# Case No.:

Filmed Out Of Order Application, Transcript, Small Exhibits, Etc.

### DIL CONSERVATION COMMISSION P. D. BOX 871 SANTA FE, NEW MEXICO

November 5, 1957

Weier Drilling Company P.O. Box 747 Monahana, Texas

#### Gentlemen:

Me enclose a copy of Order 1-1032 issued November 4, 1957, by the Oil Conservation Commission in Case 1333, which was heard by an Examiner on October 24th.

Very tral yours,

A. L. Porter, Jr. Secretary - Director

bp Encl.

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HAN OFFICE GOD



## MALCO REFINERIES, INC.

LEGAL DEPARTMENT

ROSWELL NEW MEXICO

September 26, 1957

Mr. A. L. Porter, Jr. The New Mexico Oil Conservation Commission Capital Building Santa Fe, New Mexico

Dear Mr. Porter:

To confirm our telephone conversation of this date, we advise you of the Unorthodox Location of Malco Refineries, Inc., William-Stirling #4 Well in the SEINW1 of Section 7, Townskip 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Our new survey indicates that this well is located 2,540 feet from the North line and 1,650 feet from the West line of said section.

In accordance with your instructions, we will immediately shut in this well. We will also promptly file an application for an unorthodox well location and do hope that the hearing before the Commission, or Examiner, will be at the earliest possible time.

Thank you for your cooperation.

Yours very truly,

MALCO REFINERIES, INC.

By Robert A. Bussian

Docket Mailed 11 9 5 1

RAB/jp

#### BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 1333 Order No. R-1082

APPLICATION OF MALCO REFINERIES, INC. FOR AN UNORTHODOX OIL WELL LOCATION IN THE RED LAKE POOL, EDDY COUNTY, NEW MEXICO.

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a.m. on October 24, 1957, at Santa Fe, New Mexico, before D niel S. Nutter, Examiner duly appointed by the New Mexico Oil Conservation Commission, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this  $u^{th}$  day of November, 1957, the Commission, a quorum being present, having considered the application, the evidence adduced and the recommendations of the Examiner, Daniel S. Nutter, and being fully advised in the premises,

#### FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That the applicant projected its William Sterling No. 4 Well at a point 2310 feet from the North line and 1650 feet from the West line of Section 7, Township 18 South, Range 27 East, NMPM, Red Lake Pool, Eddy County, New Mexico, but that as a result of an error in surveying the well location, the well was actually drilled at a point 2540 feet from the North line and 1650 feet from the West line of said Section 7.
- (3) That the Commission has received no objection to the approval of the unorthodox location of the said William Sterling No. 4 Well.
- (4) That approval of the subject application will not cause waste.
- (5) That the subject application should be approved effective as of 7 o'clock a.m. Mountain Standard Time, October 30, 1957.

-2-Case No. 1333 Order No. R-1082

#### IT IS THEREFORE ORDERED:

That the unorthodox oil well location of the Malco Refineries, Inc., William Sterling No. 4 Well, at a point 2540 feet from the North line and 1650 feet from the West line of Section 7, Township 18 South, Range 27 East, NMPM, Red Lake Pool, Eddy County, New Mexico, be and the same is hereby approved as of 7 o'clock a.m. Mountain Standard Time, October 30, 1957.

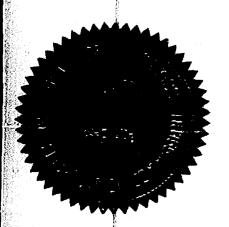
DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

EDWIN L. MECHEM, Chairman

MURRAY E. MORGAN, Member

A. L. PORTER, Jr., Member & Secretary



#### OIL CONSERVATION COMMISSION SANTA FE, NEW MEXICO

1333

Date 10-29-57

My recommendations for an order in the above numbered cases are as follows:  Enter an order approving the curanthe fortalion, due to evan in survey, of Malco Afg to Refineries, Inc.,  Sterling were no 4, located 2540 beet from the don'th line and 1650 feet from the Sast line of Section 7, Township 18 South, R 27 East, Eddy and Mine,  Of it is receasary give the effective that if approval of the sorder as Tockock and the sorder as that is the show and think Oct 3 as that is the show and the destal that the weel was permitted to go back on production.)  A company of south of the standard of the destal and show and show a survey of the sorder of the south of the destal and show a survey of the south o	CASE	Hearing Date 10-24-57
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1957 SEP LO MI 9: 05 MALCO REFINERIES. INC.

