

NSL - 1100337236

DATE IN 1.3.11	SUSPENSE	ENGINEER DILB	LOGGED IN 1.3.11	TYPE NSP	APP NO 1100338939
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



BIYA operators
224717
Horseshoe Gallup
Unit #300

HORSESHOE GALLUP UNIT #300

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

NSL-6320
NSP-1948

- [1] **TYPE OF APPLICATION** - Check Those Which Apply for [A]
- [A] Location - Spacing Unit - Simultaneous Dedication
☒ NSL ☒ NSP ☐ SD
- Check One Only for [B] or [C]
- [B] Commingling - Storage - Measurement
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM
- [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- [D] Other: Specify _____
- [2] **NOTIFICATION REQUIRED TO:** - Check Those Which Apply, or ☐ Does Not Apply
- [A] ☐ Working, Royalty or Overriding Royalty Interest Owners
- [B] ☒ Offset Operators, Leaseholders or Surface Owner
- [C] ☐ Application is One Which Requires Published Legal Notice
- [D] ☐ Notification and/or Concurrent Approval by BLM or SLO
 U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
- [E] ☐ For all of the above, Proof of Notification or Publication is Attached, and/or,
- [F] ☐ Waivers are Attached

- [3] **SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.**

- [4] **CERTIFICATION:** I hereby certify that the information submitted with this application for administrative approval is **accurate and complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mike Pippin
Print or Type Name

Mike Pippin
Signature

Petroleum Engineer
Title

December 30, 2010
Date

mike@pippinllc.com
e-mail Address

Warnell, Terry G, EMNRD

To: mike@pippinllc.com
Subject: NSL Application?

Hi Mike,

Going to need an Administrative Application Checklist Horseshoe Gallup Unit Well No. 300 before it can be logged into RBDMS

<http://www.emnrd.state.nm.us/oed/documents/admnapp.pdf>

Sincerely
Terry G. Warnell
New Mexico Oil Conservation Division
1220 South St. Francis
Santa Fe, NM 87505
505-476-3466

NSL-

BIYA OPERATORS, INC.

c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) 505-564-8656 (fax)
Email: mike@pippinllc.com

RECEIVED OCD
2010 DEC 29 P 1:26

December 29, 2010

Engineering Bureau
David Brooks
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

RE: **Application for Administrative Approval of Non-standard Location & Non-standard Proration Unit**

BIYA Operator's: Horseshoe Gallup Unit #300 (proposed new well)
Surface: 1101' FNL & 331' FWL (D and Lot #1). Sec. 28 T31N R16W, San Juan County, NM
Horseshoe Gallup Pool (32870)

Dear Mr. Brooks:

BIYA Operators Inc. hereby requests administrative approval for a non-standard location and a non-standard pro-ration unit for the above referenced well. The reason for these requests is due to the irregularity of the official survey. Attached for your reference are the following exhibits:

1. Proposed Well Location Plat, (NMOCD Form C-102)
2. List of Offset Operators and/or Leasehold Owners
3. Leasehold/Owner Map
4. Copy of the letter to the Offset Operators and/or Leasehold Owners
5. Well Status Map
6. Production Map
7. Topographic map

The rules state that an oil well should not be closer than 330 feet to the South and North quarter-quarter lines nor closer than 330 feet to the East and West quarter-quarter lines of an oil 40 acre pro-ration Unit. BIYA Operators plans to drill the referenced well from a surface location (in lot #1 of section 28) that is nearer the south and east quarter-quarter lines due to the irregularity of the official survey. Therefore, NM State rules indicate that this proposed well needs an order for a non-standard location.

BIYA Operators plans to dedicate all of Lot #1 in Section 28, which consists of 25.25 acres to the proposed oil well due to the irregularity of the official survey. Therefore, NM State rules indicate that this well needs an order for a non-standard pro-ration unit.

By certified mail, a copy of this application and request for administrative approval has been sent to all of the Horseshoe Gallup (32870) offset operators/owners on the attached list. Lime Rock Resources would like to request your Administrative Approval for the non-standard location and non-standard pro-ration unit based on the above information. Should you need any additional information please feel free to contact me at (505) 327-4573.

Best Regards,



Mike Pippin
Petroleum Engineer

Enclosures

cc: Charlie Perrin

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION

1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July, 16, 2010
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 32870	*Pool Name HORSESHOE GALLUP
*Property Code 305250	*Property Name HORSESHOE GALLUP UNIT		*Well Number 300
*GRID No. 224717	*Operator Name BIYA OPERATORS, INC.		*Elevation 5575'

¹⁰ Surface Location

UL or lot no. D	Section 28	Township 31-N	Range 16-W	Lot Idn	Feet from the 1101	North/South line NORTH	Feet from the 331	East/West line WEST	County SAN JUAN
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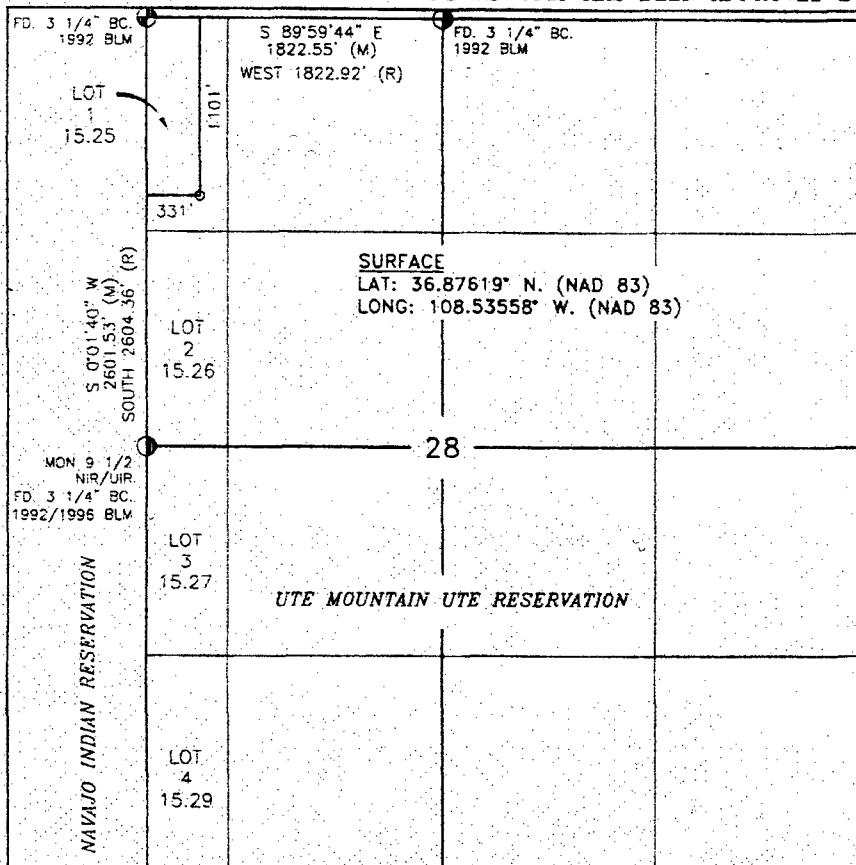
¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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¹² Dedicated Acres 15.25 - LOT #1	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16



