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:

ORIGINAL

APPLICATION OF CELERO ENERGY II, LP, TO EXPAND THE WATERFLOOD PROJECT AND TERTIARY RECOVERY PROJECT FOR THE ROCK QUEEN UNIT, AND TO QUALIFY THE EXPANDED PROJECT FOR THE RECOVERED OIL TAX RATE, CHAVES AND LEA COUNTIES, NEW MEXICO.

Case 14942

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Presiding Examiner
WILLIAM V. JONES, Technical Examiner

December 13, 2012

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Presiding Examiner, and WILLIAM V. JONES, Technical Examiner, on Thursday, December 13, 2012, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105

A P P E A R A N C E S

FOR THE APPLICANT:

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EXAMINER BROOKS: At this time we call Case Number 14942, application of Celero Energy II, LP, to expand the waterflood project and tertiary recovery project for the Rock Queen Unit, and to qualify the expanded project for the recovered oil tax rate, Chaves and Lea Counties, New Mexico.

Call for appearances.

MR. BRUCE: Mr. Examiner, Jim Bruce, of Santa Fe, representing the applicant. I have one witness.

EXAMINER BROOKS: Any other appearances?

Very good. Will the witness please state your name?

MR. PARKHURST: Yeah. David Parkhurst.

EXAMINER BROOKS: Please swear the witness.

(One witness was sworn.)

EXAMINER BROOKS: You may proceed, Mr. Bruce.

DAVID PARKHURST

Having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. BRUCE:

Q. Mr. Parkhurst, where do you reside?

A. I live in Midland, Texas.

Q. Who do you work for, and in what capacity?
A. I work for Celero Energy as an engineer.
Q. Have you previously testified before the Division?
A. Yes, sir, I have.
Q. Were your credentials as an expert engineer accepted as a matter of record?
A. Yes, sir.
Q. Are you familiar with the engineering matters related to this application?
A. Yes.
MR. BRUCE: Mr. Examiner, I tender Mr. Parkhurst as an expert petroleum engineer.
EXAMINER BROOKS: He is so qualified.
Q. (By Mr. Bruce) Mr. Parkhurst, could you identify Exhibit 1 for the Examiner?
A. Yeah. I've got nine pages as Exhibit 1, and I'll walk through each of those and just kind of give you a little bit of history and then some specifics of the expansion itself.
Do you want me to go ahead and walk through them?
Q. Yeah. Why don't you start with page 1 and identify that?
A. Page 1, I produced a map here I wanted to show

you guys. This is the entire Caprock Field. If you'll notice, everything in yellow is owned and operated by Celero. That's the West Cap Unit, the Drickey Queen, and the Rock Queen Unit, which we'll be talking specifically about today.

And then the North Caprock Celero Queen Unit is a unit that is still under review, and hopefully we'll have a decision on it fairly quickly.

EXAMINER BROOKS: Yeah. There's some confusion about -- that case was continued, and I don't know if it's been taken under advisement.

MR. BRUCE: It was heard two weeks ago. The continued cases were heard.

EXAMINER BROOKS: Very good. Continue.

THE WITNESS: And just in case you want to know what all those horizontal wells are -- I don't know why I left them on the map. There's a lot of activity in the Wolfcamp/Abo that is just right below the units that we own, but in the Caprock Field area.

Now page 2, I thought I'd just give you a little bit of an overview. Since Celero purchased these assets in 2006 --

Q. (By Mr. Bruce) Before you get into page 2, Mr. Parkhurst, referring to page 1, you have the Rock Queen Unit, and then inside of that is a dashed blue or

purple line. What does that represent?

A. That is the pilot area that is currently under CO2 flood.

Q. That was approved a couple of years ago by the Division?

A. That's correct.

Q. And we're here today to expand the pilot project to cover pretty much the entire unit?

A. Yes, the entire Rock Queen Unit.

Q. Move on to page 2 and discuss the history of the performance of the Rock Queen Unit.

EXAMINER BROOKS: A question before you move away from Exhibit 1. What is the dashed blue or purple line within the Rock Queen Unit?

THE WITNESS: That's the pilot itself.

EXAMINER BROOKS: So the boundaries of the Rock Queen Unit are where?

