

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date

MARCH 31, 1994

Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Marilyn Trimmer	Byrum Co	SF
Karen Aubrey	Law Office of Karen Aubrey	Santa Fe
Paul Cooter	Loder Law Firm	Santa Fe
William F. Carr	Campbell, Carr, Frye + Jensen	Santa Fe
Robert L. Thornton	THORNTON OPERATING CORP	MIDLAND TX
M. Kelluhin	Kelluhin + Kelluhin	Santa Fe
Patrick J. Touss	ENRON OIL & GAS Co.	Midland, TX
Gary L. Ginz	Enron Oil & Gas Co	Midland, TX.
Lundy CRATE	Enron Oil & Gas	Midland TX
Joe O'Rourke	Consultant	Albuquerque NM

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MARCH 31, 1994 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION

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

IN THE MATTER OF THE HEARING )  
CALLED BY THE OIL CONSERVATION )  
DIVISION FOR THE PURPOSE OF )  
CONSIDERING: ) CASE NO. 10934

APPLICATION OF SOUTHWEST ROYALTIES, INC.  
-----

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: Michael E. Stogner, Hearing Examiner

March 31, 1994

Santa Fe, New Mexico

This matter came on for hearing before the  
Oil Conservation Division on March 31, 1994, at  
Morgan Hall, State Land Office Building, 310 Old  
Santa Fe Trail, Santa Fe, New Mexico, before Deborah  
O'Bine, RPR, Certified Court Reporter No. 63, for the  
State of New Mexico.

**ORIGINAL**

APR 27 1994



1 EXAMINER STOGNER: Call this hearing to  
2 order, for the record, March 31, 1994, Docket No.  
3 10-94. I'm Michael E. Stogner, appointed hearing  
4 examiner for today's cases.

5 At this time, I'll call Case No. 10934,  
6 which is the application of Southwest Royalties,  
7 Inc., for compulsory pooling, Lea County, New Mexico.

8 At this time I'll call for appearances.

9 MR. COOTER: Paul Cooter with the Rodey  
10 Law Firm in Santa Fe appearing on behalf of Southwest  
11 Royalties, Inc.

12 Mr. Stogner, this case was heard by Mr.  
13 Morrow in the last examiner hearing. There was a  
14 question, one of the interests sought to be  
15 force-pooled was a possible interest of the defunct  
16 partnership. Service was made on the bankruptcy  
17 trustee and one of the partners, and because of that,  
18 the time for appearance had not expired, and so it  
19 was going to be continued today.

20 I would ask just to incorporate all of the  
21 prior transcript at this time.

22 EXAMINER STOGNER: Thank you, Mr. Cooter.

23 Does anybody have anything further in this  
24 case? At this time I'll take Case No. 10934, or the  
25 Division will, take Case 10934 under advisement.

CERTIFICATE OF REPORTER

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

I, Deborah O'Bine, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that I caused my notes to be transcribed under my personal supervision, and that the foregoing transcript is a true and accurate record of the proceedings of said hearing.

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, April 11, 1994.

*Deborah O'Bine*

DEBORAH O'BINE  
CCR No. 63



I do hereby certify that the foregoing is a correct transcript of the proceedings in the hearing of Case No. 10954 heard by me on 4/11/94.

*Michael J. ...* Examiner  
Oil Conservation Division

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MARCH 17, 1994 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Bruce Stubbs	STRATA Prod. Co.	Roswell
Kim Allison	" " "	"
Sealy Cavin	" " "	Alb.
Steve Mitchell	" " "	Roswell
William A. Jan Paul Cooter	Jan, Boyd + Shindler Roder Law Firm	Santa Fe Santa Fe
Dorey Keathley	Southwest Royalties, Inc	Midland, TX
Jon Tate	Southwest Royalties, Inc.	Midland, TX
Steve Salinas	BTA Oil Prod	Midland TX
Maurice Trimmer	Byram	SF
W. Kellin Paul Adams	Kellin & Kellin Newbourne Oil Co.	Santa Fe Midland, TX.
Jim Bruce Dave Shatzer	Hinkle Lee Firm Newbourne Oil Co.	SF Midland
Scott Hall Curt Anderson	MILLER LAW FIRM Collin & Wore Inc	SANTA FE Midland TX

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

IN THE MATTER OF THE HEARING )  
CALLED BY THE OIL CONSERVATION )  
DIVISION FOR THE PURPOSE OF )  
CONSIDERING: ) CASE NO. 10934  
APPLICATION OF SOUTHWEST ROYALTIES, INC.

