A. Yes.

19 Q. But by then you could not get Southwestern to
20 agree, right? They haven't agreed with you yet?

21 A. Are you talking about June 15th?

22 Q. Yeah.

23 A. Yes.

24 Q. All right. In May, Southwestern and OXY are
25 talking about, in effect, replacing the term assignment

1 with a farmout agreement, right?

2 A. That's correct.

3 Q. To your knowledge, was that farmout agreement
4 ever executed?

5 A. No, sir.

6 Q. So at this date, what parties are you seeking a
7 pooling order against?

8 A. We are seeking a pooling order against
9 Southwestern Energy Production Company, who is the record
10 title owner of 100 percent of the north half of the south
11 half of Section 10, and also Chi Energy, Inc., who is
12 mentioned as a party to this May 1 agreement.

13 Q. Okay. So if Chi still can prevail on maintaining
14 some interest --

15 A. Yes.

16 Q. -- you're seeking a pooling order against them?

17 A. Yes.

18 Q. And you have sent notice to them of the pooling
19 case?

20 A. Yes.

21 Q. Same thing with Southwestern?

22 A. Yes.

23 Q. The other entities you're satisfied you can or
24 have reached a voluntary agreement, should they, in fact,
25 have an interest?

1 A. We are satisfied that Yates and OXY will
2 participate in our well should this May 1 agreement ever be
3 concluded.

4 Q. All right, sir. Now, in preparation for hearing,
5 when you were leaving yesterday, did your drilling
6 department provide you with any supplements to the AFE that
7 we have introduced before Mr. Stogner, as contained behind
8 Exhibit Number 3?

9 A. Okay, the AFE attached to Exhibit 3 --

10 Q. Yes, is what you've circulated.

11 A. -- is what we circulated, and it's the AFE in
12 hand amongst all the parties.

13 Q. When you were preparing to come to Santa Fe
14 yesterday, did your drilling department provide you a
15 supplement or an update to the AFE?

16 A. Yes, they did.

17 Q. And is that what is marked as Exhibit 11?

18 A. Yes.

19 Q. All right. Give us a short summary of what are
20 the principal changes and why.

21 A. The principal changes on the exhibit are
22 handwritten in the furthest right-hand column of the cost
23 of the items under the authority for expenditure. Since
24 the issuance the February 24 AFE, the costs to drill have
25 increased by an estimate of \$54,000 of intangible cost and

1 have actually decreased by an estimate of approximately
2 \$6000 in tangible costs.

3 Q. So the total change is 12 percent?

4 A. Yeah, the total change is 12 percent.

5 Q. Upon the issuance of a pooling order, is Exhibit
6 11 the AFE that you propose to submit to any parties
7 subject to the pooling order?

8 A. Yes.

9 Q. And when you get back to your office, you'll
10 share this with all the interest owners?

11 A. Yes.

12 Q. All right. At this point, Mr. Gray, do you
13 believe you have exhausted all good-faith efforts to reach
14 voluntary agreements with the various interest owners?

15 A. Yes.

16 Q. And is there a time component involved in having
17 this well commenced?

18 A. We have this well tentatively scheduled for about
19 30 days from now after -- We're drilling a well in the
20 vicinity of this acreage, and we have it tentatively
21 scheduled for 30 days from now.

22 MR. KELLAHIN: All right, sir.

23 That concludes my examination of Mr. Gray, Mr.
24 Stogner. We move the introduction of his Exhibits 1
25 through 11.

1 EXAMINER STOGNER: Exhibits 1 through 11 will be
2 admitted into evidence at this time.

3 EXAMINATION

4 BY EXAMINER STOGNER:

5 Q. Okay, again on Exhibit Number 2 --

6 A. Yes, sir.

7 Q. -- because I know I'm going to be asked about
8 this, this record title prior to 6-15 and after 6-15, where
9 does that come from and how does that affect -- Because
10 today's the 29th.

11 A. The north half -- When the original well proposal
12 was made, there was a term assignment in effect between
13 Southwestern Energy and all of the other parties listed in
14 the top exhibit on Exhibit 2, which had a termination date
15 of June 15, 2000.

16 Some of those parties, notably OXY and Yates
17 Petroleum, et al., had agreed to our well proposal and
18 executed, in one case, an operating agreement and AFE and
19 in one case an AFE.

20 Southwestern had indicated a desire not to
21 participate in the well, had we failed in negotiations to
22 acquire their interest.

23 And on May 1st, prior to the expiration of the
24 term assignment, Southwestern entered into an agreement
25 with OXY to farm out their interest in this acreage

1 pursuant to coming to an agreement as to particular farmout
2 terms.

3 Q. Okay, because the term assignment was in effect
4 when the offer was made, then these are the percentages
5 that we're looking at today, that is shown in the prior
6 title?

7 A. The prior title -- those are the percentage --
8 Yes, sir, those are the percentages of the prior title when
9 the initial AFE was sent out. Today the record title is
10 owned, as is shown on the bottom of the page, with
11 Southwestern Energy Production Company owning 100 percent
12 of the north half of the south half of Section 10.