THE WITNESS: If you'll look here, it's just this outline right here. I should have probably given you a different color. But the Rock Queen Unit is right here, the Drickey Unit here, and the West Cap Unit here.

EXAMINER BROOKS: There is a line that goes across --

THE WITNESS: Right.

EXAMINER BROOKS: -- in the south part of -- in the south tier of sections in 1331. And that is then the south boundary of the Rock Queen Unit?

THE WITNESS: Yes, sir. This is the south boundary. This boundary here I think is just the township range boundary.

EXAMINER BROOKS: So the north boundary then is where?

THE WITNESS: It is right between the blue and the yellow.

EXAMINER BROOKS: Okay. So that would be the -- more or less along the south boundary line -- or the north boundary line of the third tier from the south of 1331 --

THE WITNESS: Yes, sir

EXAMINER BROOKS: -- the third tier of sections?

THE WITNESS: Yes, sir. I've got a map specifically of the Rock Queen area.

EXAMINER BROOKS: Very good. You may continue.

THE WITNESS: Okay. Since we've purchased this in 2006, we spent about $80 million to date. We reactivated and TA'd or PA'd over 130 wells, constructed or improved 10 tank batteries in the related facilities.

We've also put in an 18-mile CO2 line. Then we initiated a CO2 pilot in February of 2011 with 17 patterns that you saw on that blue outline, and they're estimating a recovery of about 10 percent of the original oil in place.

We've spent about $3 million on environmental cleanup, which was the nine pits that were out there. They've all been cleaned and look very good, if you go out there and look at them. Of course, we expanded the Drickey Unit to include the Trigg leases and the Federal V leases.

Moving forward, what we're going to talk about today is expanding the Rock Queen Unit to add another 17 patterns. We're going to double our re-injection capacity by year end. In fact, today we should be starting our compressor up. We've put in some additional compression, and today is the startup for that, so we're excited about it.

Our target is to expand to the Dickey Unit by 2014 and then to the North Caprock unit by 2016.

The next page, page 3, is the Rock Queen Unit area boundary. So that purple line you saw on the first map is now the red line here. The yellow, outside of the red line, is the boundaries of the Rock Queen Unit, and that's what we're asking to expand to.

Q. (By Mr. Bruce) And page 4, what does this reflect?

A. Page 4, I thought I'd give you a history since we started CO2 injection so you could see how the pilot has performed. You can see we started around a little bit less than 100-barrel a day. We've went up to 500-barrel a day or more as of May of this year. That's when we really reached our limit on the compression that we had, and so hence, we put in another compressor.

And this is just so -- if you'll see that pink line, see how flat it is? We've had to kind of pinch and shut in our wells to limit our CO2 production, because we're not going to flare. It's too expensive. And we want to re-inject it, so we had to put in the compression to do so. So that took our rate down to about 300-barrel a day.

And then of course, here, just in the last couple of weeks, we've jumped back up to 450- to 500-barrel a day range. We're really excited to see how the field is going to perform once we can move our produced CO2 line up to the 10 million cubic feet per day range and not be limited here at 3 million a day.

Q. What does page 5 reflect?

A. Page 5, I just wanted to give you an idea of what our current operations are. We have a number of

active producers. There's a number of active injectors both inside and outside the pilot. Our acreage, there's 1,3 60 acres inside the pilot. The expansion will add another 3,560. So we'll have all 4,920 acres of the Rock Queen Unit where we can inject CO2 into.

Unit production has been 4- to 500 barrels a day. CO2, 4.4 million. mcf per day for water is about 9,000 barrels of water per day inside of the pilot. Outside of the pilot, we make about 50 barrels of oil a day and 5,700 barrels of water per day.

Unit injection is 11.4 million cubic feet per day. 8.1 million of that is purchases, and 3.3 million is produced. Average reservoir pressure right now is about 1,600 pounds.

Q. And again, these are current conditions?

A. That is right. That is current conditions.

Now I'm just going to give you a preview of the Rock Queen expansion project.

Q. It's page 6?

A. Yes, sir, page 6. We have estimated our well work is going to cost about 7.7 million. We're going to convert 17 wells to WAG injection and equipped to flow another 26 producers and drill and replace -- drill six replacement wells for about 2.6 million.