LEGAL DEPARTMENT

ROSWELL, NEW MEXICO

September 27, 1957

Mr. A. L. Porter, Jr. The New Mexico Oil Conservation Commission Capital Building Santa Fe, New Mexico

Dear Mr. Porter:

We are enclosing an application, in triplicate, of Malco Refineries, Inc. for Unorthodox Oil Well Location for its William-Stirling #4 Well in the  $SE_4^1NW_4^1$  of Section 7, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico.

In Exhibit "C" of the application, the name Olsen Featherstone should be Olen F. Featherstone.

Your immediate consideration of this application will be greatly appreciated. We do hope that the hearing before the Commission, or Examiner, will be at the earliest possible time.

Yours very truly,

MALCO REFINERIES, INC.

Robert a. Busman

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# DEFORECTHE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

APPLICATION OF MALCO REFINERIES, INC.,
A NEW MEXICO CORPORATION, FOR AN UN-
ORTHODOX OIL WELL LOCATION FOR ITS
WILLIAM-STIRLING #4 WELL IN THE SEANWA
OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE
27 EAST, N.M.P.M., CONTAINING 40 ACRES,
MORE OR LESS, RED LAKE POOL, EDDY COUNTY,
NEW MEXICO

case no. <u>1353</u>

#### APPLICATION

COMES NOW, Malco Refineries, Inc., a New Mexico corporation, respectfully presents this application for approval of an unorthodox oil well location, and in support thereof states as follows:

- 1. Applicant is the owner of the SE<sup>1</sup>/<sub>4</sub>NW<sup>1</sup>/<sub>4</sub> of Section 7,
  Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico,
  and on or about June 21, 1957, the Applicant had said land surveyed
  for the purpose of staking a location for the drilling of the
  William-Stirling #4 Well. The location was subsequently surveyed
  and a plat thereof was filed with this Commission and attached hereto
  as Exhibit "A". The plat showed the proposed location for the
  William-Stirling #4 Well to be at a point 2,310 feet from the North
  line and 1,650 feet from the West line of Section 7, Township 18
  South, Range 27 East, N.M.P.M., Eddy County, New Mexico.
- 2. Applicant spudded the well at the exact location of the stake; drilled the well to the total depth of 1,776 feet, and completed the well, on or about July 8, 1957, as a producer of oil.
- 3. After the drilling and completion of the well at the original staked location, information came to the attention of the Applicant that the well was possibly erroneously located; therefore, Applicant caused a new survey to be made on September 25, 1957 and

it was determined by this new survey, a copy of which is hereto attached as Exhibit "B", that the actual location of the well was at a point 2,540 feet from the North line and 1,650 feet from the West line of Section 7, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico. Upon completion of this survey on September 26, 1957, Applicant notified the Commission of the unorthodox location as described above.

- 4. The unorthodox location was not the fault of the Applicant and the Applicant will suffer undue hardships if the subject application is not approved.
- 5. The ownership of the off set locations, being the  $SW_4^1NW_4^1$ ,  $NW_4^1SW_4^1$  and  $NE_4^1SW_4^1$  of Section 7, Township 18 South, Range 27 East, N.M.P.M., Eddy County, New Mexico, which may be affected by the unorthodox location is shown on the attached Exhibit "C", and the addresses of such owners are also set out.
- 6. The addresses of the surveyors who prepared Exhibit "A" and Exhibit "B" are respectively as follows:

Vilas P. Sheldon Carper Building Artesia, New Mexico John A. Mathis, Jr. Electric Building Artesia, New Mexico

WHEREFORE, Applicant respectfully requests that this matter be set down for hearing before the Commission, or Examiner, at the earliest possible time; notice of said hearing be given as required by law; and that upon the evidence introduced at the hearing, this Commission enter its order in this case approving the unorthodox location of the Malco Refineries, Inc., William-Stirling #4 Well, at a point 2,540 feet from the North line and 1,650 feet from the West line of Section 7, Township 18 South, Range 27 East, N.M.P.M., in the Red Iake Pool, in Eddy County, New Mexico, and that said well be granted the same allowable that it would receive if said well were in an orthodox location.

Dated this 27th day of September, 1957.

MALCO REFINERIES, INC., Applicant

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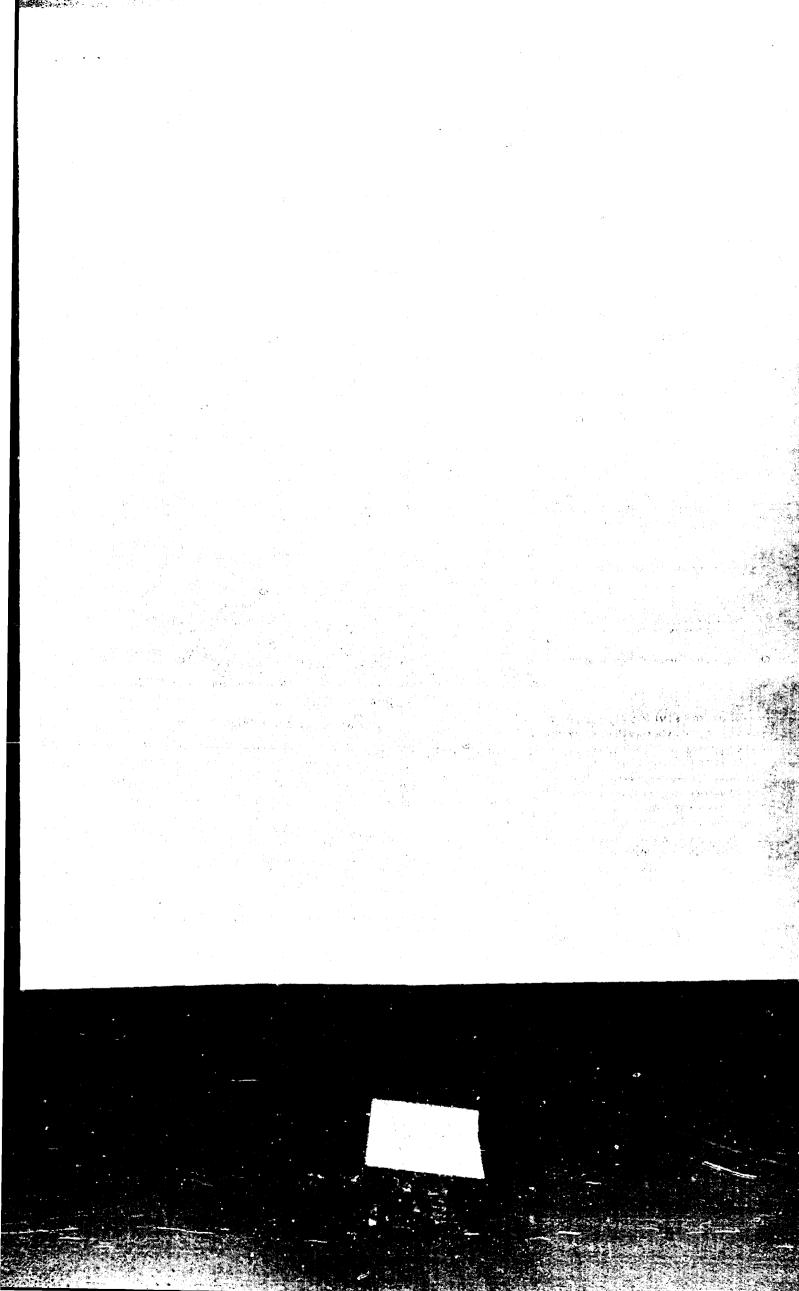
Robert A. Bussian, Attorney Malco Refineries, Inc. Post Office Box 660 Roswell, New Mexico