13 Q. Okay. So if you would have proposed this today,
14 this would have been what you were looking at?

15 A. Yes, sir, with the exception of -- we do have
16 knowledge of the May 1 letter. But it's our opinion that
17 that's not an enforceable contract.

18 Q. Okay, I was looking at, in the COPAS -- that's
19 your Exhibit C, which is a part of Exhibit Number 7?

20 A. Yes, sir.

21 Q. Where are the overhead charges mentioned in here?
22 Oh, there they are on page 4.

23 A. Yes, sir.

24 Q. I've been looking for them. Okay, that's what
25 you're requesting today --

1 A. Yes.

2 Q. -- be included in the force-pooling order to be
3 issued?

4 EXAMINER STOGNER: I don't have any other
5 questions of this witness. You may be excused, Mr. Gray.

6 THE WITNESS: Thank you.

7 EXAMINER STOGNER: Mr. Kellahin?

8 MR. KELLAHIN: Mr. Examiner, our next witness is
9 James Turbyfill. He is a petroleum geologist with Concho.
10 He spells his last name T-u-r-b-y-f-i-l --

11 MR. TURBYFILL: -- -l. Two l's.

12 MR. KELLAHIN: Two l's.

13 JAMES TURBYFILL,

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

16 DIRECT EXAMINATION

17 BY MR. KELLAHIN:

18 Q. All right, sir, would you please state your name
19 and occupation?

20 A. I'm James Turbyfill. I'm a petroleum geologist
21 with Concho Resources.

22 Q. Mr. Turbyfill, on prior occasions have you
23 testified as a geologist before the Division?

24 A. No, I have not.

25 Q. Summarize for us your education.

1 A. I graduated from Western Carolina University in
2 1973 and have been working as a geologist ever since. I've
3 been with Concho for two and a half years, ever since they
4 started.

5 Q. As part of your employment with Concho, does this
6 geologic analysis we're about to look at represent your
7 project?

8 A. Yes, that's correct.

9 Q. This is your proposal to your management for
10 drilling this well?

11 A. Yes.

12 Q. As part of your studies, have you reached a
13 geologic opinion concerning an appropriate level of risk to
14 assign to this well for issuance of a pooling order?

15 A. Yes, I have.

16 MR. KELLAHIN: Mr. Examiner, we tender Mr.
17 Turbyfill as an expert geologist.

18 EXAMINER STOGNER: Mr. Turbyfill is so qualified.

19 Q. (By Mr. Kellahin) Let's take a moment and have
20 you turn your attention to Exhibit Number 12 and identify
21 this for us.

22 A. Okay, this is a production map of the area
23 surrounding the proposed well.

24 Q. When we look at the color code, describe for us
25 what you have intended to depict by the various colors.

1 A. Okay, I've colored the different producing zones
2 in different colors. The Yates-Seven Rivers I colored
3 blue; they're down in Section 14. The Grayburg-San Andres
4 is colored green, and they're primarily up in Section 3.
5 And the Morrow producers are colored in red.

6 And I also indicated the Morrow tests by coloring
7 those wells -- the Morrow tests that were dry holes, by
8 coloring them black.

9 Q. Okay. When you look at your best opportunities
10 to produce hydrocarbons at this location, what formation or
11 formations are your major focus?

12 A. In this general area, about the only commercial
13 producing zone is the Morrow.

14 Q. In the unlikely event, then, that you have
15 shallow gas production -- for which you would dedicate the
16 southeast quarter of 10? --

17 A. Yes, that's correct.

18 Q. -- where would that production possibly be?

19 A. To the southeast of the proposed location in
20 Section 14, there is a Grayburg gas well in the Empire
21 field.

22 Q. So that might be a potential source of shallow
23 gas production?

24 A. That's correct.

25 Q. Anything other than the Morrow, though, has not

1 been mapped by you?

2 A. No, it has not.

3 Q. Because it --

4 A. It looks extremely risky. There's several dry
5 holes for shallow production surrounding the proposed
6 location, and the production does not appear to be
7 commercial.

8 Q. All right, sir. So your best opportunity is this
9 Morrow?

10 A. Yes.

11 Q. Let's take a moment and skip the isopach, and
12 let's go to 14 so that Examiner Stogner can see the
13 interval that you've mapped on the isopach.

14 A. Okay.

15 Q. Look at 14 for us, and show us the markers you're
16 using so that will have a sense of the interval being
17 mapped when we look at the isopach.

18 A. Okay, this is a stratigraphic cross-section hung
19 on the top of the Atoka, and the isopach interval will be
20 from the datum, the Atoka-Morrow, down to the Mississippian
21 unconformity. The primary pay interval is highlighted with
22 the yellow, and it's in the middle and lower Morrow.

23 Q. As you move to the west in the southwest quarter
24 of 10 in the same section, that appears to be the closest
25 Morrow penetration as we move in that direction, true?