17

OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

MIKE PIPPIN

Printed Name

MIKE@PIPPINLLC.COM

E-mail Address

18

SURVEYOR CERTIFICATION

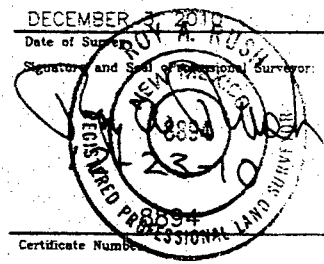
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 2010

Date of Survey

Signature

and Seal of Registered Surveyor



Certificate Number

BIYA OPERATORS, INC.
c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) 505-564-8656 (fax)
Email: mike@pippinllc.com

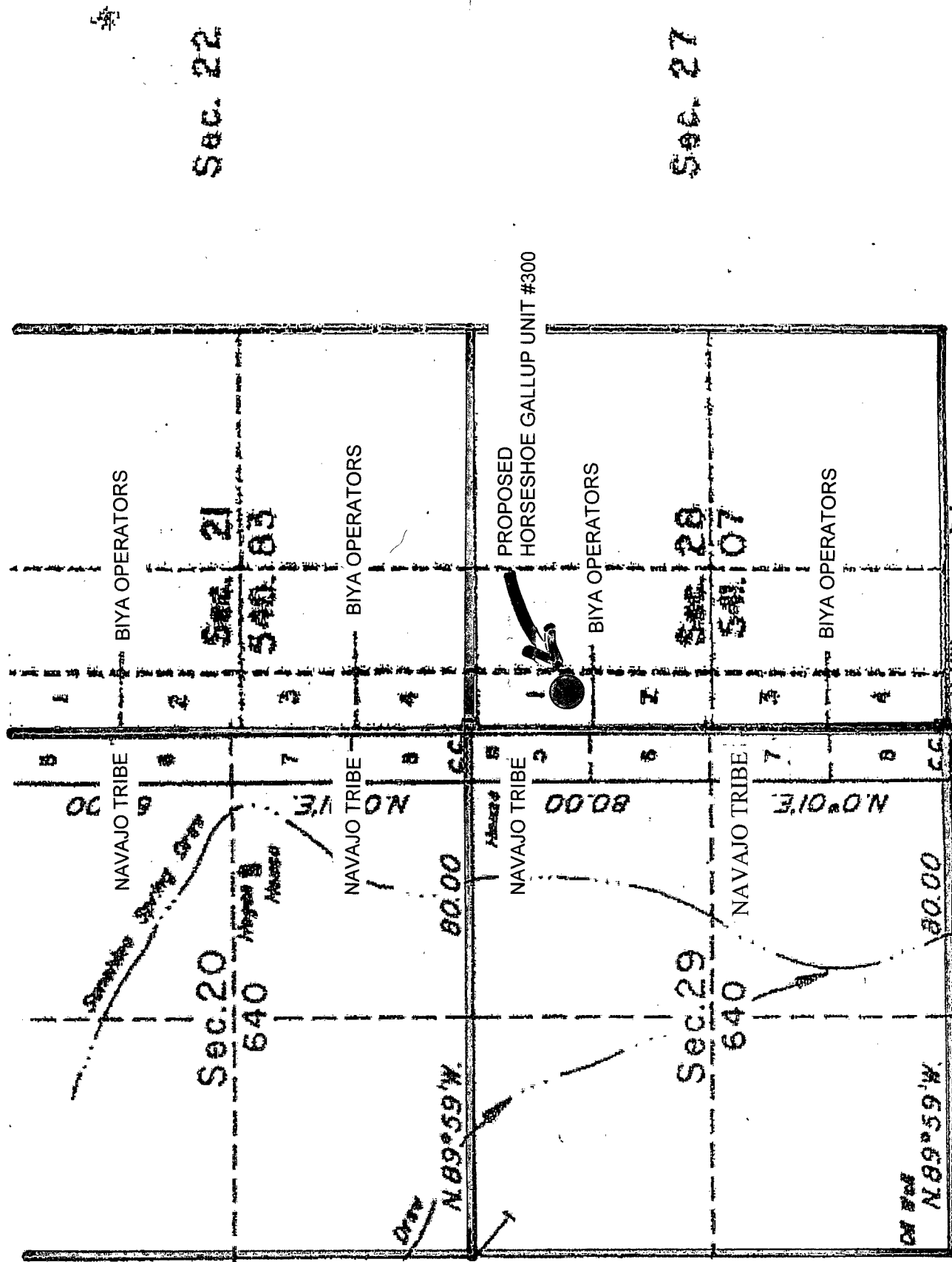
**OFFSET OPERATORS AND/OR OWNERS NOTIFICATION LIST
HORSESHOE GALLUP UNIT #300 -- NSL & NSP Application**