Of course, with this number of wells, we're

going to have to add some more facilities, so we've got some re-injection compression, additional compression. We're going to add about 2 million; and then your satellites, your flow lines and associated equipment for about another 4 million.

And then we've estimated our CO2 purchase cost at 5.6 million for 2013, which is eight and a half million a day. And you can see our current CO2 cost is $1.79 per mcf.

Q. And based on the history of the project to date, the pilot project, is this project technically and economically feasible at this time?

A. Yes, it is.

So I've given you, just for the expansion work alone, what we've estimated our project economics to be.

So we're anticipating a net present value at a 10 percent discount rate, right at 50 million; net reserves of about 1.3, 1.4 million barrels of oil. Rate of return is very good at 35 percent. And total cumulative cash flow, about $79 million.

Q. What is page 7?

A. Page 7 is just a list of the expansion area wells, so it's everything outside of the pilot area. And we've given API number, the original well names, the location, what well type that we have planned, and also

its current well status.

Q. Now, you do not have a C-108 here today, do you?

A. Not today. I'm waiting on my production engineer to finish the C-108.

Q. So what you're asking is to expand the pilot area to cover the entire unit, but you're not asking for injection authority at this point?

A. That's correct.

Q. And are you requesting that you be allowed to submit the C-108 administratively after this hearing so that the Division can examine that and grant an injection authority?

A. Yes, sir. I wish we had it ready today, but he just didn't have it ready.

Q. What is page 8?

A. Page 8 are those project economics that I just rattled off. This is what we've modeled -- what we think the expansion area will contribute by itself. So you know, starting in 2013, and then you'll see response by 2014. We figure peak response will be a little bit over 1,100 barrels a day by 2016.

Q. So you're projecting about a 20-year project life?

A. Yes, sir.

Q. That's just for the Rock Queen? That's not counting the Drickey Queen or any future expansion?

A. That's correct. This is just the Rock Queen Unit expansion area by itself.

Q. I think you've gone over -- you were talking about the CO2. Describe for the record the pipeline that you built to get to this project area.

A. We did bring a pipeline. Kinder Morgan's main Cortez line runs about 18 miles north of us, so we've put in a 6-inch 18-mile line down to the Caprock Field. That's where we get our supply from.

Q. And what is page 9?

A. Page 9 is just a type log. This is the unitized interval. I just wanted to show everybody that we've got 3,050 to 3,066 feet, so you've got a 16-foot interval.

And this has, I think, already been reviewed in the pilot area, so I didn't show much geology. I think if you go back and look at the case files, there's maps and cross-sections and everything else. I just wanted to remind everybody of what the unitized interval was.

Q. Again, as in the North Unit that we were here on a couple of weeks ago, the productive -- although the Queen is relatively thick, the productive interval is

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quite thin?

A. Yes, it is.

Q. In your opinion, will the expanded enhanced recovery operations result in the recovery of substantially more hydrocarbons from the pool than would otherwise be recovered?

A. Yes, that's correct.

Q. And was Exhibit 9 prepared by you or under your supervision?

A. Yes, sir, it was.

Q. And is the granting of this application in the interest of conservation and prevention of waste?

A. Yes.

Q. And again, do you request approval to submit a C-108 or perhaps multiple C-108s administratively for injection authority?

A. Yes. Hopefully, we'll have these done here fairly quickly.

MR. BRUCE: Mr. Examiner, if I may, because of -- we weren't submitting a C-108, I don't know if any notice was actually required.

But we did notify -- I submitted as Exhibit 2 my Affidavit of Notice. And the parties listed are the four working interest owners other than Celero in the unit: John Owen, Robert Owen, Circle Ridge Production

and Manforth Production Company.

And then we also notified the other two administrative bodies, the Commissioner of Public Lands and the Bureau of Land Management, regarding this application.

Q. (By Mr. Bruce) And Mr. Parkhurst, have you received any comments or objections from anybody who was notified?

A. No, not from anybody.

MR. BRUCE: Mr. Examiner, I move the admission of Exhibits 1 and 2.

EXAMINER BROOKS: Exhibits 1 and 2 are admitted.

(Exhibits 1 and 2 were admitted.)

