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:

APPLICATION OF SIETE OIL AND GAS CORPORATION

CASE NO. 10,968

JUN 8 1994

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

May 26
~~June 15~~, 1994

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on Thursday, May 26, 1994, at Morgan Hall, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico, before Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

May 26, 1994
Examiner Hearing
CASE NO. 10,968

* * *

E X H I B I T S

	Identified	Admitted
Exhibit 1	5	28
Exhibit 2	7	17
Exhibit 3	28	28

* * *

A P P E A R A N C E S

FOR THE DIVISION:

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FOR THE APPLICANT:

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Attorneys at Law
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P.O. Box 2523
Santa Fe, New Mexico 87504-2523

* * *

WHEREUPON, the following proceedings were had at 12:28 p.m.:

EXAMINER CATANACH: At this time we'll call Case 10,968, which is the Application of Siete Oil and Gas Corporation for salt water disposal, Eddy County, New Mexico.

Are there appearances in this case?

MR. PADILLA: Mr. Examiner, Ernest L. Padilla, Padilla Law Firm, Santa Fe, New Mexico for the Applicant.

I have two witnesses.

EXAMINER CATANACH: Any additional appearances?

There being none, will the witnesses please stand to be sworn in?

(Thereupon, the witnesses were sworn.)

MR. PADILLA: We'll call Robert Lee first.

ROBERT S. LEE,

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

DIRECT EXAMINATION

BY MR. PADILLA:

Q. Mr. Lee, would you please state your full name and tell us your connection with the Applicant?

A. My name is Robert Steven Lee. I live in Roswell, New Mexico. I'm the production manager for Siete Oil and Gas.

Q. Mr. Lee, have you previously had your credentials accepted as a matter of record as a petroleum engineer in hearings before the Oil Conservation Division?

A. Yes, I have.

Q. Mr. Lee, are you familiar with the engineering aspects of the saltwater disposal Application under consideration here today?

A. Yes, I am.

MR. PADILLA: Mr. Examiner, we tender Mr. Lee as a qualified petroleum engineer.

EXAMINER CATANACH: Mr. Lee is so qualified.

Q. (By Mr. Padilla) Mr. Lee, have you prepared certain exhibits for introduction here or had them prepared under your direction and supervision?

A. Yes, I have. We prepared the C-108 for the saltwater disposal well here for the State MA Number 1.

Q. Have you -- And is that generally what is marked as Exhibit Number 1?

A. Yes, it is.

Q. Let's jump right into that, Mr. Lee, and have you go through the C-108 initially, briefly, and tell the Examiner what that contains.

A. Okay, the first page is just a C-108 form that I've signed and dated.

Right behind that we have Section III of the C-

108. This is the well data section. In this portion I list the lease name, the State MA Com Well Number 1, where it's located, the casing program, where the cement tops are. And as you can see, the first two strings of pipe, which were set at 422 feet and 2570, they have cement circulated to surface.

I also list on this form the injection tubing that we will use, state that it's going to be plastic coated. And the packer that we're going to use, it's going to be a Lok-Set packer set at about 7200 feet.

And then we provide other information about the well, stating that we're going into the Bone Spring formation and --

Q. Mr. Lee, originally this Application was for disposal into the Delaware; is that correct?

A. That is correct.

Q. And you have now changed -- amended the Application to the Bone Spring?

A. Yes, we have.

Q. Tell the Examiner a little bit about the problems you encountered with the initial application to the Delaware formation.

A. Okay. Initially, we had intended to inject into the Delaware, but the offset leasehold owners, Collins & Ware and Santa Fe Energy, have a Delaware prospect and they

felt that us injecting into the Delaware could be detrimental to their prospect.

Also, we are kind of keying off of the disposal well about six miles to the south, the Shay Meg saltwater disposal well. It's a commercial system. Initially they were injecting into the Delaware.

And then in about 1982 they left the Delaware and went to the Bone Spring because the pressures got real high, and they've been able to inject into the Bone Spring since.