OFFSET OPERATORS AND/OR OWNERS:

Akhtar Zamon
Director, Minerals Department
Navajo Tribe
P.O. Box 4950
Window Rock, AZ 86515

Gordon Hammond
Director of Tribal Energy
P.O. Box 42
Towaoc, CO 81334

LEASEHOLD MAP NEAR PROPOSED NEW WELL: HORSESHOE GALLUP UNIT #300



BIYA OPERATORS INC.
c/o Mike Pippin PE
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) - 505-564-8656 (fax)
Email: mike@pippinllc.com

December 29, 2010

CERTIFIED MAIL:

RE: **Application for Administrative Approval of Non-standard Location and Pro-ration Unit**
BIYA Operator's: Horseshoe Gallup Unit #300
Surface: 1101' FNL & 331' FWL (Lot #1). Sec. 28 T31N R16W, San Juan County, NM
Horseshoe Gallup Pool (32870)

Dear Sir or Madam:

Enclosed please find a copy of the above captioned application that has been sent to the NMOCD for administrative approval. Should you not agree with the request, please notify the NMOCD within 20 days of the date of this application.

BIYA Operators plans to spud this well in the spring of 2011.

Any questions you may have concerning the operations, please feel free to contact me at (505) 327-4573.

Best Regards,



Mike Pippin
Petroleum Engineer

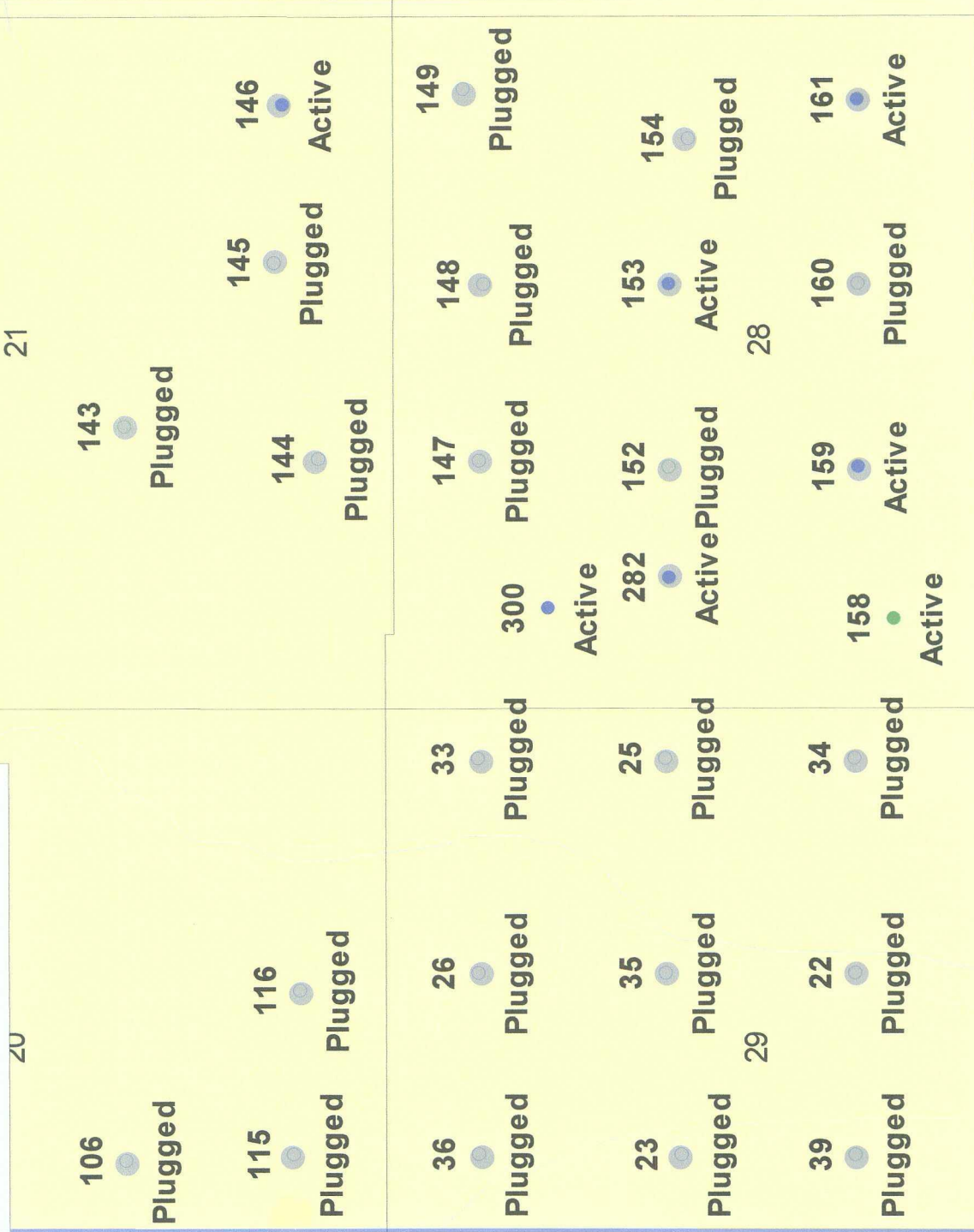
Enclosures

PowerTools Map

Project: c:\program files\ihs energy\powertools v9.0\projects\biya allwells 7 10.mdb

Date: 12/24/2010
Time: 3:56 PM

HORSESHOE GALLUP UNIT #300
BIYA OPERATORS INC.
HORSESHOE GALLUP WELLS



HORSESHOE GALLUP UNIT #300
BIYA OPERATORS INC.
HORSESHOE GALLUP WELLS
Prior Twelve Months Oil Bubbles

