STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

CASE 10,699

EXAMINER HEARING

IN THE MATTER OF:

Application of Meridian Oil, Inc., for downhole commingling and a nonstandard spacing unit, San Juan County, New Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE: DAVID R. CATANACH, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

April 8, 1993

A P P E A R A N C E S

FOR THE DIVISION:

ROBERT G. STOVALL
Attorney at Law
Legal Counsel to the Division
State Land Office Building
Santa Fe, New Mexico 87504

FOR THE APPLICANT:

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

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I N D E X

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E X H I B I T S

APPLICANT'S EXHIBITS:

* * *

WHEREUPON, the following proceedings were had at 12:42 p.m.:

EXAMINER CATANACH: Call the hearing back to order, and at this time we'll call Case 10,699.

MR. STOVALL: Application of Meridian Oil, Inc., for downhole commingling and a nonstandard spacing unit, San Juan County, New Mexico.

EXAMINER CATANACH: Are there appearances in this case?

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

EXAMINER CATANACH: Will the witnesses please stand to be sworn in?

(Thereupon, the witnesses were sworn.)

MR. KELLAHIN: Mr. Examiner, we have filed a pre-hearing statement which sets forth in a summary fashion what we're trying to accomplish.

This is a new well to be drilled whereby we will commingle Pictured Cliffs and Fruitland Coal gas. It would have otherwise have been able to be processed administratively; there is common ownership.

But we find that in reviewing the information, Section 6 is substantially undersized as a

result of governmental surveys. We're required to take the nonstandard proration portion of it to hearing for approval in the Pictured Cliffs.

The Fruitland Coal has already been approved as a nonstandard spacing unit. We have done that on a prior occasion.

And so in a rather summary fashion, then, through the hearing process, we want to present to you the basic elements of our request, which in this case involves the nonstandard proration unit in the PC, plus approval for the downhole commingle of the two pools.

My first witness is Mr. Kent Beers.

KENT BEERS,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you please state your name and occupation?

A. My name is Kent Beers. I'm the Regional Land Manager for Meridian Oil in Farmington, New Mexico.

Q. On prior occasions, Mr. Beers, have you testified as an expert petroleum landman before the Division?

A. I don't believe I have.

Q. Summarize for us your experience as a petroleum landman and in a summary fashion what it is that you now do.

A. All right, I graduated from Eastern Montana College in 1976 with a bachelor of science in business administration. I have worked for Hunt Energy, Nucorp, and now Meridian, Meridian since 1982. I've been responsible for our land activities in the San Juan Basin of New Mexico and Colorado since 1982, five years.

Q. Mr. Alexander is a frequent witness for your company before the Division. Does that gentleman work under your direction and supervision?

A. Yes, he does.

Q. Have you and individuals under your direction examined the ownership with regards to the two spacing units involved?

A. Yes, we have.

Q. And you're aware of the offsetting operators, or have found out their identify by means of searching records and know who those parties area?

A. Yes, sir.

MR. KELLAHIN: We tender Mr. Beers as an expert petroleum landman.

EXAMINER CATANACH: He is so qualified.

Q. (By Mr. Kellahin) Let me ask you to turn to the Meridian exhibit book, Mr. Beers.

Identify for the record the information ahead of Exhibit Number 1, before we turn to the exhibits.

A. Okay, in front of the first exhibit is a copy of our Application that was filed, a copy of our proposed advertisement.

Along with the Application, of course, are a number of exhibits to the Application which are some of the same exhibits that are found in the -- later on individually.

Q. Let me ask you, sir, to turn to the exhibits attached to the Application, and if you'll find the display marked as Exhibit "B" --

A. Yes.

Q. -- I think that will give us a visual reference for the Examiner to see the size of Section 6 that creates part of the reason we're here today.

Have you determined that this display is an accurate reproduction of what is the lot configuration for Section 6?

A. Yes, it does.

Q. When you determined the orientation and the dedication of acreage for the Coal gas pool, which would have been the west half equivalent of Section 6,

do you find that that is an acreage area of less than 320 acres?

A. Yes, sir, there are 215 acres in the west half of Section 6.

Q. Has that been a spacing unit of nonstandard size that has been utilized for division of ownership for production from other pools?