So that was the two prime reasons for us to amend our Application and not inject into the Delaware, but rather go straight to the Bone Spring.

Q. Do you have Exhibit Number 2, what we have marked as Exhibit Number 2, there in front of you?

A. Yes, I do.

Q. And what is that?

A. This is a letter from Curtis Smith, the Santa Fe Energy landman, to Mr. Gene Shumate, Siete Oil and Gas President, stating that they have no objection to us injecting -- or disposing of water into the Bone Spring formation.

Q. Okay. Let's go back to item III where I interrupted you.

A. Uh-huh.

Q. You were discussing the other well information --
A. Right.
Q. -- relating to Section III of this Form C-108.
A. Uh-huh.
Q. Tell us where the perforations are going to be.
A. They're going to be from 7300 feet to 7740.
Q. And what are you trying to accomplish with this disposal well? Why was this necessary?
A. Siete is in the process -- We've discovered a field, the Willow Lake Delaware field, about two miles to the east of this well. The wells there are currently making about 200 barrels of water a day, and I'm having to truck that water at a cost of nearly $1.30 per barrel.

If I could convert this well, I'll be able to dispose of that water much cheaper and increase the economics of my field, extend the life of the wells, economic life of the wells, and recover additional reserves.

Q. Now, you've identified this well as having been a perforated -- well, I guess that's on page 2 of this section III.

Tell the Examiner where this well is currently -- or the status of this well, I should say.

A. Okay. As you can see on page 2, the Morrow was the initial zone that was completed in the well with

perforations from 13,166 to 13,175.

The operator, M.W. Petroleum, left the Morrow and went to the Atoka and perforated a zone at 12,046 to 12,070. And since then they've gone up, and they do have some perforations in the Bone Spring.

Also there you can see the data relating to where the plugs were set, how much cement was utilized to plug off these old producing horizons, and like I said, you can see that they've perforated the Bone Spring. It was uneconomic, and we're going to add perfs to the zone and disposal water into it.

Also, the -- Under Section III of the C-108 we make a statement here that within the area of this well there's no upper zones productive of oil or gas, and the Atoka is the next lowest zone that's productive of oil and gas, at a depth of about 12,000 feet.

Q. How about in the Bone Spring?

A. There is some Bone Spring production in the area, over a mile away from this well, but the Bone Spring completion here was uneconomic.

Q. Okay. Would you go on now to the schematics and explain to the Examiner what those schematics show?

A. Yeah. The first schematic is a wellbore diagram showing the well as it currently stands, showing where the casing is set, cement tops, perforations where the plugs

are.

The second schematic is a proposed schematic of what the well is going to look like once we get it under injection, showing where our packer will be set, showing where the perforations will be. And all the plug data remains the same.

Then --

Q. What's next?

A. Next we have a land map of the area with the well darkened in, there in Section III. It has two circles drawn around it. The smaller circle is the half-mile radius circle which we utilize to determine the area of review for the well.

Then we look at the wells within the area of review and put together the construction data for them, which is also shown here in our C-108 a little bit later.

The larger circle is a two-mile radius. It was put on there merely to show that we have included all the leases within two miles around the proposed injection well, as required by the C-108.

Q. How many wells of concern are shown on this map, in other words, in the half-mile circle?

A. There's only one well.

Q. Where is that located?

A. One location to the east in Section 2.

Q. Okay. And then the following page, is that to identify or give the information concerning that well?

A. That's correct.

Q. Tell the Examiner what that well looks like.

A. This is the data required on Section VI of the C-108 showing that the -- showing the wells within the area of review.

In this case there's only one. It's the Salt Draw Number 2.

It's an active gas producer, it's producing out of the Atoka, operated by Hallwood. We show where the location is, spud date, completion date, depth, completion interval.

And then below that part we have the casing program with the cementing data for the well.

Q. In terms of migration from your disposal zone into that well of any fluids that you were injecting, what is the possibility of that occurring?