106
0 bbl

115
0 bbl

116
0 bbl

143
0 bbl

145
0 bbl

146
28 bbl

144
0 bbl

36
0 bbl

26
0 bbl

33
0 bbl

147
0 bbl

149
0 bbl

148
0 bbl

23
0 bbl

35
0 bbl

25
0 bbl

152
0 bbl

154
0 bbl

153
502 bbl

39
0 bbl

22
0 bbl

34
0 bbl

159
451 bbl

160
0 bbl

161
467 bbl

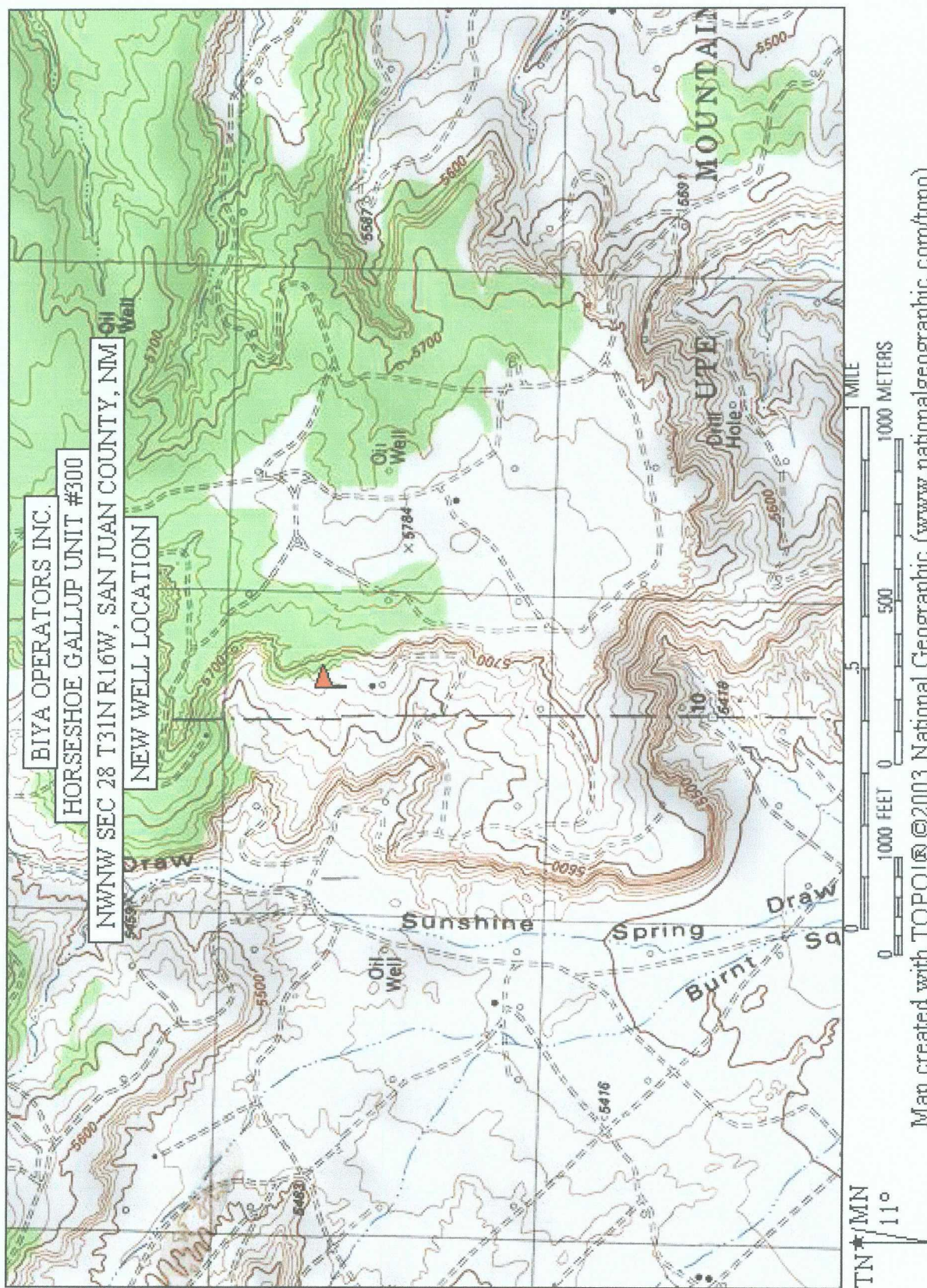
29

282
2,798 bbl

300
0 bbl

28

158
677 bbl



2927 2246 2000 0952 2002

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Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.41

12/28/2010

Sent To *AKhtar Zaman, Navajo Tribe*
 Street, Apt. No.,
 or PO Box No. *PO Box 4950*
 City, State, ZIP+4 *Window Rock, AZ 86515*

PS Form 3800, August 2006 See Reverse for Instructions

0527 2246 2000 0952 2002

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(Domestic Mail Only; No Insurance Coverage Provided)	
For delivery information visit our website at www.usps.com	
OFFICIAL USE	
Postage	\$ 0.61
Certified Fee	\$2.80
Return Receipt Fee (Endorsement Required)	\$0.00
Restricted Delivery Fee (Endorsement Required)	\$0.00
Total Postage & Fees	\$ 3.41

12/28/2010

Sent To *Mordon Hammond-Director*
 Street, Apt. No.,
 or PO Box No. *PO Box 42*
 City, State, ZIP+4 *Towaoc, CO 81334*

PS Form 3800, August 2006 See Reverse for Instructions

DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO. 1100337236
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

1220 South St. Francis Drive, Santa Fe, NM 87505



HORSESHOE GALLUP UNIT #400

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

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[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☒ NSL ☒ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☒ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☐ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

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Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Mike Pippin

Print or Type Name

Mike Pippin
Signature

Petroleum Engineer

Title

January 7, 2011

Date

mike@pippinllc.com

e-mail Address

RECEIVED OGD
2011 JAN 11 P 2:27

BIYA OPERATORS, INC.

c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) 505-564-8656 (fax)
Email: mike@pippinllc.com

January 7, 2011

Engineering Bureau
David Brooks
New Mexico Oil Conservation Division
1220 S. Saint Francis Drive
Santa Fe, New Mexico 87504

RE: Application for Administrative Approval of Non-standard Location & Non-standard Proration Unit