A. Yes, both the Fruitland formation and the Mesa Verde have previously obtained approval for those nonstandard spacing units in this unit along the along the western boundary.

Q. When we look at the hashed line, the hashed line that runs from northwest to southeast across the western portion equivalent of 6, that is the spacing unit for the Fruitland Coal that is proposed?

A. Yes, that's correct.

Q. And the southwest quarter equivalent, then, would be the acreage to be assigned for production from the -- I believe it's the Blanco-Pictured Cliffs Gas Pool?

A. That's correct.

Q. Okay. That acreage would be 110.66 acres, more or less?

A. That is correct.

Q. As part of your search of information with

regards to the ownership in both those spacing units, what did you find out in terms of whether there's common ownership or a difference in ownership?

A. Ownership is common throughout the west half of Section 6. Meridian owns 100 percent of that drill block as to all depth.

Q. Turn now with me to the information behind Exhibit Tab Number 1. Identify for me the first plat behind Exhibit Number 1.

A. That is a plat that reflects offset ownership to the 320-acre -- actually 215-acre west-half spacing unit. It indicates those owners who own the offset spacing units.

Q. All right. And then the following display behind that one?

A. Behind that is the offset ownership for the southwest quarter of Section 6, the PC nonstandard unit.

MR. KELLAHIN: All right, sir.

That completes my examination of Mr. Beers, Mr. Examiner.

We would move the introduction of Exhibit Number 1.

EXAMINER CATANACH: Exhibit Number 1 will be admitted as evidence.

EXAMINATION

BY EXAMINER CATANACH:

Q. Mr. Beers, do you know which order approved the Fruitland Coal nonstandard unit?

A. Yes, sir, that's behind tab Exhibit 3. It was Case Number 10,042. I believe -- No, I thought we had included the Mesa Verde as well, but we have not. It was Case Number 10,042, Order Number R-9303.

Q. Okay, did you say that the Fruitland sand had also been developed?

A. No, I apologize if -- I didn't intend to say that.

Q. Okay, you said the Fruitland. I wasn't sure if you meant the coal or the sand.

A. No, I intended to say the Fruitland Coal had been spaced along the six nonstandard units along the western portion of the 29-7 unit.

Q. Is this the first time a 160-acre well has been drilled in the southwest quarter of that section? That would normally be a 160-acre dedication. There's been no prior development.

A. I believe that there is a Dakota wellbore located -- If you'll refer to Exhibit 2, it indicates both a Dakota and a Mesa Verde wellbore located in the southwest quarter.

Those are, of course, spaced on the west half. The physical location of those three wellbores, though, are in the southwest quarter.

Q. But to your knowledge, there's been no development on what would normally be 160 acres?

A. No, there has not.

Q. Okay. Is the proposed location standard for both pools, as far as you know?

A. Yes.

EXAMINER CATANACH: Okay, I have nothing further.

MR. KELLAHIN: All right, sir, thank you.

CHARLES HEAD,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you please state your name and occupation?

A. My name is Charles Head. I'm a petroleum geologist based in Farmington, New Mexico.

Q. Mr. Head, on prior occasions have you testified and qualified as an expert petroleum geologist before the Division?

A. Yes, I have.

Q. Pursuant to your employment by Meridian, have you made a geologic study of the facts concerning this Application?

A. Yes, sir, I have.

Q. All right. Based upon the review of that information, have you reached geologic conclusions about this project?

A. I have.

MR. KELLAHIN: We tender Mr. Head as an expert petroleum geologist.

EXAMINER CATANACH: He is so qualified.

Q. (By Mr. Kellahin) Let me ask you, sir, to turn to the information behind Exhibit Tab Number 1. Identify for us that map, and then let's talk about what it means to you.

A. Okay, that's a Pictured Cliffs development map. It's on a one-inch-equals-16,000-feet scale. It's in the northeast portion of the Blanco-Pictured Cliffs field, and it illustrates the position of the subject well in Section 6 of 29 North and 7 West.

Q. When you as a geologist are looking for additional opportunities in the Pictured Cliffs --

MR. STOVALL: Mr. Kellahin, could I interrupt you? Which exhibit are you looking at?