A. It would be virtually impossible. The zone that we're going to be injecting into is -- you know, has casing across it and cement across the zone, so there will be no injected fluids from my well entering this wellbore or affecting it.

Q. Okay. Let's go to Section VII of the C-108, which is on the next page. Would you brief that

information for the Examiner?

A. Uh-huh. Section VII is the injection data for this well, stating here that I propose an average injection rate of 700 barrels of water per day, with a maximum rate of 1000 barrels of water a day. This is based upon the anticipated development of our Willow Lake Delaware field.

I state that the injection station will be a closed system, the gathering and processing of the injection water will be closed.

The injection pressure, I anticipate an injection pressure of 700 pounds. That's based upon the Shay Meg disposal well about six miles to the south. The maximum injection pressure that we're asking for is 1400 p.s.i., and that abides by the .2-p.s.i.-per-foot maximum injection pressure imposed by the OCD.

I state here that the proposed injection fluid is produced Delaware water from our Willow Lake field two miles to the east.

And I also ask, or also state, that at a later date if we discover we have substantial excess capacity for the well, we would want to convert this into a commercial disposal system.

Our first priority, though, is to handle our produced water from our field, but at a later date we may want to take some other people's water and charge them for

that. And I would ask at this time that we could do that administratively in the future, if we get to that point.

Also --

Q. In other words, you want an order to state that should you intend to -- or formulate plans to convert it to a commercial system then --

A. That's correct.

Q. -- you would do that administratively, without having to come back for a hearing?

A. That's correct.

Q. Okay.

A. Also, in Section 4 here, I state that there's a compatibility analysis for the Bone Spring, the Delaware waters, attached.

Q. Would you go through that analysis, please?

A. Okay. About for pages back, we have a form which was filled out by Martin Water Labs and a letter from Martin Water Labs on an analysis that we had done on some Delaware and Bone Spring water for our Parkway flood.

And I'm utilizing the Parkway water data because on our C-108 says that, you know, the injection water -- I need a chemical analysis that may be measured or inferred from existing studies, and so we included the study that we did for the Parkway.

I did that because we couldn't get any water

samples out of the State MA well. The well has been shut in, there's no pumping unit or tubing in the well, and I was not able to get a water sample.

But we feel that based upon the Delaware oil production that we see here in our Willow Lake field, that it's very similar in composition to what we have at the Parkway field, and we feel that the water analysis is a valid water analysis, or showing that there's no scaling problems.

Also, I'd point out that the Shay Meg well to the south, also injecting into the Bone Spring, has not exhibited any scaling problems or injection problems also.

Q. Okay, let's go on -- Let's skip through Section VIII on the geologic description and go on now to Section IX.

A. Okay, this is a statement on completion of the well, just stating here that we're going to perforate, acidize and fracture the intended zone of injection. It's going to be about a 50,000-gallon frac job and utilize about 100,000 pounds of sand.

Item X states that the well logs for the wells to be converted have been previously submitted to the OCD.

Item XI is -- pertains to freshwater wells in the area.

We went to the State Engineer's Office there in

Roswell and discovered that there were three freshwater wells of record within 2 1/2 miles of our proposed disposal well, and here we list where they're located and a chemical analysis of each well, showing the chlorides in each well and the date of the test.

Q. Generally, what kind of water is found in those wells?

A. It's fresh water.

Q. Is it very good water?

A. Yes, it is.

Q. What's the possibility of migration of injected fluids into this freshwater aquifer?

A. It would be virtually impossible because of the casing program and the cementing program that we've attached here in this well.

The freshwater zones are protected by two strings of casing here and they have cement across it, so I wouldn't anticipate that there's going to be any migration up.

Q. Okay. Let's go on to Sections XII and XIII.

A. Section XII is a statement that I have compiled and examined all the available engineering and geologic data and have not found any hydrologic connections between the proposed injection zone and the drinking water zones. There does not appear to be any faults in the area that

would provide a path for the disposal water to get up into the freshwater zones.