BIYA Operator's: Horseshoe Gallup Unit #400 (proposed new well)
Surface: 1101' FNL & 331' FWL (D and Lot #1). Sec. 28 T31N R16W, San Juan County, NM
Horseshoe Gallup Pool (32870)

Dear Mr. Brooks:

As you requested, this revised application shows the well number change from #300 to #400. BIYA Operators Inc. hereby requests administrative approval for a non-standard location and a non-standard pro-ration unit for the above referenced well. The reason for these requests is due to the irregularity of the official survey. Attached for your reference are the following exhibits:

1. Proposed Well Location Plat, (NMOCD Form C-102)
2. List of Offset Operators and/or Leasehold Owners
3. Leasehold/Owner Map
4. Copy of the letter to the Offset Operators and/or Leasehold Owners
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Best Regards,



Mike Pippin
Petroleum Engineer

Enclosures

cc: Charlie Perrin

DISTRICT I
1625 N. French Dr., Hobbs, N.M. 88240

DISTRICT II
1301 W. Grand Ave., Artesia, N.M. 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410

DISTRICT IV
1220 South St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department
OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-102
Revised July, 16, 2010
Submit one copy to appropriate
District Office

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number		*Pool Code 32870	*Pool Name HORSESHOE GALLUP
*Property Code 305250	*Property Name HORSESHOE GALLUP UNIT		*Well Number 400
*GRID No. 224717	*Operator Name BIYA OPERATORS, INC.		*Elevation 5575'

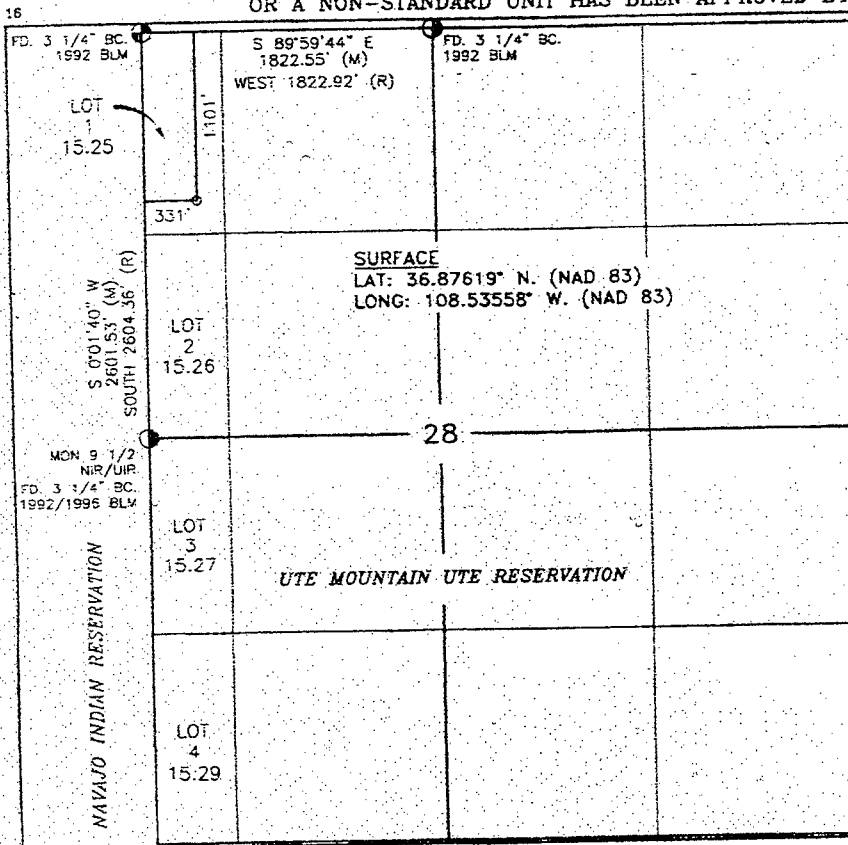
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	28	31-N	15-W		1101	NORTH	331	WEST	SAN JUAN

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
*Dedicated Acres 15.25 - LOT #1					*Joint or Infill		*Consolidation Code		*Order No.

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



17 OPERATOR CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature

Date

MIKE PIPPIN

Printed Name

MIKE@PIPPINLLC.COM

E-mail Address

18 SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

DECEMBER 2, 2010

Date of Survey

Signature and Seal of Professional Surveyor

NEW MEXICO

REGISTERED PROFESSIONAL LAND SURVEYOR

88594

Certificate Number

BIYA OPERATORS, INC.
c/o Mike Pippin
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) 505-564-8656 (fax)
Email: mike@pippinllc.com