MR. KELLAHIN: I'm looking at this --

MR. STOVALL: Oh, you said Exhibit 1.

THE WITNESS: I believe it's 4.

MR. KELLAHIN: I'm sorry, Exhibit 4. Did I say 1?

MR. STOVALL: You said 1. We were looking at that land plat.

MR. KELLAHIN: Didn't help much, did it?

MR. STOVALL: No, it was real strange.

(Off the record)

Q. (By Mr. Kellahin) When you as an exploration geologist are looking for opportunities in the Blanco-Pictured Cliffs, what is it that you're trying to accomplish for a well to be drilled in this section? What is it that you're looking for?

A. Well, in this case, we were looking for an exploratory extension in the Blanco-Pictured Cliffs field, and we were actually looking for a -- for indication of commercial quality reservoir development.

Q. Do you have a geologic opinion as to whether or not this well can be drilled in any other fashion, other than as an initially drilled well for downhole commingling of Pictured Cliffs and Fruitland Coal gas?

A. No, based on surrounding tests, both in the Fruitland and in the Pictured Cliffs, we feel that this is the best way to manage the risk of development for

the Fruitland Coal and the Pictured Cliffs.

We don't feel that either formation could be drilled as an individual completion, economically.

Q. When you put section 6 in a regional geologic setting in relationship to the Blanco-PC Pool, where do you find this section to be located in that trend?

A. Okay, this is, as I mentioned before, a stepout test of a separate sandstone bar that's about two or three miles away from the heart of the Blanco-Pictured Cliffs trend, and I think you can see that on -- It's probably better illustrated on Exhibit 6.

Q. All right, let's turn to Exhibit 6 and have you make that illustration for us.

A. Okay, this is a net sandstone isopach map, and it shows the subject well up in the northwest portion of the map, in Section 6.

Its location is in a northwest-to-southeast trend of what we have interpreted to be reservoir-quality sandstone, based on wireline log criteria, and that criteria is -- includes resistivity and permeability indications on wireline logs.

And this is actually an isopach of the primary target in the Pictured Cliffs.

Q. When you look at the information behind Exhibit Tab Number 5, which is one of the exhibits

we've just skipped -- go back to that one -- what's the purpose of the type log, and what does it show you?

A. Okay, the type log is -- this is actually a twin to the location that we'll be -- that we're interested in drilling, and it shows the Fruitland Coal interval, approximately 50 feet of clean coal, and it shows the Pictured Cliffs formation directly below that.

Q. Where is that well located in relationship to the subject well?

A. Okay, that well is just to the south of the subject well, in the southwest of Section 6.

Q. It's identified as the Mesa Verde well on the information shown behind Exhibit Tab Number 2; is that it?

A. That's correct.

Q. Okay. Put together for me in a summary fashion the geologic conclusion concerning why we're trying this particular concept in this particular portion of Section 6.

A. Okay, we feel that the southwestern portion of Section 6 is prospective for Pictured Cliffs development, based on the net pay isopach map shown in Exhibit 6.

We've identified seven feet of potentially

commercial sandstone development in the very uppermost portion of the Pictured Cliffs. That sandstone, we feel, is less shaley and more porous and has a larger grain size and is better sorted than the Pictured Cliffs sandstones below it.

Also, we feel that due to reports of lost circulation in the lower Pictured Cliffs interval in area wells, that there exists a strong possibility of natural fracturing in some of the thinner, more brittle and tight Pictured Cliffs sandstones below the primary target, which is illustrated on the isopach map.

In addition to that, we expect to encounter approximately 50 feet of coal, Fruitland Coal, that, based on microlog and other permeability indicators on wireline logs, probably has good to fair cleating.

Q. Let's turn to the Fruitland Coal geologic displays behind Exhibit Tab Number 7 and have you identify those two displays for us.

A. Okay, the first one is a net coal isolith map, and it shows the subject well location in an area where we anticipate approximately 50 feet of net clean coal development.

And the second exhibit is a structure map on the base of the Fruitland Coal.

Q. Summarize then for us your geologic

conclusions about the opportunity for downhole commingling both of these pools at this location in Section 6.