REPORTER'S TRANSCRIPT OF PROCEEDINGS  
EXAMINER HEARING

BEFORE: Jim Morrow, Hearing Examiner  
March 17, 1994  
Santa Fe, New Mexico

This matter came on for hearing before the Oil  
Conservation Division on March 17, 1994, at Morgan Hall,  
State Land Office Building, 310 Old Santa Fe Trail,  
Santa Fe, New Mexico, before Diana S. Abeyta, RPR, Certified  
Court Reporter No. 168, for the State of New Mexico.

**ORIGINAL**

APR 4 1994

I N D E X

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

March 17, 1994  
Examiner Hearing  
CASE NO. 10934

PAGE

APPEARANCES

3

SOUTHWEST ROYALTIES, INC.'S WITNESSES:

JON TATE

Examination by Mr. Cooter

5

Examination by Examiner Morrow

10

DOUG KEATHLEY

Examination by Mr. Cooter

12

Examination by Examiner Morrow

17

REPORTER'S CERTIFICATE

19

E X H I B I T S

ID	ADMTD
8	9
14	17
16	17

Exhibit 1  
Exhibit 2  
Exhibit 3

A P P E A R A N C E S

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

FOR THE DIVISION:           ROBERT G. STOVALL, ESQ.  
                                   General Counsel  
                                   Oil Conservation Commission  
                                   State Land Office Building  
                                   310 Old Santa Fe Trail  
                                   Santa Fe, New Mexico 87501

FOR THE APPLICANT:         RODEY, DICKASON, SLOAN,  
                                   AKIN & ROBB, P.A.  
                                   Post Office Box 1357  
                                   Santa Fe, New Mexico 87504-1357  
                                   BY: PAUL A. COOTER, ESQ.

FOR SAMSON RESOURCES  
 COMPANY:                   MILLER, STRATVERT, TORGERSON  
                                   & SCHLENKER, P.A.  
                                   125 Lincoln #303  
                                   Santa Fe, New Mexico 87501  
                                   BY: J. SCOTT HALL, ESQ.

1 EXAMINER MORROW: We'll call the hearing to order  
2 and call case No. 10934, and call for appearances.

3 MR. COOTER: Paul Cooter with the Rodey law firm,  
4 appearing on behalf of the applicant, Southwest Royalties,  
5 Inc. We have two witnesses.

6 EXAMINER MORROW: I failed to say this is the  
7 Application of Southwest Royalties, Inc., for compulsory  
8 pooling in Lea County, New Mexico. The witnesses will  
9 please stand and be sworn.

10 MR. STOVALL: Would you like for me to swear in  
11 the witnesses?

12 EXAMINER MORROW: Please, sir.

13 (Witnesses sworn.)

14 MR. HALL: Mr. Examiner, an additional  
15 appearance, Scott Hall, from the Miller, Stratvert law firm,  
16 on behalf of Samson Resources Company.

17 EXAMINER MORROW: Before you continue, I would  
18 like to take just a short break right here and advise those  
19 who are not aware of it that this is Bob Stovall's last  
20 examiner hearing with the OCD, and we would like to take  
21 just a minute to recognize him and tell him how much we  
22 appreciate the way he's contributed to the conducting of  
23 these hearings and just let him know that he's been  
24 appreciated, and his work that he's done will help us in the  
25 future.

1 MR. STOVALL: Thank you, Jim.

2 (Thereupon, a discussion was held  
3 off the record.)