MR. BRUCE: I have no further questions of this witness.

EXAMINER BROOKS: This is a little bit irregular. We don't have the C-108, and it was not included in the notice. What would be your theory about how we make this comply with the notice requirements?

MR. BRUCE: Well, if we are granted permission to administratively file the C-108, the notice will go out at that time to everyone. And there is a substantial notice list for that.

EXAMINER BROOKS: Okay. But you have not

sent -- this notice list doesn't include all the people that are required to be notified; right?

MR. BRUCE: No, I did not.

EXAMINER BROOKS: I'm a little bit confused about compliance with the notice requirements here, because --

EXAMINER JONES: One thing I can comment on is that the Acid Gas Rule that's going to be presented pretty soon, the only thing that it has anything to do with CO2 floods is the notice requirement.

EXAMINER BROOKS: But of course a rule that is not yet adopted would not apply.

MR. BRUCE: If you desire notice of this application, which was, you know, like I said a simplified application just to receive the Division's approval to go ahead and seek injection authority, since it is a substantial project, I don't have any objection to giving notice to the offsets. We do have a list of offsets and surface owners because, of course, we did it on the first go-round.

EXAMINER BROOKS: What you're saying is that you're applying then just for approval in principle of the project, and then you're going to do everything else by expansion?

MR. BRUCE: By administrative application.

EXAMINER BROOKS: Yeah. You know, I need to study these rules to be sure this is contemplated. I think probably the best way to do this is to continue this case again until January, by which time you'll have your C-108s filed and your notices sent.

MR. BRUCE: Sure.

EXAMINER BROOKS: I think that would probably be the most orderly way to do it. Otherwise, I'll have to study the rules and see if we're permitted to operate in this way.

We routinely do approve projects with just a few injection wells, and maybe even one, and then expand them later. But I don't recall when we've approved a project without any injection wells being approved.

MR. BRUCE: Our thinking was that since we had the initial -- you know, the pilot approved. But a continuance is fine.

EXAMINER BROOKS: It may be okay. If I studied it, I might conclude that it was in accordance with the way we've done things before and our rules. But I think the most orderly way to do it, if there's not some rush situation that requires doing something else, is just to defer it until the next hearing for the C-108s.

MR. BRUCE: Sure.

EXAMINER BROOKS: You have questions, Mr. Jones?

EXAMINER JONES: Yeah. One more comment on this new acid gas rule. They're contemplating that all CO2 projects would be pressure maintenance projects that were -- CO2 was added to them. So if this is classified as a waterflood, we might could just reclassify it, or you could ask for it to be reclassified.

MR. BRUCE: Well, I mean it's not just a waterflood.

EXAMINER JONES: It's an EUR project?

MR. BRUCE: Yes.

EXAMINER JONES: Okay. Well, I have to defer to you legal minds on that. But I was just bringing that up.

EXAMINER BROOKS: Of course, the legal and the engineering get a little confused here. Because what engineers tell me is that the distinction between waterflood and pressure maintenance projects that appears in our rules is not really a valid engineering distinction. So I don't know quite how to apply it under those circumstances.

MR. BRUCE: I think the only difference, going way back when, which people have ignored, is that

if it was a waterflood, it was stripper production. And nobody uses that term much anymore.

EXAMINER BROOKS: That's what it says. And all the rest of the rules appear to be identical.

EXAMINER JONES: But the pressure maintenance still has the depth bracket allowable in it, unless you ask for something different, ask for a different depth bracket allowable.

EXAMINER BROOKS: What the engineers tell me is that it actually is appropriate to begin water flooding prior to potential depletion, while our rules say that if you're going to approve a waterflood project, you have to have a finding that the field is substantially depleted.

But go ahead with your questions, Mr. Jones.

EXAMINATION

BY EXAMINER JONES:

Q. I guess, most pertinently, the water curtain that you have surrounding the pilot, are you jumping over that here?

A. The water curtain that currently exists all the way around the red area, what we'll do as part of the expansion is just convert those wells to either a producer or an injector.

Q. Okay. So basically the proposal is to jump

from the pilot inside the Rock Queen Unit to the entire Rock Queen Unit as the project area?