A. Well, we feel that this is a good opportunity to develop both the Pictured Cliffs and the Coal in a fashion that would be economic for our company, and we do not feel that it would be economic to individually test either zone or separately test either zone.

We also feel that due to its position in a mapped fairway of Pictured Cliffs permeability, that this could open up additional opportunities for the same sort of project, mainly to the southeast of the subject well location.

Q. As to the Pictured Cliffs, it is currently beyond the known proven boundaries of production in that pool where you would know that you can drill a stand-alone Pictured Cliffs well that support itself economically?

A. That's correct. I think in the past the Pictured Cliffs has been drilled in this area and has not been economic by itself.

MR. KELLAHIN: That concludes my examination of Mr. Head.

We move the introduction of Exhibits 2 through 7.

EXAMINER CATANACH: Exhibits 2 through 7 will be admitted as evidence.

EXAMINATION

BY EXAMINER CATANACH:

Q. Mr. Head, your proposed well is about -- It's a little over a mile from known PC production; is that correct?

A. Yes, sir.

Q. And you testified you hope to encounter approximately seven feet of sand?

A. Of porous and permeable Pictured Cliffs, that's correct.

Q. How does that figure relate to the main PC fairway? Is that considerably lower?

A. It is considerably lower.

Q. How would that translate to -- in terms of production, would that substantially reduce production from the well?

A. I think that's correct.

Q. Has the -- How does the 50 feet of coal in the Fruitland Formation compare to other coal completions? Where does that sand in terms of --

A. We feel that the coal quality here is a bit better than other area Fruitland completions based on indications of cleating and permeability from wireline

log data, specifically the type log in Exhibit 5.

Q. So you've got a pretty good shot at getting a good coal well? Is that your opinion?

A. We feel that relative to the most prolific wells in the San Juan Basin, certainly this won't compare, we don't think, but we have a -- we feel that we have a good opportunity for an economic completion in this interval, when combined with the Pictured Cliffs.

Q. And based upon your geologic interpretation, you wouldn't recommend drilling a PC stand-alone in that area?

A. No, sir, I would not.

EXAMINER CATANACH: Okay, I believe that's all I have.

MR. STOVALL: Nothing for me.

(Off the record)

DAVID B. JENSEN,

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

DIRECT EXAMINATION

BY MR. KELLAHIN:

Q. Would you please state your name and occupation?

A. My name is David Jensen. I'm a senior staff

reservoir engineer for Meridian Oil in Farmington, New Mexico.

Q. Mr. Jensen, on prior occasions have you testified before the Division as a petroleum engineer?

A. No, I have not.

Q. Summarize for us your education.

A. I received a bachelor of science in petroleum engineering from the Colorado School of Mines in 1983.

Q. Summarize for us your employment experience.

A. I've worked for Superior Oil, Mobil Oil and now Meridian Oil in various basins including the Illinois Basin, throughout Oklahoma and Kansas, the Paradox Basin throughout the San Joaquin Basin in California, and then the last several years in the San Juan Basin.

Q. What are your current responsibilities for Meridian?

A. I'm currently a reservoir engineer assigned to the San Juan Basin.

Q. Have you made a study of the reservoir engineering aspects concerning this Application by your company for permission to initially drill as a downhole commingling project what is identified as the San Juan 29-7 unit well 583?

A. Yes, sir, I have.

MR. KELLAHIN: We tender Mr. Jensen as an expert reservoir engineer.

EXAMINER CATANACH: Mr. Jensen is so qualified.

Q. (By Mr. Kellahin) A couple of topics I want to ask you about. One is going to be the allocation formula that you propose to the Examiner.

But first of all, your conclusions as a reservoir engineer concerning the appropriateness of trying to exploit the two reservoirs involved in Section 6 with the downhole commingling. Why that concept at this point?

A. What we're trying to do is take two marginally economic formations, the PC less economic, and try and drill a commingled well and produce them in a commingled fashion to exploit both reservoirs in a way that makes economic sense.

Q. Have you confirmed as an engineer the conclusions Mr. Head has given us as a geologist that this in fact is an area where there is a probability that the PC in fact will be marginal and cannot stand alone?