And Section XIII is a copy of all the certified mail receipts from all the offset operators.

Q. And that's at the end of this Exhibit Number 1; is that right?

A. That's correct, it's the last three pages.

Q. Now, did you send the amended C-108 to the Bone Spring to the interest owners affected?

A. Yes, we did.

Q. Did you also send the initial C-108 to the Delaware, to the same owners?

A. Yes, we did.

Q. Did you determine whether or not the ownership was the same between the Delaware and the Bone Spring?

A. Yes, it was.

Q. Mr. Examiner, I have nothing further from this witness, other than to ask him whether in his opinion approval of this Application would be in the best interests of conservation of oil and gas.

A. Yes, it would.

MR. PADILLA: Nothing further, and we tender Exhibit Number 1, except for the geologic information contained.

EXAMINER CATANACH: Okay, Exhibit Number 1,

partially, will be admitted as evidence in this case.

EXAMINATION

BY EXAMINER CATANACH:

Q. Mr. Lee, have you -- I notice you have a waiver from Santa Fe. The other objecting party was Collins & Ware?

A. Yes, it was.

Q. Do you know if they have any problem with a Bone Spring injection well?

A. No, they do not. They were pretty much letting Santa Fe do the lead on the opposition here, and they're partners in the offset tract, Santa Fe and Collins & Ware.

EXAMINER CATANACH: Okay.

MR. PADILLA: Mr. Examiner, we'd also offer Exhibit 2.

EXAMINER CATANACH: Exhibit 2 will be admitted as evidence.

Q. (By Examiner Catanach) Mr. Lee, in Part B of your -- Part III-B of your Exhibit Number 1 --

A. Uh-huh.

Q. -- shows that the injection interval will be from 7300 to 7740?

A. Yes.

Q. And on the next page I show perforations at 7287 to 7306. You've got a 13-foot interval there that is not

accounted for.

A. Uh-huh. No one at the job -- The Examiner is very tedious at times. Sometimes we like to throw things in like this to help break the monotony and let you find a few things like that.

No, the proposed zone that we wanted to hit, as we'll show on the log, is from 7300. Those are the current perforations. We're not going to squeeze them or anything. They will be open.

And probably over here on Exhibit B, we should have put 7287. Those perfs above the 7300-foot mark looks a little rattier, a little tighter, on the gamma-ray log. And so that's why we did not include that as something that I would have gone for. But since they're already there, we'll utilize them.

But you're right. B-2 probably should have been changed to 7287.

EXAMINER CATANACH: Mr. Padilla, this case will be readvertised for -- Is it June 9th?

MR. PADILLA: Yes, sir, for an additional two weeks, because we felt that, when I discussed it with Mr. Stogner, that since we changed the injection interval, that we had to almost start all over again.

EXAMINER CATANACH: Okay.

MR. PADILLA: We wouldn't have given a complete

20-day notice at the hearing of this -- at today's hearing.

Q. (By Examiner Catanach) Okay. The renotification to the offset -- or to the -- yeah, to the offset operators, they do know exactly what perforations you're going to be injecting into? I mean, it does list the 7287?

A. Correct.

Q. I guess what I'm concerned about is the readvertisement for June the 9th. I'd be curious to know what interval would be listed on that.

MR. PADILLA: Mr. Examiner, I submitted a new notice for the hearing, an amended notice, to all of the interest owners, which showed the new interval.

EXAMINER CATANACH: Okay, but your --

MR. PADILLA: And the C-108 was also mailed by Siete, showing the Bone Spring as being the -- within -- with the new interval.

EXAMINER CATANACH: Yeah, what I'm getting at, though, Mr. Padilla, is on the actual notice for the hearing, as contained in our docket, which I'm sure some people rely on for information, would probably list the 7300-foot-to-7740-foot interval. I know it doesn't make --

MR. PADILLA: Oh, I see what you're saying. In other words, it was just repeated the same way as before, I guess.