A. Yeah. If you look at these the symbols here, the producers and the injectors, that's really what we're targeting right now, is to go one more pattern outside of our pilot. But while we were here, we'd just like to have the authority to eventually go all the way to the edges, if it's economically feasible.

Q. So you're still hedging your bets on that a little bit? You want to just keep moving?

A. Kind of walk out and see the -- you know, under waterflood, they were pretty much established, you know, what the oil/water contacts were or gas/oil contacts were. Because you have a water leg and then a hydrocarbon, and then of course you've got a gas cap. So you always want to test those boundaries.

Because you know, back in '60s, if you had a 50 percent oil cut, well, maybe that wasn't good enough because oil was $5 a barrel. But at $80 a barrel, it may make sense to go get more additional barrels.

Q. Do you have a residual zone or a transition oil/water -- yeah, a transition oil/water contact here?

A. Not really in this 16-foot sand. We don't see one. It's pretty constant water saturation.

Q. And below that, there's no oil saturation?

A. There could be, but there's not much reservoir quality. You have this sand that just sticks out with 20 percent porosity anywhere from 50 to 500 millidarcy rock. And then below that, you've got stringers. But they're just near the reservoir quality, so we just never completed them.

Q. Reservoir quality for the wells they're drilling horizontal now just doesn't seem very good to me, either. But they're drilling those horizontals to contact more.

A. Absolutely. We've already drilled all the good rock for the last seven years. Now we're going after the poor rock.

Q. Why did you start here, versus any of these other Queen, for CO2?

A. If you look at the cumulative production, the Rock Queen was by far one of the best producers. So it made sense to -- "Okay. Let's go in here and try it," the best reservoir quality.

Although when you go outside of there, you're talking a difference between 4- and 500,000 barrels per well, versus 2- or 300,000 barrels per well. So this was just a really good area.

There's another very good area in the Drickey. But even as you go throughout the Caprock Field, they're

very prolific wells there at 3,000 feet.

Q. So you've got your admissible at that depth?

A. Yes, sir. The minimum admissibility test is 1,069.

Q. So you're 1,600 pounds, so you're okay?

A. Yes, sir. We've got a mass window to keep our minimum admissibility pressure up and flood in between the pressures.

Q. Do your other surrounding floods have lower than 1,600-pound pressure?

A. Yes. Even the Rock Queen, when we started -- you know, we spent several years putting water in and just bringing the pressure back up before we started our CO2 flood, because that CO2 is very expensive. So when when we start flooding, we like to be above the minimum admissibility pressure and not use high-cost CO2 to bring the pressure up.

Q. What kind of injection withdrawal ratio do you see out here?

A. I try to maintain a one-to-one. Now, you're going to get everything in between, depending on your offset injectors. You may have one injector that likes this producer and likes to send it over here, so you have to adjust other patterns.

Q. So you guys work on your patterns quite a bit?

A. Yes, sir, we do.

Q. Do you see iron problems here?

A. I hadn't seen any iron. We had a little bit of asphaltenes, you know, that will start plugging up your tubing. But they're pretty easy to clean out, kind of a paraffin asphaltene.

Q. This might be different, but the Queen I looked at years ago was responsive to higher pressures on the injection waterflooding. You back off on your injection pressure, and you'll start losing your oil production. I don't know if this is the same way.

A. I don't know. This one is -- when you look at most of your Queen producers in southeastern New Mexico, it's a fairly large interval with very stringerized pay, over 200 feet. This is the anomaly where you come in, and you've got a nice 14-, 15-foot single sand that's just very prolific, 75-million-barrel cum in this field.

Q. Okay. So did you look somewhere like Wyoming for your analogy for this? You guys are the first clean CO2 flooders --

A. That's correct.

Q. -- in the state that I know of.

A. I was involved in the Postle CO2 flood, which is over in Oklahoma. It's a sandstone, very similar reservoir properties to what we have here.

So most of what I used as predictions, you know, came out of that Postle flood because they were similar in their reservoir qualities, not necessarily the depth. That was about a 7,500-foot, and this being 3,000.

But you always go back and look at your waterflood performance, and both were like textbook. So you would anticipate this to be a textbook CO2 flood, as well.