A. Yes, sir, I have.

Q. Describe for us what is your expectations about the Fruitland Coal for this section.

A. The Fruitland Coal, we expect to be about 50 feet thick, but we expect it, as a stand-alone well, to be marginally economic.

And in fact, if you refer to the BLM criteria for participating area, expansion, commerciality determination, it would be marginally commercial on that basis.

Q. Can you give us general numbers to give us a financial range of what a well of this type costs, versus the cost for stand-alone wells of this type?

A. What we're saving by doing a commingle for both zones is saving the additional drilling through the Fruitland.

So in terms of this project, we're somewhere around at -- a half a million dollars, I believe, is the number.

And if you look at two separate wellbores, you're $100,000, $200,000 above that.

Q. Okay. Let me have you turn now to the information behind Exhibit Tab Number 8. Do you have a recommendation to the Examiner as to how to set up a procedure for determining an allocation formula for production for the two pools?

A. Yes, sir, I do.

Q. What is that formula, and how did you do it?

A. Okay, the formula is included behind Tab Number 8, and it's pages 3 and 4, and it's based on looking at the production tests from each of the zones upon completion, and allocating total well production by month based on the percentages of those pitot gauges, is what we call the completion test, to the total, the sum of the two gauges.

Q. You gauge each of the two --

A. -- separately.

Q. -- the productivity of each of the two reservoirs separately?

A. Correct.

Q. And then use that ratio and run it through a calculation to determine what is the apportionment of that production?

A. Correct. What we do is look at what the PC production is, and we can accurately predict what the PC decline is, based on the analogy wells that you saw that Mr. Head presented in an earlier exhibit.

And based on an established decline from those conventional wells, we can therefore break out the PC production as detailed in these two pages of exhibits.

And then anything above and beyond that base PC production we determine to be Fruitland Coal

contribution.

Q. Okay. If the Examiner was to adopt your allocation and attach to the Order the formula as an exhibit, would it be sufficient to take the display that is the third one behind this exhibit, adopt that as the formula for the Order, and would that give you enough direction and detail for the allocation?

A. Yes, sir, it would.

Q. Okay. Let's go back now to other reservoir issues.

Do you find as a reservoir engineer that there is any potential adverse consequences from commingling these two reservoirs at this location?

A. No, there is not. We've looked at both expected reservoir pressures and, as shown in Exhibit 8, we expect the PC to be in the neighborhood of 820 p.s.i., and the Fruitland to be in the neighborhood of 950 p.s.i. And those are within pressure requirements to commingle.

And looking at fluid compatibilities, the total dissolved solids in the two are very similar, the specific gravities are the same.

So we do not expect any adverse impact due to the waters commingling.

MR. KELLAHIN: That concludes my examination

of Mr. Jensen.

We move the introduction of Exhibit Number 8.

EXAMINER CATANACH: Exhibit Number 8 will be admitted as evidence.

EXAMINATION

BY EXAMINER CATANACH:

Q. Mr. Jensen, have you calculated or estimated what the initial producing rates may be out of these two zones?

A. We've got some initial estimates based on offset Fruitland Coal wells, and it's in the neighborhood of 150 MCF a day on that.

And looking at the PC, it is a much more risky play, being that it is a stepout.

The sand is relatively thin compared to the main PC trend, as Mr. Head alluded to, and so we expect production from that zone to be in the 50- to 100-MCF-a-day range.

Q. And 150 for the Coal?

A. Somewhere in that neighborhood, yes.

Q. Initially?

A. Correct.

Q. That would likely escalate?

A. In this area there's very little water associated with the Coal production, so we don't expect

to see significant incline in production.

So we expect to see maybe a prolonged flat period of production prior to decline.

Q. Now, when you initially drill the well, do you plan to test both zones separately?

A. Yes, we do.

Q. For how long?

A. What we'll do is go ahead and drill the well, perforate and fracture the Pictured Cliffs, and then let it clean itself up and stabilize to a production rate that's stable over several days' period so that it is not changing.

And then once it is stabilized we'll set a bridge plug and do the identical procedure on the Fruitland Coal.