4 EXAMINER MORROW: All right, if you would like to  
5 go ahead again with case 10934, we're prepared.

6 JON TATE  
7 the witness herein, after having been first duly sworn  
8 upon his oath, was examined and testified as follows:

9 EXAMINATION

10 BY MR. COOTER:

11 Q. Would you state your name for the record please,  
12 sir.

13 A. My name is Jon Tate.

14 Q. By whom are you employed Mr. Tate?

15 A. Southwest Royalties, Inc.

16 Q. What's your position with the company?

17 A. Vice-president of land.

18 Q. Have you previously testified before this Oil  
19 Conservation Division?

20 A. Yes, sir, I have.

21 Q. Relate briefly, if you would, your education and  
22 professional experience.

23 A. I'm a graduate of Hardin-Simmons University.  
24 Entered the oil and gas business upon graduation in 1980 and  
25 have been continually engaged in the oil and gas business in

*JMM*  
*land field*

1 the ~~landfill~~ for the past 14 years.

2 Q. Are you acquainted with the 40-acre tract which  
3 is the subject matter of this application, the northeast  
4 quarter of the southwest quarter of Section 29, in 18 South,  
5 37 East?

6 A. Yes, sir, I am.

7 Q. What does Southwest Royalties seek by this  
8 application, Mr. Tate?

9 A. We seek the compulsory pooling of certain  
10 unleased mineral interests and of possibly a 35 percent  
11 leasehold interest.

12 Q. Southwest Royalties owns the full leasehold  
13 estate under that 40-acre tract with the exception of a  
14 12 1/2 percent unleased interest owned of record by Geodyne  
15 Nominee Corporation and a 0.625 percent owned by Beams  
16 Mineral Company?

17 A. Yes, sir, that's correct.

18 Q. And in addition to that, there is a possible  
19 leasehold interest of Jennings Drilling Company which is  
20 sought to be forced pool by this hearing?

21 A. Yes, that is correct.

22 MR. COOTERS: I might state for the record, at  
23 this time, that the leasehold interest of Jennings Drilling  
24 Company may or may not be there. We don't know. There is a  
25 title problem. Jennings Drilling Company was a partnership,

1 New Mexico partnership. It terminated many years ago. It's  
2 now defunct. Its general partners were Allen Atwell, Ken  
3 Jennings, and William Hollis. Atwell went through  
4 bankruptcy proceedings, and those proceedings are still  
5 going on. Years -- I think it's been some eight years that  
6 they have been going on, but a copy of the application filed  
7 in this case was forwarded to the trustee of that bankruptcy  
8 estate. So we believe that notice was properly given to  
9 them.

10 Also, notice of this hearing was given to Geodyne  
11 Nominee Corporation, which owns the 12 1/2 percent unleased  
12 interest, and I'll file an affidavit of mailing.

13 MR. STOVALL: Do you have return-receipt cards,  
14 Mr. Cooter?

15 MR. COOTER: Yes, sir. Copies are attached or I  
16 have the originals.

17 MR. STOVALL: Okay, that's fine.

18 EXAMINER MORROW: There was a 6 percent, also?  
19 Maybe you're--

20 MR. COOTER: Six-tenths of 1 percent.

21 EXAMINER MORROW: Oh, six-tenths, okay.

22 MR. COOTER: Yeah, very small interest of Beams  
23 Mineral Company.

24 Q. And let me ask you, Mr. Tate, has Southwest  
25 Royalties made tentative agreement with both Geodyne and

1 Beams?

2 A. Yes, sir, tentative agreement.

3 Q. The one with Geodyne has not been firmed?

4 A. No, it has not, sir.

5 Q. In the prehearing statement I filed yesterday, I  
6 made a misstatement that those interests had been acquired.  
7 The Geodyne interest has been discussed and they think there  
8 is an agreement, but it hasn't been firmed up, and we would  
9 ask that that be included in the forced pooling. Do you  
10 have a copy of the map?