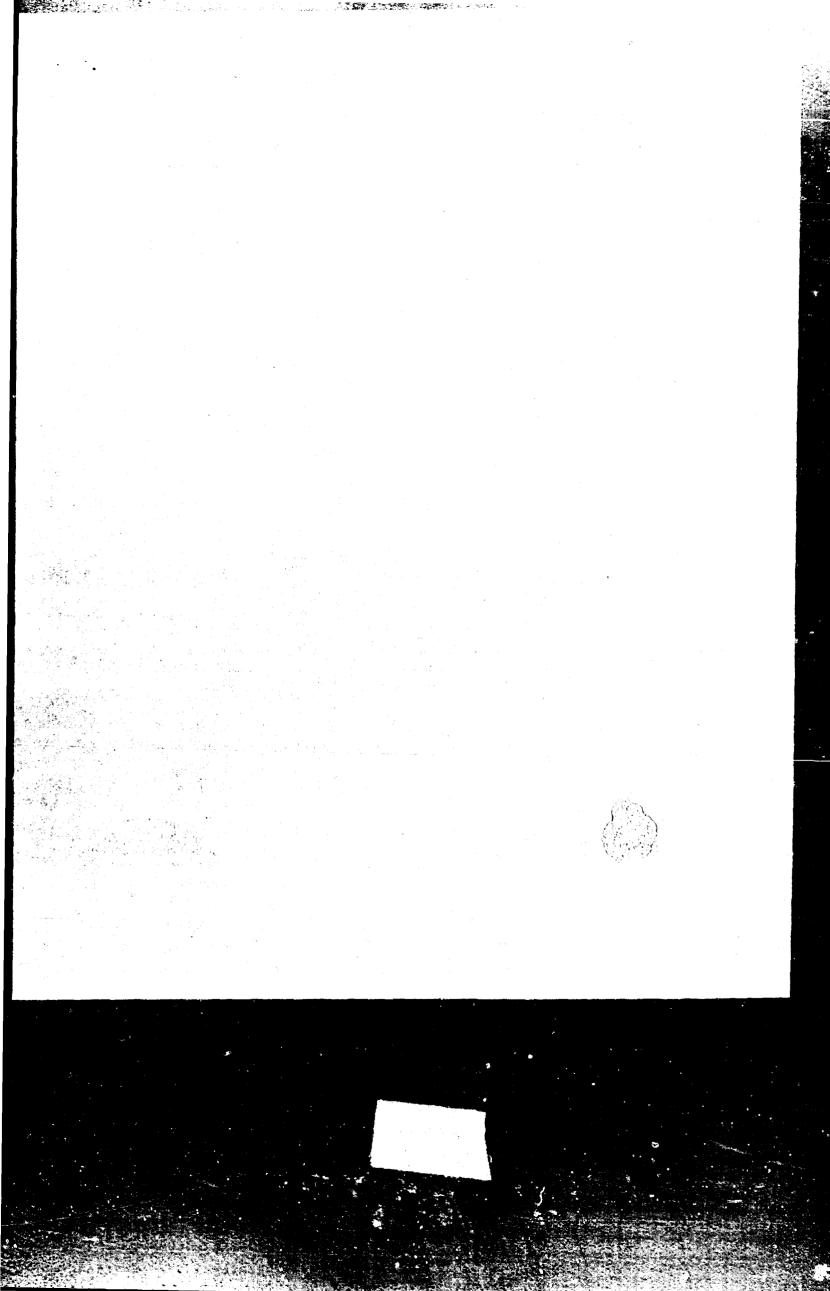
Rakut a. Busman

Address of Applicant:

Malco Refineries, Inc. Post Office Box 660 Roswell, New Mexico

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#### MEXICO OIL CONSERVATION COMMISSION

#### 19 (1) Location and Acreage Dedication Plat

Section A.			Date September 25, 1957		
gerator <u>Ma</u> ]	lco Refineries, I	nc. Lea	se Sterling		
ell No. 4	Unit_Letter	Section 7	Township	18 South Range 27 Fast NMF et From North Lir	
ocated <u>3630</u>	Feet From	East Line,	Fe 	et From <u>North</u> Lir ed Acreage Acre	
ounty <u>sawy</u> ome of Produc	ing Formation Se	Andrea (Slaugh	ter Pool	Red Lake	
Is the Ope	rator the only :	wnor* in the ded	icated acreage of	utlined on the plat below?	
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				of all the owners been	
	ed by communitize e of Consolidation		or otherwise? You	esNo If answer is	
If the ans	wer to question	two is "no." lis	t all the owners	and their respective interests	
below:	4	,	•	, , , , , , , , , , , , , , , , , , ,	
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			1	information in Section A	
			1	above is true and complete	
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	, <b>v</b>			(Operator)	
	}		1	and but he	
				(Representative)	
			1	(Representative)	
	1 //	/	Ì	Box 660, Rosvell, New Mexico	
1668	157 b.T	3630		Address	
	Ty				
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	1		1	plat in Section B was plotted	
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#### INSTRUCTIONS FOR COMPLETION:

- 1. Operator shall furnish and certify to the information called for in Section A.
- 2. Operator shall outline the dedicated acreage for both oil and gas wells on the plat in Section B.
- 3. A registered professional engineer or land surveyor registered in the State of New Mexico or approved by the Commission shall show on the pli, the location of the well and certify this information in the space provided.
- 4. All distances shown on the plat must be from the outer boundaries of Section.
- 5. If additional space is needed for listing owners and their respective interests as required in question 3, Section A, please use space below

<sup>\* &</sup>quot;Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1953 Comp.)

MALCO REFINERIES, INC. Box 660 ROSWELL, NEW MEXICO 7/8 MINERAL INTEREST WILLIAM STIRLING WATERFLOW, NEW MEXICO 1/8 MINERAL INTEREST (LEASED TO MALCO) Southern California Pet Cord. AND Culbertson & Irwn, Fet Life Blos. MIDLAND, TEXAS - VO MINERAL INT. Neil B. Watson, executor of last FEATHERSTONE will and testament PETHOLEUM BURG of Willic D. Atheson deceased ROSWELL, N. M. ALL MINERALS UNLEASED Carper Bldg. Artesia Higgins Estate, Inc. 8 Mineral % Mary Lorena Higgins Enturest Auburn, Georgia of Stirling ALL MINERALS UNLEASED WEIER DRILLING CO. HUMBLE OIL & REFINING IST NATL BANK BLOG. Box '746 ROSWELL, NEW MEXICO MONAHANS, TEXAS FULL INTEREST LEASE FULL INTEREST LEASE ROYALTY OWNERS : Elsie Gates Johnson Emma Y. Gilbert 225 N. 22nd Place 405 W. Richardson Phoenix, Arizonia Artesia, New Mexico All MINERALS B.F. Kaiser Rt. 1, Box 204 Artesia, New Mexico Col. B.F. Kaiser, In Rt. 2, Box 638 Vista, California G.E. Kaiser 102 West Quay Artesia, New Mexico Margaret Palone 401 South 54th West Ave. Tulsa, Oklahoma Mrs. Birdie Kaiser Peterson May Lou Spenger
4625 Granger
San Diego, California
William Hudson
Box 474
Artesia, New Mexico

> SECTION 7 T-18-5, R-27-E, N.M.P.M. Eddy County, N.M.