So we will let it clean up after the hydraulic fracture to the point where it stabilizes for several days.

Q. Generally how long does that take?

A. It usually takes a day to get in, perforate and fracture, and then a day or so to allow that fracture to flow back and clean up and flow back the load water that you've put in it.

And at that point you're looking probably at the neighborhood of three to four days, minimum, per

zone.

Q. To stabilize production?

A. Correct.

Q. Have you examined the decline rate of offset PC wells?

A. We have, and that's -- What we've done is examined 18 PC wells, and it's listed on the one line, the answer is listed on the third page of the Exhibit 8.

We've looked at 18 wells in Township 29 North, 8 West, and determined that the average decline for those wells is 6.4 percent per year, and that's what we believe we should see out of this well.

Q. This is generally the same formula you used in other commingled wells?

A. That's correct.

EXAMINER CATANACH: I believe that's all I have, Mr. Kellahin.

MR. KELLAHIN: That concludes our presentation in this case.

We would move the introduction of Exhibit 9, which is the certificate of notice to the offset operators.

I am not aware of any objection by any of the parties to be notified.

EXAMINER CATANACH: Okay, there being nothing further, Case 10,699 will be taken under advisement.

(Thereupon, these proceedings were concluded at 1:18 p.m.)

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NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 20, 1993 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
William F. Carr	Yates Petroleum Corporation	Santa Fe
[illegible]	YPC	Artesia, NM
[illegible] Kellahin	Kellahin & Kellahin	Santa Fe
Dave Boneau	YATES PETROLEUM	ARTESIA, NM
Curtis D. Smith	Santa Fe Energy	Midland, TX
[illegible]	Santa Fe Energy	Midland, TX
James Bruce	Hinkle Law Firm	Santa Fe

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 20, 1993 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION

NEW MEXICO OIL CONSERVATION DIVISION

STATE LAND OFFICE BUILDING

STATE OF NEW MEXICO

CASE NO. 10699

IN THE MATTER OF:

The Application of Meridian Oil, Inc., to Amend Order No. R-9980, Rio Arriba County, New Mexico.

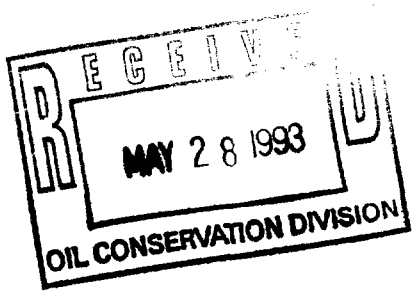
BEFORE:

DAVID R. CATANACH

Hearing Examiner

State Land Office Building

May 20, 1993



REPORTED BY:

CARLA DIANE RODRIGUEZ
Certified Court Reporter
for the State of New Mexico

ORIGINAL

A P P E A R A N C E S

FOR THE NEW MEXICO OIL CONSERVATION DIVISION:

ROBERT G. STOVALL, ESQ.
General Counsel
State Land Office Building
Santa Fe, New Mexico 87504

EXAMINER CATANACH: Call the hearing to order this morning for Docket No. 14-93. I'll call the continuances and dismissals first.

[And there were proceedings off the record.]

EXAMINER CATANACH: At this time, we'll call Case 10699.

MR. STOVALL: Application of Meridian Oil, Inc., to amend Order No. R-9980, Rio Arriba County, New Mexico.

Mr. Examiner, the Applicant filed this case for San Juan County; however, it happens to be in Rio Arriba County. The order was entered in San Juan County, and we thought we ought to move the well to the right county. So we reopened the case to move this well to Rio Arriba County, where it belongs.

EXAMINER CATANACH: I also see that we had the wrong unit letter on that, and the well is actually in unit letter K.

Are there any additional appearances at this time?

There being none, Case 10699 will be taken under advisement.

(And the proceedings concluded.)

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 10699, heard by me on January 1993.

David R. Catanach, Examiner
Oil Conservation Division

CERTIFICATE OF REPORTER

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

I, Carla Diane Rodriguez, 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 caused my notes to be transcribed under my personal supervision; 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 May 21, 1993.

Carla Diane Rodriguez

CARLA DIANE RODRIGUEZ, RPR
CCR No. 4