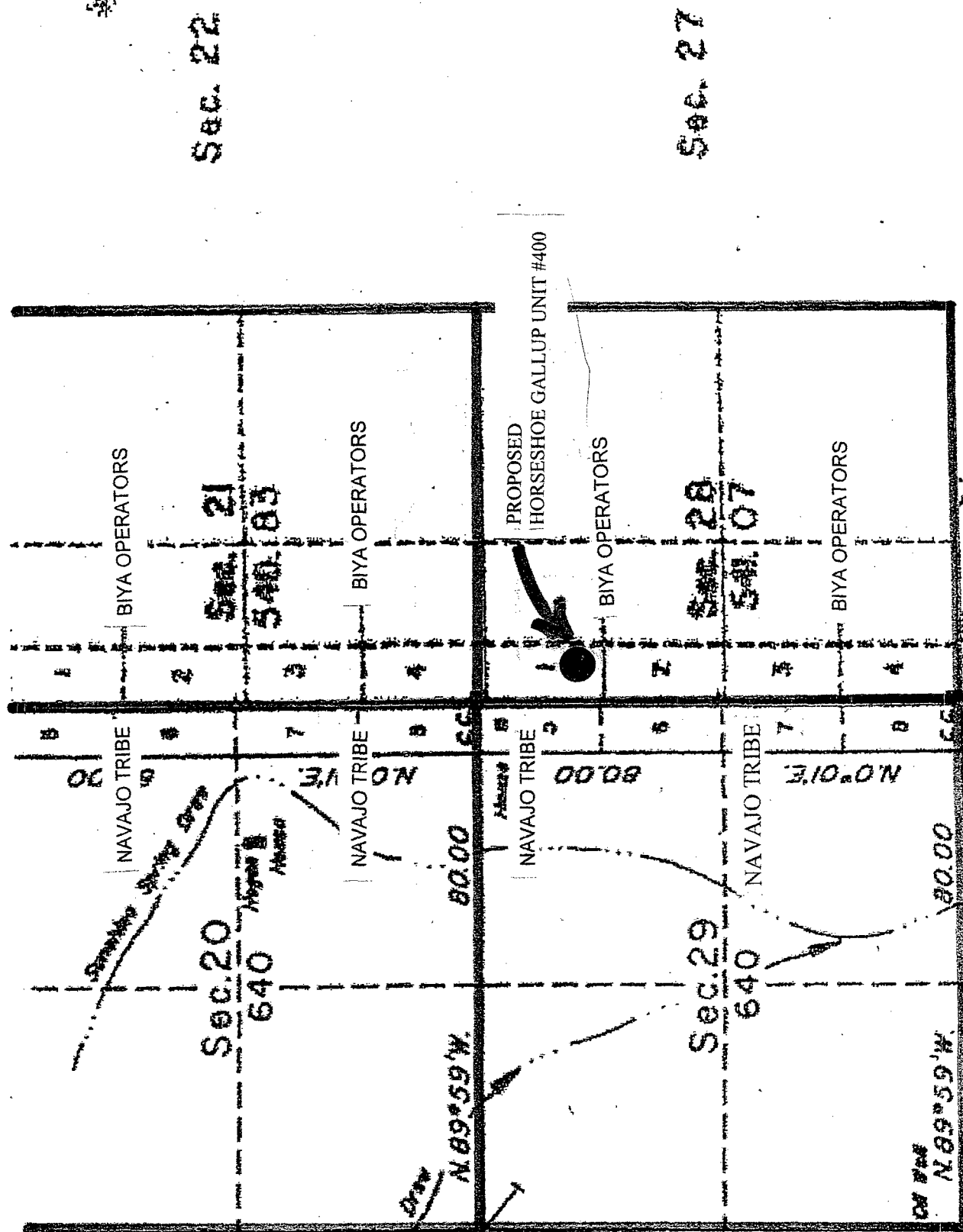
**OFFSET OPERATORS AND/OR OWNERS NOTIFICATION LIST
HORSESHOE GALLUP UNIT #400 -- NSL & NSP Application**

OFFSET OPERATORS AND/OR OWNERS:

Akhtar Zamon
Director, Minerals Department
Navajo Tribe
P.O. Box 4950
Window Rock, AZ 86515

Gordon Hammond
Director of Tribal Energy
P.O. Box 42
Towaoc, CO 81334

LEASEHOLD MAP NEAR PROPOSED NEW WELL:
HORSESHOE GALLUP UNIT #400



BIYA OPERATORS INC.
c/o Mike Pippin PE
3104 N. Sullivan Avenue
Farmington, NM 87401
505-327-4573 (phone) - 505-564-8656 (fax)
Email: mike@pippinllc.com

December 29, 2010

CERTIFIED MAIL:

RE: Application for Administrative Approval of Non-standard Location and Pro-ration Unit
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Horseshoe Gallup Pool (32870)

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Any questions you may have concerning the operations, please feel free to contact me at (505) 327-4573.