EXAMINER CATANACH: Yeah. I would be almost

inclined to say that we would have to put that interval -- to readvertise again and put that interval, that 7287 interval, in there, instead of the 7300.

MR. PADILLA: On May 10th I wrote a letter to Mr. Stogner saying that, in part, As we discussed this morning, the Application will have to be readvertised due to the change of the disposal interval.

And so evidently that didn't get in the advertisement, the new interval with the S- --

EXAMINER CATANACH: Yeah, I don't know exactly what is in the advertisement for the next docket's case. I don't know what he put in there. I have not seen it.

I'll tell you what: I'll check on that, and then I'll get back to you on what we may need to do with that.

MR. PADILLA: We figured we were going to have the hearing early anyway, so -- and we were going to have to wait at least two weeks before an order could be issued.

EXAMINER CATANACH: Right, that is correct, you'll have to wait until after June 9th until I can even issue an order.

But if that injection interval is advertised wrong on the June 9th docket, we may have to run it again, readvertise it again for two more weeks. See what I'm saying?

I'll check on it, and I'll let you know.

Q. (By Examiner Catanach) Mr. Lee, I have a water analysis that you show to be from Osage Well Number 8 water supply well.

A. Correct.

Q. What is the location of that well in relation to the proposed injection well?

A. It's quite a ways off. It's probably 20, 30 miles away.

It was the -- Like I said, we -- In the C-108, I was noticing that it said I could use a study that was performed on a like horizon or like waters and utilize those.

The -- I had this study in my files, so I elected to utilize it since I couldn't get any actual Bone Spring water from the proposed injection well, and also since the Shay Meg well is also injecting into the Bone Spring without any apparent ill effects or benefit -- or, you know, scaling up, anything bad like that happening. I made the assumption or the inference that the Bone Spring would be compatible.

Q. Do you have an opinion as to whether this Bone Spring water and the Osage Number 8 is similar in characteristics to the one you will encounter in the injection well?

A. Across the region of the various waters that I

have had the opportunity to look at or examine, the Bone Spring does seem to be fairly consistent from area to area.

Q. Mr. Lee, this Bone Spring water appears to contain total dissolved solids less than 10,000. It's against Division Rules to inject into a formation that has water whose quality is less than 10,000 parts per million. Would you like to take a shot at that question?

Let me ask you this --

A. Okay, you -- here's -- I'm in error here, the -- when I grabbed this analysis.

The water sample number one, the Osage water supply well, at the time when we were doing our Parkway Delaware study, we were trying to find source water for our waterflood. There was a shallow well at the Osage 8 location, which we had analyzed.

Then I mistakenly grabbed this, looked at that and said, Ha, it's the Osage 8 water, thinking that I had had a compatibility analysis done on that Bone Spring water and the Delaware water, but actually it looks like this was on the shallow water zone at the Parkway.

You're correct, this is not the Bone Spring water. You're right.

I will get an analysis and, you know, have that study done.

But still, based on the Shay Meg well to the

south, I don't anticipate any problems with injecting into the Bone Spring as far as compatibility with the water.

FURTHER EXAMINATION

BY MR. PADILLA:

Q. Mr. Lee, if I may ask, on this water analysis, that Number 1 there that says Raw water taken from Osage Number 8 water supply well --

A. Yes.

Q. -- is that what you're talking about?

A. Yes, it is. And off to the side I have written "Bone Spring".

But as the astute Examiner has noticed, that is not the Bone Spring water, and that was an error on my part. I grabbed that analysis --

Q. So you got the wrong analysis here?

A. That's correct. That was for a shallow freshwater zone that we were looking at as a supply well for the Parkway waterflood, and not Bone Spring water from the Osage 8.

FURTHER EXAMINATION

BY EXAMINER CATANACH:

Q. Was this the water that was run in the compatibility study?

A. Yes.

Here we were comparing mixing the water from that

shallow supply well with the Osage 1 Delaware water, and also some water from a disposal well and an AMAX water well, and we were looking to see if they were all compatible for our waterflood.