4/2/57 25' EAST OF POINT R6, S13

BEFORE THE
OIL CONSERVATION COMMISSION
SANTA FE, NEW MEXICO
October 24, 1957

TRANSCRIPT OF HEARING
CASE NO. 1333

DEARNLEY - MEIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE, NEW MEXICO 3-6691 5-9546

IN THE MATTER OFF

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#### TRANSCRIPT OF ABARANG

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MR. OCCURET DASS SOL FEED - Applied for at follow

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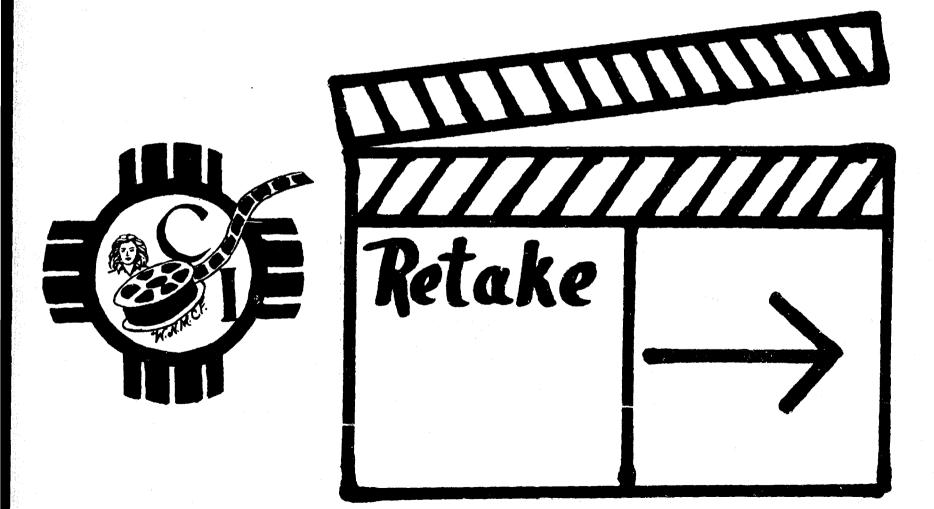
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## BEFORE THE OIL COASERVATION COMMISSION SANTA FE, NEW MEXICO October 24, 1957

IN THE MATTER OF:

Application of Malco Refineries,
Inc., for an unorthodox oil well
location in the Red Lake Pool,
Eddy County, New Mexico.
Applicant, in the above-suyled
cause, seeks an order authorizing
the unorthodox location of its
William Stirling No. 4 Well at a
point 2,540 feet from the North
line and 1,650 feet from the
West line of Section 7, Township
18 South, Range 27 East, Red Lake
Pool, Eddy County, Lew Mexico.

CASE NO. 1333

BEFORE:

MR. DANIEL S. NUTTER, Examiner.

#### TRANSCRIPT OF HEARING

Mr. Nutter; The next case will be Case No. 1333.

MR. COOLEY: Case No. 1333. Application of Malco Refineries, Inc., for an unorthodox oil well location in the Red Lake Pool, Eddy County, New Mexico.

MR. BUSSIAN: My name is Robert Bussian, I'm attorney for Malco Refineries, Incorporated. I was wondering whether there are any other parties of interest present at the hearing in this case.

MR. NUTTER: Any parties interested in Case No. 1333?

Dearnley . Meier & Associates Incorporated General Law Reporters Albuquerque New Mexico 3.6691 5.9546 If so, please identify themselves.

MR. BUSSIAN: I would like to present a witness, Audley Morden.

(Witness sworn)

AUDLEY D. MORDEN, JR.

having been first duly sworn, testifies as follows:

#### DIRECT EXAMINATION

#### BY MR. BUSSIAN:

- Q Would you please state your name?
- A Audley Morden.
- Q What is your capacity?
- A I'm a geologist in charge of southeast New Mexico.
- Q Would you explain to the Examiner your background and education in the oil field?
- A I have a Bachelors degree and Masters degree in geology, and approximately eight years experience including Texas, New Mexico and Mississippi.
  - Q Have you ever testified before this commission?
  - A No.
  - Q What conservation commissions have you testified before?
  - A The commission in Mississippi.