Best Regards,

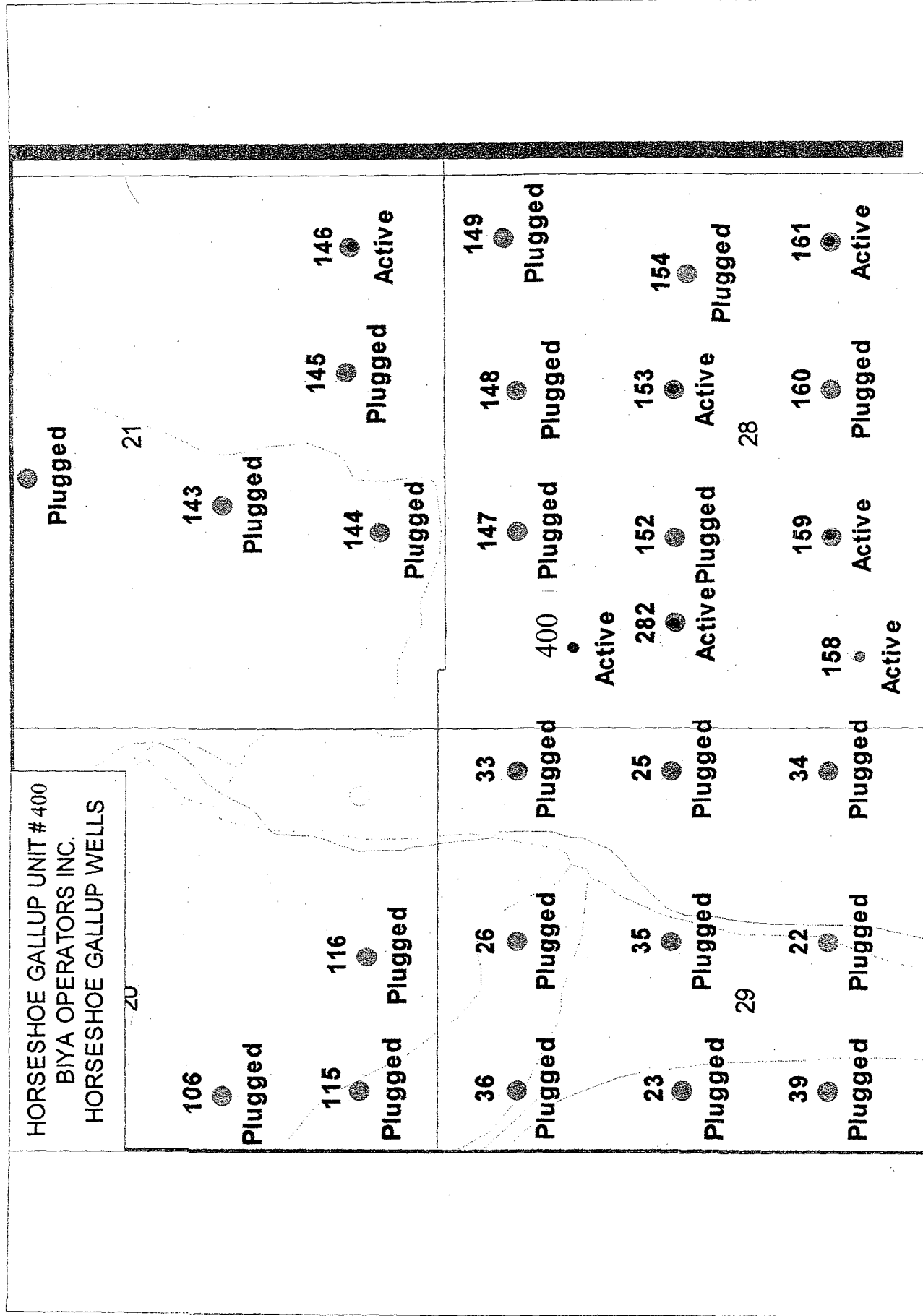
Mike Pippin
Petroleum Engineer

Enclosures

PowerTools Map

Project: c:\program files\lms energy\powertools v9.0\projects\biya allwells 7 10.mdb