Q. I would guess that you would need to run the compatibility study again.

A. I guess I will.

Q. Do you have knowledge that the Bone Spring water is in fact of lesser quality than this?

A. Yes, the Bone Spring water typically should have 140,000 to 160,000 parts per million chlorides, not less than 1000 as we show here on this one.

Q. Okay. Mr. Lee, when this well was drilled or when it was tested in the Bone Spring, did you recover any oil?

A. Siete did not test it.

It was tested by Apache, and they did recover some oil.

They -- The C-115 showed a barrel a day. In a month of testing they recovered, I think it was 25 or 30 barrels of oil.

EXAMINER CATANACH: That's all I have of the witness.

MR. PADILLA: We'll call our next witness at this time.

BRUCE USZYNSKI,

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

DIRECT EXAMINATION

BY MR. PADILLA:

Q. For the record, would you please state your name?

A. Bruce John Uszynski.

Q. Mr. Uszynski, would you spell your name for the Examiner?

A. U-s-z-y-n-s-k-i.

Q. I got that the first try.

A. Right.

Q. Mr. Uszynski, have you been qualified as a petroleum geologist before the Oil Conservation Division on prior occasions?

A. Yes, I have.

Q. Have you made a study of the geology in the injection interval in this case?

A. Yes, I have.

Q. Are you prepared to testify concerning the geology?

A. Yes.

MR. PADILLA: We offer Mr. Uszynski as a petroleum geologist, Mr. Examiner.

EXAMINER CATANACH: He is so qualified.

Q. (By Mr. Padilla) Mr. Uszynski, let's turn to that portion of Exhibit Number 1 which identifies and describes the geology at the injection zone and have you go through that with the Examiner.

A. Okay. Again, the formation name that we're going to inject in is the Bone Spring. In the back of your brochure you have a copy of the segment of the porosity log across the interval that we propose to inject in. The interval lies between 7285 feet and 7740 feet from the surface, formation thickness of 455 feet.

The formation is primarily fine- to very-fine-grain sand, liming in part with occasional lime stringers throughout, bounded above and below by dense limestone. Porosities range in the zone from 10 to 15 percent.

Q. What in your opinion, Mr. Uszynski, is the ability of this formation to take injected water?

A. Typically, porosities in the Bone Spring of 10 to 15 percent are very conducive to conducting fluids, both producing and for injecting, as indicated by the Shay Meg well to the south. That's our closest analogy for injection.

Porosities in our well and in the Shay Meg are very similar, therefore we believe that we should be able to put away injection water at the 700 pounds we propose to inject at.

Q. Mr. Uszynski, Mr. Lee testified that there were other producing Bone Spring wells in the area. Did those wells produce from this same zone?

A. No, they do not. There's a thin sand interval approximately 600 feet above the top of our proposed injection zone where the wells that do produce in the area are producing from.

Q. And he testified that -- He said the wells were how far away? Or do you know?

A. The nearest well is about a mile and a half away.

Q. What in your opinion is -- or would -- In your opinion, would the injected water have any effect on production from Bone Spring production one and a half miles away?

A. No, it should not. There's no indication of any faults or fractures in the area that would conduct the injected water to those horizons above through the formations themselves.

We have a significantly dense limestone above the injection zone that should contain the injected water.

Q. Is there any type of vertical fracturing that would conceivably allow water to migrate to the freshwater zones as you've identified in the geologic description?

A. No, the two freshwater zones that we have are 34 feet and 68 feet below the surface. We're significantly

deeper than that, and as I previously stated, there's nothing in my mapping to indicate any sort of fault or fracture patterns in the area that would allow this water to be conducted that far to the surface.