MR. BUSSIAN: Do you have any questions?

MR. NUTTER: What is this witness going to testify to,

Mr. Bussian?

MR. BUSSIAN: Well, he's going to testify to the locating of this well and just the general nature of it. I don't think he'll actually give an opinion, but I did think I would qualify him.

MR. NUTTER: Will he testify as to surveying?

MR. BUSSIAN: No, he won't. Although he will examine the exhibits as to surveying, testify as to the exhibits that were filed.

MR. NUTTER: The witness! qualifications are acceptable.

Q Mr. Morden, did you supervise the William Stirling No. 4 well located in the southeast quarter of Section 7 --

A Yes, sir.

Q -- Township 18 South, Range 27 East, Eddy County, New Mexico?

A Yes, sir.

Mexico Oil Conservation Commission form Cl28 prepared by Otis P. Sheldon for location of Malco Refineries, Inc., William Stirling No. 4 Well located in the Southeast quarter, northwest quarter of Section 7, Township 18 South, Range 27 East, Eddy County, New Mexico.

MR. BUSSIAN: I was wondering, Mr. Cooley, would you like to examine this exhibit before I offer it, ask him about it.

Mark this as Applicant's Exhibit "A".

DEARNLEY - MÉIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE - NEW MEXICO

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Q Mr. Morden, I hand you Applicant's Exhibit "A", and would you explain it, what it is to the commission?

A Well, it's a form Cl28 filed with the conservation commission by the applicant and simply states the location of the stake put in the ground by the surveyor and it's located 1,650 feet from the west and 2,310 from the north of Section 7, Township 18 South, Range 27 East.

MR. BUSSIAN: I would like to offer Applicant's Exhibit "A" in evidence.

MR. NUTTER: Without objection Exhibit "A" will be received in Case 1333.

Q Was the "alco Refineries, Inc. William Stirling No. 4 Well spudded in accordance with the survey as reflected by Exhibit "A"?

A Yes, sir.

Q What was the date Malco Refineries, Inc. William Stirling No. 4 Well was completed?

A July 8, 1957.

Q Would you describe to the examiner the events which occurred subsequently as to the completion of the well?

A I had occasion to see a map that the Carlsbad Irrigation

District has made on a survey for relocation of the Pecos River

Channel. This map I saw had several of the wells adjacent to the

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channel located and had our William Stirling No. 4 located, what appeared to be an unorthodox location, so I went to the field and checked it, and knew that something was wrong through additional development in the field, and I notified Mr. Donald Anderson.

- Q What did you and Mr. Anderson decide to do about this problem?
  - A Decided to have a le-survey made by a different surveyor.
  - Q I have Applicant's Exhibit --

MR. NUTTER: One moment. Would you identify Mr. Donald Anderson?

A He's vice-president in charge of pipeline and exploration, Malco Refineries.

MR. NUTTER: In other words, you notified your supervisor --

A Yes, sir.

MR. NUTTER: -- of the condition you saw in the field?

A Yes, sir.

MR. NUTTER: Proceed.

Q I have Applicant's Exhibit "B". New Mexico Oil Conservation Commission form Cl28 prepared by John A. Mathis, Jr., determining the correct location of Malco Refineries William Stirling No. 4 Well. Mr. Morden, I hand you here Applicant's Exhibit "B" and would you explain to the examiner what that is?

A The re-survey of the Malco Refineries William Stirling

DEARNLEY MEIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE NEW MEXICO 3-6691 5-9546 No. 4 Well indicated the well to be at a point 2,540 from the north and 3,630 from the east or 1,650 from the west.

MR. BUSSIAN: I would like to offer Exhibit "B",
Applicant's Exhibit "B" in evidence.

MR. NUTTER: Without objection Exhibit "B" will be received in this case.

Q Upon receipt of Exhibit "B" from Mr. Mathis, did the applicant notify the New Mexico Oil Conservation Commission?

A Yes, sir.