1 A. That would be correct.

2 Q. And what was the results of that effort?

3 A. Okay, that's well number 3 on the cross-section.
4 They wound up being out of a channel system and had no
5 reservoir-quality rock in the Morrow, resulting in a dry
6 hole.

7 Q. The Division is authorized to issue a risk-factor
8 penalty which translates into allowing you to recover your
9 cost plus a maximum of 200 percent. Within the range of
10 their authority, do you have a recommendation as to what
11 risk is associated with this well?

12 A. Yes, we'd recommend the maximum penalty.

13 Q. Let's look at Exhibit 13, now, to describe the
14 reasons you have that opinion. Exhibit 13 is what?

15 A. Exhibit 13 is the Atoka-Morrow isopach map.

16 Q. The color code on the wells tell us what?

17 A. Okay, the color code colored the producing Morrow
18 wells in red and the Morrow dry holes in blue. There's 12
19 producers and eight dry holes in there.

20 Q. When you reach the opinion that 200-percent
21 penalty is appropriate, what are your reasons to support
22 that opinion?

23 A. I'd say primarily the proximity to the production
24 and being surrounded on most sides by Morrow dry holes.

25 What we've tried to do is stay in a channel

1 thick. You've got a channel running to the -- north-south
2 channel on the west side of the mapped area, one east of
3 it, and the prospective channel is actually set up by a low
4 running through Section 3 and into 10 and another low east
5 of it that runs from Section 2 down to Section 4. So what
6 we did was project that there should be a thick lying in
7 between the two.

8 Q. All right. So when I look at your location in
9 10, the red dot --

10 A. Uh-huh.

11 Q. -- that is contained within an area that is
12 shaded in yellow?

13 A. Yes, that's correct. The yellow is just a
14 highlight where the isopach thicks occur on the mapped
15 area.

16 Q. That represents what to you, sir?

17 A. To me, you need to be in an isopach thick to
18 encounter the reservoir-quality sands of the Morrow in this
19 part of the Basin.

20 Q. And when we look at the area that you've colored
21 in yellow as the area of greatest thickness, you have to go
22 all the way up into Section 4 to find a well that touches
23 the edge of that yellow area, right?

24 A. Yes, that's correct.

25 Q. Correspondingly, you have to go all the way down

1 into Section 14 in the southeast quarter --

2 A. That's right.

3 Q. -- to find a well that produced from this
4 channel?

5 A. That would be correct.

6 Q. The productive volume of the well in Section 14
7 is what? It says the Duke, 600 million. What is this?

8 A. Yeah, that well has made 339 million to date, and
9 it's currently making 600 MCF a day at the present time.

10 Q. All right.

11 A. That's the Yates Duke Fed Number 1.

12 Q. And except for those two wells, none of the other
13 wells on the nine-section display have tested this Morrow
14 channel?

15 A. That would be correct.

16 Q. And therein lies your risk?

17 A. Yes.

18 MR. KELLAHIN: Mr. Examiner, that concludes my
19 examination of Mr. Turbyfill. We move the introduction of
20 his Exhibits 12, 13 and 14.

21 EXAMINER STOGNER: Exhibits 12, 13 and 14 will be
22 admitted into evidence.

23 EXAMINATION

24 BY EXAMINER STOGNER:

25 Q. Mr. Turbyfill, in looking at Exhibit Number 13,

1 when was that OXY well drilled?

2 A. The one in Section 14?

3 Q. The one Section 10, the south half of 10, the one
4 that says "Dry Hole".

5 A. Oh, okay, the OXY Magni was drilled in October of
6 1999. And as I said before, it's on the cross-section and
7 did not encounter any reservoir-quality sand.

8 Q. Will you be going deeper than their well?

9 A. No, what we'll propose doing is drilling through
10 the Morrow, into the upper Mississippian, cut about 100
11 feet of rathole.

12 Q. Okay, so you go on in from the Morrow, into that
13 Mississippian unconformity and the Ellenburger, and the
14 Devonian is not there, right?

15 A. I would say it may be present, but it's not a
16 prospective horizon. What we're basically looking for
17 would be a structural low, actually, and the traps on the
18 other would probably be more confined to a high.

19 EXAMINER STOGNER: I don't have any other
20 questions. You may be excused.

21 Anything further, Mr. Kellahin?

22 MR. KELLAHIN: Mr. Examiner, Exhibit 15 is my
23 certificate of notification to Chi and to Southwest Energy
24 of this hearing. We would ask that you introduce or admit
25 into evidence Exhibit Number 15.

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EXAMINER STOGNER: Exhibit Number 15 will be admitted into evidence at this time.

If there's nothing further in Case Number 12,377, then this matter will be taken under advisement.

(Thereupon, these proceedings were concluded at 1:00 p.m.)

* * *

I hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 12377, heard by me on 12th July 1960.
Michael Stogner, Examiner
Oil Conservation Division

CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL July 7th, 2000.



STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 2002