Q. You've got a pretty aggressive oil on your Exhibit 8. Do you think that's -- is that based on just the performance to date plus a simulator, or --

A. Really, I used the michaelis curve. I don't know if you're familiar with it.

Q. Times zero curves, or --

A. No. These are -- for CO2, it's kind of your -- it's your type curve for CO2 floods. And basically what it says is for the amount of CO2 put in, how much oil did you get out? But it's done on a hydrocarbon pore volume basis and a percentage basis.

So in other words, if I put in 60 percent of the hydrocarbon pore volume of CO2, how much oil did I get out? So we look at those.

So I can go back and look at all these old CO2 floods that have already got a nice type curve. And you

can find a type curve that fits your reservoir qualities here, which Postle did, and that gives us a way to predict what the recoveries are going to be.

Q. So your purchased CO2 will go down over time? Is that -- that's all built in, I guess?

A. Yes, sir. That's just the incremental piece for the expansion area. But we do have a CO2 contract for everything you see on the map, which is great. I'm glad we got it early. There's not much CO2 available now.

Q. Does that price include the tariff?

A. Yes, sir. It includes about a -- I think it's right at a 22 cent tariff they charge on the Cortez pipeline.

Q. I think that was the way it was years ago.

A. And now the price of CO2 is indexed to the price of oil. So as oil goes up, CO2 goes up.

Q. So are you guys calling this -- it would be Phase 2 or just a pilot plus the project, likes Oxy does their Phase 1 and Phase 2?

A. Most pilots are pretty small. We put in a big pilot. You can really call it whatever you want. We just call it expansion of the Rock Queen Unit. And of course, then we've got the Drickey Unit and the West Cap and the North Cap. We've got several phases behind that,

what we would call our different phases.

Q. Are you going to WAG these wells?

A. Yes, sir. We try to usually put in about 15 percent of the hydrocarbon pore volume of CO2 before we start our WAG process, which is just water. Then we'll alternate the gas or the CO2 and the water.

Q. Is the reservoir sour?

A. Just a little bit.

Q. So it will continuously get sourer, then, as you go on if you recycle your gas?

A. It could. But there's such a small amount, it's barely measurable. But it is -- it doesn't look like it will be a problem as you re-inject more and more and more because this was an undersaturated reservoir. There's just no gas in this reservoir. Usually, that's how you build up your sour gas. As you continue to recycle more and more, that component for sour gas will build up.

But we just don't have it in this reservoir. There was never hardly any, just very little. That's why on primary, you had decent 8 to 9 percent recovery. But when you put water in via energy, this thing just responded beautifully.

Q. And you did haven't to change your pumps out so much?

A. That's correct. They was just never -- just a very, very small amount of gas initially.

Q. The gas is uphole somewhere?

A. There's a structure map that shows a water -- the oil zone, and there is a gas cap over here. And we do have several wells, I think six wells, that produce out of that gas cap. That's very low BTU, about 450, high nitrogen. It's indicative of a very shallow depositional environment.

EXAMINER JONES: Okay. Thank you very much.

THE WITNESS: You're certainly welcome.

EXAMINER BROOKS: Thank you.

If there's nothing further, then Case Number 14942 will be continued until January 24th for purposes of supplementing the record.

And we will take a 10-minute recess before continuing.

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I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 14942 heard by me on 12-13-12.

David K. Brooks, Examiner
Oil Conservation Division

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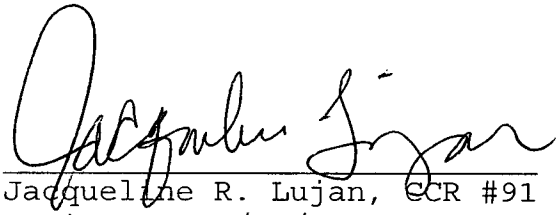
REPORTER'S CERTIFICATE

I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO HEREBY CERTIFY that on December 13, 2012, proceedings in the above captioned case were taken before me and that I did report in stenographic shorthand the proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with any of the parties or attorneys in this case and that I have no interest whatsoever in the final disposition of this case in any court.

WITNESS MY HAND this 24th day of December, 2012.



Jacqueline R. Lujan, CCR #91
Expires: 12/31/2012