Q And upon notifying the commission what did the commission order the applicant to do?

A The well was shut immediately.

Q And what is the present status of this well?

A It's still shut.

Q Based upon surveys shown in Exhibit "B", do you believe the well to be located 2,540 feet from the North line and 1,650 feet from the West line of Section 7, Township 18 South, Range 27 East, Red Lake Pool in Eddy County, New Mexico?

A Yes.

MR. BUSSIAN: I have no further questions.

#### BY MR. NUTTER:

Q Mr. Morden, I note that the original survey of the well as far as it's west direction is concerned was made from the west line of Section 7 and the distance was 1,650 feet; subsequent

DEARNLEY - MEIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE - NEW MEXICO 3-6691 5-9546 I realize that 3,630 and 1,650 add up to 5,280. To your knowledge is Section 7 a standard section and 5,280 feet wide?

A Yes, sir, according to the United States Geological Survey.

MR. NUTTER: Any further questions of the witness?

BY MR. NUTTER:

Q Would you establish for the sake of the record, Mr. Morden, the distance that the well is located from the lot lines of the 40 acre tract on which the well is located, what is the distance from the south line?

A One hundred feet.

Q One hundred feet from the south line?

A Yes, sir.

Q What is the distance from the west line of that 40 acres?

A 330 feet.

MR. NUTTER: Thank you. Any further questions of the witness?

MR. COOLEY: Yes.

#### BY MR. COOLEY:

Q This well was projected then as a 330 foot by 330 foot location out of the southwest corner of the 40 acre tract?

A Yes. sir.

DEARNLEY - MEIER & ASSOCIATES
INCORPORATED
GENERAL LAW REPORTERS
ALBUQUERQUE, NEW MEXICO

And was erroneously located due to the fact the surveyor made a mistake?

A Yes, sir.

Who owns the 40 acre tract immediately offsetting the acreage to the south?

A Weier Drilling Company.

Q How do you spell that?

A W-e-i-e-r.

MR. BUSSIAN: Mr. Cooley, we have an exhibit "C" attached to our application which shows the entire ownership of all of the offset locations and with their addresses, which was filed with our location.

MR. COOLEY: Was a copy of the application in Case 1333 sent to Weier Drilling Company?

MR. BUSSIAN: No, it wasn't.

MR. COOLEY: To your knowledge they have not been notified of this?

MR. BUSSIAN: Well, I believe, I think one of our personnel talked to them on the telephone and they indicated to us that they have no objection to the location of the well.

MR. NUTTER: You presume they have been notified by the legal advertisement in the case though?

MR. BUSSIAN: Yes, I do. And we believe to the best of our knowledge all parties of interest were set, their names and

DEARNLEY - MEIER & ASSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE NEW MEXICO 3.6691 5.9546 addresses were set forth in the application.

MR. COOLEY: That's all the questions I have.

MR. NUTTER: Any further questions of Mr. Morden? If not he may be excused. Any further questions or statements in Case 1333? If not, we will take the case under advisement.

(Witness excused)

DEARNLEY - MEIER & AGSOCIATES INCORPORATED GENERAL LAW REPORTERS ALBUQUERQUE, NEW MEXICO 3-691 5-9546 STATE OF NEW MEXICO )
: ss
COUNTY OF BERNALILLO )

I, MARIANNA METER, Notary Public in and for the County of Bernalillo, State of New Mexico, do hereby certify that the foregoing and attached Transcript of Hearing before the New Mexico Oil Conservation Commission was reported by me in Stenotype and reduced to typewritten transcript by me and/or under my personal supervision; that same is a true and correct record to the best of my knowledge, skill and ability.

WITNESS my Hand and Seal this, the day of November, 1957, in the City of Albuquerque, County of Bernalillo, State of New Mexico.

Mary Public

My Commission Expires: April 8. 1960.

I do Hereby agadify that the foregoing is a completing intered of the processing in the Basis for the ring of the 1333. The bard by an on 10-24 miles and the forest of the forest of the first of the f

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