11 A. No, sir, but I am familiar with it.

12 Q. Mr. Tate, I hand you what's been marked as  
13 Exhibit 1 and ask you to identify that.

14 A. This is a 12 inch by 12 inch copy of a Midland  
15 Map of a portion of Lea County, New Mexico, with Section 29,  
16 18 South, 37 East, basically in the center of the map.  
17 There is a 40-acre tract highlighted in yellow, which is the  
18 proposed spacing unit for our well to be drilled in 29.

19 Q. What charges does Southwest Royalties seek for  
20 its supervision -- Well, first, Southwest Royalties asked to  
21 be designated operator of the proposed well?

22 A. Yes, we do.

23 Q. What does it seek and has requested charges for  
24 supervision?

25 A. We would request a drilling well overhead rate of

1 supervision of 4,000 per month and a producing well rate of  
2 \$425 a month.

3 Q. Are those in line with the fixed rate survey  
4 compiled by Ernst & Young?

5 A. Yes, sir, they are.

6 Q. For a well in southeastern New Mexico to that  
7 depth?

8 A. Yes, sir, they are.

9 Q. What risk charge does Southwest request if the  
10 division grants the application?

11 A. We would request a maximum risk charge which, to  
12 our understanding, is 100 percent recoupment of our cost,  
13 plus 200 percent of those costs as a risk charge.

14 Q. What depth is proposed to be drilled by Southwest  
15 Royalty?

16 A. We're going to drill a San Andres wildcat, and  
17 the well will be drilled -- it's proposed at 4,900 feet or a  
18 depth sufficient to test the San Andres, which is the  
19 lesser, whichever is the lesser.

20 MR. COOTER: We would offer Exhibit 1.

21 EXAMINER MORROW: Exhibit 1 is accepted.

22 MR. COOTER: That's all the questions I have for  
23 this witness.

24 EXAMINER MORROW: Scott, do you have a questions?

25 MR. HALL: No questions.

1 MR. STOVALL: You may have.

2 EXAMINER MORROW: I have questions, too, I'm just  
3 slow getting them phrased here.

4 EXAMINATION

5 BY EXAMINER MORROW:

6 Q. The wells to the south, and I guess, southeast,  
7 are those producing San Andres wells? Or maybe you've  
8 identified them as something else, but I hadn't gotten that  
9 far.

10 A. I don't believe so. I'm probably only qualified  
11 to speak to that issue as to discussions I have heard in the  
12 recent past. Mr. Keathley, our second witness, is probably  
13 much more prepared to answer your questions on that.

14 Q. How about the risk penalty, would he be better  
15 qualified to discuss that?

16 A. I think he would, yes, sir.

17 MR. COOTER: I plan to go into that with Mr.  
18 Keathly.

19 EXAMINER MORROW: Bob has a question.

20 MR. STOVALL: Mr. Cooter, your affidavit of  
21 mailing says you mailed notice on March 8th to Johnson, as  
22 trustee; is that correct?

23 MR. COOTER: Yes, sir.

24 MR. STOVALL: That means we will have to continue  
25 that case for two weeks in order to allow the 20-day notice

1 period to run.

2 I think that means you can continue your  
3 presentation, but we won't take it under advisement until  
4 the next examiner hearing.

5 MR. COOTER: That would be the 31st?

6 MR. STOVALL: I guess that's right, yes.

7 EXAMINER MORROW: That would be the 31st.

8 MR. COOTER: That came as an afterthought, to  
9 mail, because we didn't know who to mail it to, really, but  
10 we did on the 8th.

11 We would ask that if you do continue it to the  
12 31st, that that date possibly be set for the entry of the  
13 order. We do not anticipate any problems at all with that,  
14 but I recognize the time situation. The reason I'm making  
15 this rather unusual request is that Southwest must spud the  
16 well by that date.

17 EXAMINER MORROW: Must what?

18 MR. COOTER: Spud the well by March 31.

19 MR. STOVALL: As the landman, do you have a lease  
20 expiration problem in conjunction with this?

21 THE WITNESS: No, sir, we don't have a lease  
22 expiration problem. However, because that well is a prepay  
23 well on behalf of Southwest Royalties, Inc., we have to spud  
24 the well by the 31st of March.