Q. Are there any freshwater zones below the Rustler formation in this area?

A. We checked with the State Engineer's Office, and in this area there are none.

Q. Mr. Uszynski, would approval of this Application be in the best interests of conservation of oil and gas?

A. Yes, it would.

Q. Could you elaborate a little bit on that?

A. Currently, the economics of the project are such that by having to haul the water at a dollar and a quarter or more a barrel, makes it difficult to accelerate the drilling program the way we would like to.

If we can get approval for this project, we would be able to dispose of our water at about a quarter a barrel, and that would allow us to continue our development program in a prudent, timely manner.

MR. PADILLA: Mr. Examiner, I have nothing further of this witness, and I offer the entirety of Exhibit 1 at this time.

EXAMINER CATANACH: Exhibit 1 will be admitted as evidence in this case, and I have no questions of the

witness.

MR. PADILLA: Mr. Examiner, I'd also like to give you my notices of hearing, both the initial notice and the --

EXAMINER CATANACH: Okay. These are marked as Exhibit Number 3. We'll enter Exhibit Number 3 as evidence in this case.

MR. PADILLA: I have nothing further, Mr. Examiner.

EXAMINER CATANACH: Okay. With that, and with the submittal of the additional water analysis compatibility test, we'll leave the record open for -- at least until June 9th, for two weeks, until the cases -- in which -- the cases on the June 9th docket. So we'll leave the record open till then.

Thank you, Mr. Padilla.

(Thereupon, these proceedings were concluded at 1:06 p.m.)

* * *

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 10968, heard by me on May 26 1992.

David R. Catanach, 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 June 19th, 1994.

STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1994

NEW MEXICO OIL CONSERVATION DIVISION

STATE LAND OFFICE BUILDING

STATE OF NEW MEXICO

CASE NO. 10968

IN THE MATTER OF:

The Application of Siete Oil & Gas Corporation for Salt Water Disposal, Eddy County, New Mexico.

BEFORE:

JIM MORROW

Hearing Examiner

State Land Office Building

June 9, 1994

REPORTED BY:

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

ORIGINAL

EXAMINER MORROW: We'll go ahead and get started. Before we call the hearing to order, I'll go through the docket and advise you of the cases that have been either continued or will be dismissed.

[And there were proceedings had off the record.]

EXAMINER MORROW: We'll call the hearing to order and call Case 10968.

Are there appearances in that case?

It's my understanding that this case was continued for two weeks to correct an error in advertising the case, which has been done. And there was a need for a Bone Spring water analysis, which I assume the Applicant will submit.

So we'll take Case 10968 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. 10968, heard by me on June 9 1994.

Examiner

Oil Conservation Division

CERTIFICATE OF REPORTER

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

I, Carla Diane Rodriguez, Certified Shorthand 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 July 8, 1994.

CARLA DIANE RODRIGUEZ, RPR
CCR No. 4

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 9, 1994 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
William F. Carr	Campbell, Carr, Berge & Sheridan	Santa Fe
Marnie Trummer	Byram Co.	"
Bill Hawkins	Amoco	Denver
Gene D[illegible]	SantaFe Energy	Midland
GARY GREEN	SANTA FE ENERGY	MIDLAND
Ernest L. Carroll	Losee Carson Haas & Carroll	Artesia
James Bruce	Hinkle Law Firm	SF
W. T. Kellahin	Kellahin + Kellahin	Santa Fe
John Lodge	ARCO	Midland
Richard Gill	Maralo, INC	Midland
Shane Lough	Maralo, Inc.	Midland
Dave Shafer	Mewbourne Oil	Midland
Steve Cobb	Mewbourne Oil	Midland
Jerry Elger	Nearburg Prod Co	Midland
Ernest L. Padilla	PADILLA Law Firm	SF
David Pearcy	Consultant for ARCO	Roswell NM

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date JUNE 9, 1994 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Terry E Durham	Nearburg Prod Co	Dallas, TX
Kevin E. O'Connell	Hallwood Petroleum	Denver, CO
Chris Woods	Hallwood Petroleum	Denver, CO