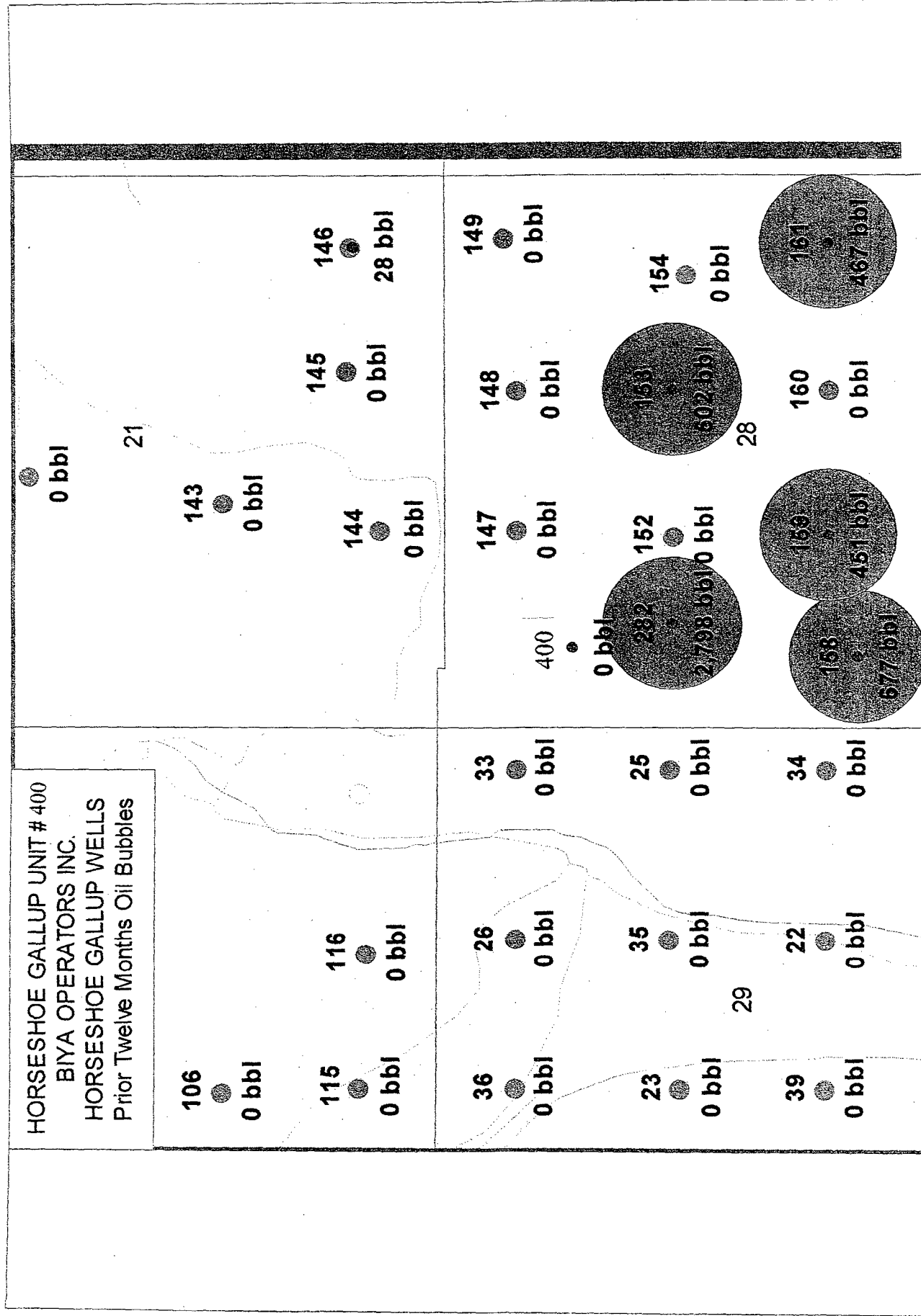
Date: 12/24/2010
Time: 3:56 PM

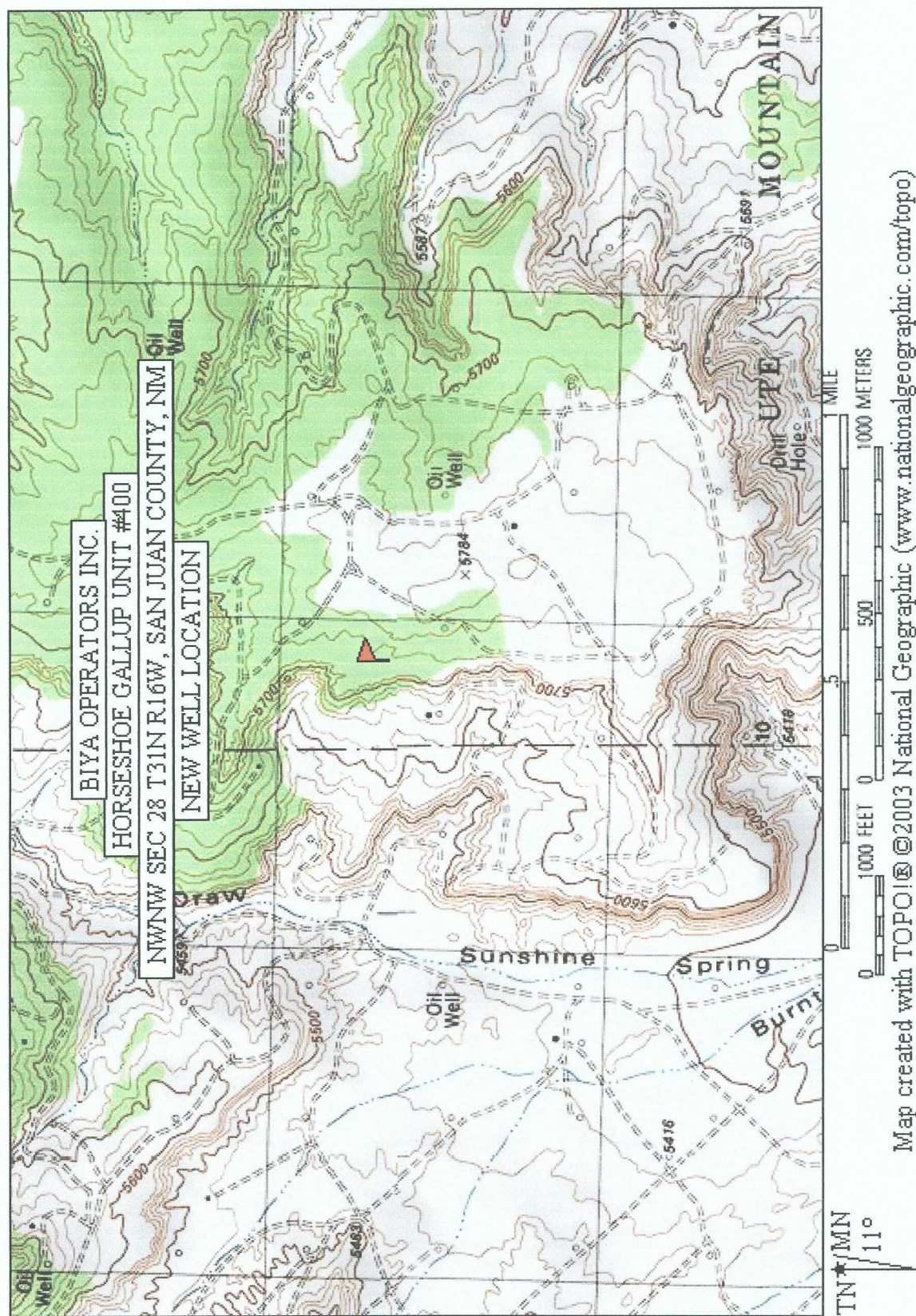


PowerTools Map

Project: c:\program files\hs energy\powertools v9.0\projects\biya allwells 7 10.mdb

Date: 12/24/2010
Time: 3:33 PM





7007 2560 0002 3427 1767

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Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.41

12/29/2010

Sent To *AKhtar Zaman, Navajo Tribe*
 Street, Apt. No.,
 or PO Box No. *PO Box 4950*
 City, State, ZIP+4[®] *Window Rock AZ 86515*

PS Form 3800, August 2005 See Reverse for Instructions

7007 2560 0002 3427 1757

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CERTIFIED MAILTM RECEIPT
 (Domestic Mail Only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.com

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 TONAWANDOC CO 81334

Postage	\$	\$0.61
Certified Fee		\$2.80
Return Receipt Fee (Endorsement Required)		\$0.00
Restricted Delivery Fee (Endorsement Required)		\$0.00
Total Postage & Fees	\$	\$3.41

12/28/2010

Sent To *Mordon Hammond-Director*
 Street, Apt. No.,
 or PO Box No. *PO Box 42*
 City, State, ZIP+4[®] *Tonawandoc CO 81334*

PS Form 3800, August 2005 See Reverse for Instructions

Brooks, David K., EMNRD

From: Brooks, David K., EMNRD
Sent: Thursday, January 13, 2011 5:19 PM
To: 'Mike Pippin'
Subject: BIYA Operators, Inc. - Horseshoe Gallup Unit #400; NSL/NSP Application

Dear Mr. Pippin

Please advise if BIYA Operators Inc. owns 100% of the working interest throughout the W/2 Section 28, and, if not, if working interest ownership is uniform throughout the half Section.

Sincerely

David K. Brooks
Legal Examiner

Brooks, David K., EMNRD

From: Mike Pippin [mike@pippinllc.com]
Sent: Thursday, January 13, 2011 5:28 PM
To: Brooks, David K., EMNRD
Subject: RE: BIYA Operators, Inc. - Horseshoe Gallup Unit #400; NSL/NSP Application

Yes, BIYA Operators Inc. owns 100% working interest throughout all of section 28.

-----Original Message-----

From: Brooks, David K., EMNRD [<mailto:david.brooks@state.nm.us>]
Sent: Thursday, January 13, 2011 5:19 PM
To: Mike Pippin
Subject: BIYA Operators, Inc. - Horseshoe Gallup Unit #400; NSL/NSP Application

Dear Mr. Pippin

Please advise if BIYA Operators Inc. owns 100% of the working interest throughout the W/2 Section 28, and, if not, if working interest ownership is uniform throughout the half Section.

Sincerely

David K. Brooks
Legal Examiner