25 EXAMINER MORROW: I don't think, you know, unless

1 something unusual arises we don't know about now, we'd have  
2 any problem getting an order, having an order ready then.

3 MR. STOVALL: This is an orthodox location; is  
4 that correct?

5 MR. COOTER: Yes, it is.

6 MR. STOVALL: Conceivably, you could spud the  
7 well even if you didn't have order in hand. You don't need  
8 an order to spud. And you presented your case prior to  
9 mitigating any risk factors, so I don't think it's a  
10 problem.

11 MR. COOTER: We'll come into it with Mr.  
12 Keathley, but the C-101 has been filed and approved.

13 EXAMINER MORROW: All right, sir. Thank you,  
14 sir. Appreciate the testimony.

15 DOUG KEATHLEY

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

18 EXAMINATION

19 BY MR. COOTER:

20 Q. Would you state your name for the record please,  
21 sir.

22 A. My name is Doug Keathley.

23 Q. By whom are you employed?

24 A. I'm employed by Southwest Royalties, Inc.

25 Q. What's your position with the company?

1           A.     I'm a northern regional engineer, petroleum  
2 engineer, for Southwest Royalties. My main geographic area  
3 that I cover is southeast New Mexico.

4           Q.     You're acquainted then with the 40-acre tract  
5 which is the subject matter of this application?

6           A.     Yes, sir.

7           Q.     Have you previously testified before the Oil  
8 Conservation Division of the State of New Mexico?

9           A.     No, sir.

10          Q.     Would you relate, briefly, your education and  
11 professional experience.

12          A.     I graduated from the University of Oklahoma with  
13 a bachelor of science in petroleum engineering in 1977. I  
14 have worked since that time in various capacities with  
15 companies as both the drilling engineer, production  
16 engineer, and reservoir engineer.

17          Q.     How long have you been with Southwest Royalties?

18          A.     One-and-a-half years.

19          Q.     Who were you employed by before then?

20          A.     Upon graduation, I was employed with Tenneco Oil  
21 Company of Denver, Colorado, for approximately three years.  
22 From there, I went to work for Reading & Bates Petroleum  
23 Company in Tulsa, Oklahoma, for approximately eight years.  
24 And after that, I was employed by Arco Oil & Gas in Midland,  
25 Texas, for approximately four years.

1 Q. Turn, if you would, to what has been marked as  
2 Exhibit No. 2 and relate what is shown on that exhibit.

3 A. That's the plat?

4 Q. Yes.

5 A. Okay. What we have here is we have an index plat  
6 showing the position of this well with fields marked on the  
7 bottom there, the closest field. Above that, we have a  
8 structure map based on the Top of the Queen Sand on wells in  
9 the area.

10 On the top, we have a production data map that  
11 shows the nearest producing wells in the area and what  
12 formations they were producing from.

13 On the side, we have a type log of a well that  
14 shows the various formations that have been drilled through.  
15 Do you want me to elaborate on the --

16 Q. Yes, let's start -- just a little bit. Which is  
17 the nearest well that has been drilled to the San Andres?

18 A. Well, actually, McMillan No. 1, which sets 40  
19 acres south, was drilled through the San Andres at one  
20 point, but I don't believe they actually were looking for  
21 San Andres -- it was never tested. The nearest well that  
22 I'm aware of where the San Andres was looked at was Maralo  
23 State No. 1. That's in the southwest of the southwest of  
24 Section 28. It was drilled into the San Andres. That's the  
25 type log we have here. The San Andres calculated wet in

1 that well, and that's why it wasn't -- that's why that  
2 wasn't produced or no attempt to production out of that  
3 zone.

4 As you can see from the structure map on the top  
5 of the Queen, what we're trying to do here is we're hoping  
6 that there's closure on the structure up in the center of  
7 Section 29. Even though the San Andres has been penetrated  
8 down to the south, it's always been below the oil-water  
9 contact; so we hope there's closure of the structure, we  
10 find closure up above the oil-water contact in the  
11 San Andres is what we're trying to achieve.

12 Q. Where is the nearest San Andres production, Mr.  
13 Keathley?

14 A. It appears to be about 3 1/2 miles to the  
15 northwest. There is a Queen Sand San Andres field. The  
16 nearest prolific production in the area is approximately 5  
17 miles east of us in the Hobbs-Byers field.

18 Q. That's shown on this index plat on the bottom  
19 left-hand side of the exhibit?

20 A. Yes, sir.

21 Q. In your opinion, Mr. Keathly, is there a  
22 substantial risk that the San Andres formation may not be  
23 productive in this proposed well?

24 A. Yes, there is.

25 Q. Was this exhibit prepared by you or under your

1 direction and supervision?

2 A. It was prepared by our geological staff, and I  
3 have been briefed upon its preparation by the geologist that  
4 prepared it.

5 Q. Let's now go to what has been marked as Exhibit  
6 No. 3, the AFE. Would you identify and briefly explain  
7 that.

8 A. The AFE has been prepared on this well for a  
9 total amount of \$275,100. Of that, \$205,600 is intangible  
10 costs. The other \$69,500 are tangible. We have a before  
11 casing point cost of approximately \$104,800, and an after  
12 casing point cost of \$170,300. The drilling footage rates,  
13 daywork rates and completion rates are rates that are  
14 comparable for the area.

15 Q. Does Southwest Royalties obtain bids, drilling  
16 bids, before spuding?

17 A. Yes, sir.

18 Q. Are the charges set forth on the AFE, in your  
19 opinion, reasonable and necessary?

20 A. Yes, sir.

21 Q. Has the form C-101 been filed with and approved  
22 by the District 1 supervisor, Jerry Sexton?

23 A. Yes, sir.

24 Q. In your opinion, would the granting of this  
25 application be in the best interest of conservation?

1 A. Yes.

2 Q. Prevent waste?

3 A. Yes.

4 Q. And protect the correlative rights of all  
5 interest owners?

6 A. Yes.

7 MR. COOTER: We would offer Exhibits 2 and 3 at  
8 this time.

9 EXAMINER MORROW: We accept 2 and 3 into the  
10 record.

11 MR. COOTER: That completes my examination of  
12 this witness.

13 EXAMINATION

14 BY EXAMINER MORROW:

15 Q. I wanted to get a little more information on the  
16 test information that you show for these nearby wells under  
17 the production data portion of Exhibit No. 1.

18 What do those -- I assume they're daily rates --  
19 like, the well immediately south of the proposed location  
20 shows 1 barrel of oil plus, I guess, zero water. Is that a  
21 current test or was that in '55 --

22 A. That's a current test at the time this was  
23 prepared, yes, sir.

24 Q. What is the 11-55; that's the completion date?

25 A. I believe that's the completion date and the

1 other -- yes, sir, that's the completion date of the well.

2 Q. In the event the San Andres is not productive,  
3 would you expect to attempt a completion in Penrose or  
4 Grayburg or one of those upper zones?

5 A. Yes, sir, we are. We're going to attempt that --  
6 we, from our experience in the area on the wells that we've  
7 had in the area, we expect to attempt that. However, we  
8 have seen in the past that the payout on those hasn't  
9 been -- the payout on those upper zones has not been very  
10 prolific. They've been fairly marginal on the wells that we  
11 have completed.

12 Q. And you did request compulsory pooling for all  
13 the zones from zero to the base of the San Andres, I  
14 believe; is that correct?

15 A. I'd have to defer. Yes, sir.

16 EXAMINER MORROW: Thank you, sir. Appreciate it.

17 MR. COOTER: That concludes our presentation, Mr.  
18 Morrow.

19 EXAMINER MORROW: Thank you, Mr. Cooter. We'll  
20 continue this case then until March 31st, at that time, if  
21 there's no objection, well, we'll take it under advisement.

22 MR. COOTER: Thank you, sir.

23

24

25

