DOCKET: EXAMINER HEARING - THURSDAY - MAY 16, 1996
8:15 A.M. - 2040 S. Pacheco
Santa Fe, New Mexico

Dockets Nos 15-96 and 16-96 are tentatively set for May 30, 1996 and June 13, 1996. Applications for hearing must be filed at least 23 days in advance of hearing date. The following cases will be heard by an Examiner:

CASE 11531: **Application of Gillespie-Crow, Inc. for certification of a positive production response, Lea County, New Mexico.** Applicant seeks certification, effective January 1, 1996, pursuant to the Rules and Procedures for Qualification of Enhanced Oil Recovery Projects and Certification for the Recovered Oil Tax Rate, as promulgated by Division Order No. R-9708, for a positive production response for the project area of the West Lovington Strawn Unit Area, comprising all of Section 33 and the W/2 of Section 34, Township 15 South, Range 35 East; Lots 1 through 8 of Section 1, Township 16 South, Range 35 East; and Lots 3 through 5 of Section 6, Township 16 South, Range 36 East, which qualified for the recovered oil tax rate under New Mexico's "Enhanced Oil Recovery Act: (Laws 1992, Chapter 38, Sections 1 through 5) by Division Order No. R-10448. Said project area is located approximately 4.5 miles west-northwest of Lovington, New Mexico.

CASE 11532: **Application of Amoco Production Company for surface commingling, San Juan County, New Mexico.** Applicant seeks an exception to Division General Rule 303.A to permit surface commingling of Blanco-Pictured Cliffs Pool gas production from its Sammons Gas Com D Well No. 1 located 130 feet from the South line and 1425 feet from the West line (Unit N) and Basin-Dakota Pool gas production from its Sammons Gas Com C Well No. 1 located 270 feet from the South line and 1450 feet from the West line (Unit N) with Blanco-Mesaverde Pool gas production from its Sammons Gas Com B Well No. 1A located 230 feet from the South line and 790 feet from the West line (Unit M), all in Section 7, Township 29 North, Range 9 West. Said wells are located approximately 1 mile north-northeast of Blanco, New Mexico. IN THE ABSENCE OF OBJECTION THIS APPLICATION WILL BE TAKEN UNDER ADVISEMENT.

CASE 11533: **(This Case Will Be Continued to June 13, 1996, Examiner Hearing.)**

Application of Mewbourne Oil Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying the N/2 for all formations developed on 320-acre spacing, the NW/4 for all formations developed on 160-acre spacing, the S/2 NW/4 for all formations developed on 80-acre spacing, and the SW/4 NW/4 for all formations developed on 40-acre spacing, all in Section 4, Township 18 South, Range 28 East. Applicant proposes to dedicate this pooled unit to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 4 to test any and all formations from the surface to the base of the Morrow formation, Illinois Camp-Morrow Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 14 miles east-southeast of Artesia, New Mexico.

CASE 11513: **(Readvertised)**

Application of Manzano Oil Corporation for compulsory pooling and an unorthodox well location, Lea County, New Mexico. Applicant seeks an order pooling all mineral interests in all formations developed on 160-acre spacing, underlying the SW/4 in all formations developed on 80-acre spacing underlying the N/2 SW/4, and in all formations developed on 40-acre spacing underlying the NE/4 SW/4 from the surface to the base of the Strawn formation in Section 11, Township 16 South, Range 36 East. Said unit is to be dedicated to applicant's 'SV' Chipshot Well No. 1 to be drilled at an unorthodox location 2164 feet from the South line and 1362 feet from the West line (Unit K) of said Section 11. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately 1 mile southeast of Lovington, New Mexico.

CASE 11524: **(Continued from May 2, 1996, Examiner Hearing.)**

Application of ARCO Permian, a unit of Atlantic Richfield, for compulsory pooling and unorthodox well location, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests in the W/2 of Section 23, Township 17 South, Range 28 East, for all formations developed on 320-acre spacing. Said unit is to be dedicated to its Dinah 23 Federal Com Well No. 1 to be drilled at an unorthodox location 1077 feet from the South line and 660 feet from the West line of said Section 23, to a depth sufficient to test the Morrow formation, South Empire-Morrow Gas Pool. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for the risk involved in drilling said well. Said unit is located approximately 13 miles east-southeast of Artesia, New Mexico.

CASE 11527: (Continued from May 2, 1996, Examiner Hearing.)

Application of Texaco Exploration and Production Inc. for an unorthodox oil well location for a lease line production well and simultaneous dedication, Lea County, New Mexico. Applicant seeks approval to drill its proposed Vacuum-Grayburg San Andres Well No. 159 as a leaseline production well at an unorthodox location 572 feet from the North line and 78 feet from the East line (Unit A) of Section 1, Township 18 South, Range 34 East, to be dedicated to a standard 40-acre spacing unit consisting of the NE/4 NE/4 of said Section 1 in the Vacuum-Grayburg San Andres Pool. Said well is to be simultaneously dedicated with the existing Vacuum Grayburg San Andres Unit Wells 50, 58, 122, and 158. Said unit is located approximately 2 miles south of Buckeye, New Mexico.

CASE 11534: Application of Enron Oil & Gas Company for an unorthodox oil well location, Lea County, New Mexico. Applicant seeks authorization to drill its Greenback State Well No. 2 at an unorthodox oil well location 1980 feet from the North line and 1330 feet from the West line (Unit F) of Section 17, Township 24 South, Range 38 East, to be dedicated to a standard 40-acre oil spacing and proration unit consisting of the SE/4 NW/4 of said Section 17 in the East Fowler-Ellenburger Pool. Said unit is located approximately 6 miles northeast of Jal, New Mexico.

CASE 11016: (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11016 being reopened pursuant to the provisions of Division Order No. R-5353-P, which order created the North Teague-Tubb Associated Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why the North Teaque-Tubb Associated Pool should not be reclassified as an oil pool and and why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

CASE 11017: (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11017 being reopened pursuant to the provisions of Division Order No. R-5353-Q, which order reclassified the North Teague Lower Paddock-Blinebry Gas Pool, Lea County, New Mexico, and promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why said North Teague Lower Paddock-Blinebry Associated Pool should not be reclassified as an oil pool why a gas-oil ratio limitation of 6,000:1 is appropriate for this pool.

CASE 11018: (Reopened - Continued from April 18, 1996, Examiner Hearing.)

In the matter of Case No. 11018 being reopened pursuant to the provisions of Division Order No. R-10199, which order created the North Teague Drinkard-Abo Pool, Lea County, New Mexico, promulgated temporary special pool rules. Operators in the subject pool may appear and show cause why a gas-oil ratio limitation of 10,000 cubic feet of gas per barrel of oil is appropriate on a permanent basis for said pool.

CASE 11535: Application of Nearburg Exploration Company for an unorthodox gas well location and non-standard gas proration unit, Lea County, New Mexico. Applicant seeks approval to drill its Minis "1" Federal Com Well No. 3 at an unorthodox gas well location 3300 feet from the South line and 1310 feet from the West line of Irregular Section 1, Township 21 South, Range 32 East, to test the Undesignated Hat Mesa-Morrow Gas Pool, Lots 3, 4, 5, 6, 11, 12, 13, and 14, of said Irregular Section 1 to be dedicated to said well to form a non-standard 317.66-acre gas spacing and proration unit for said pool. Said unit is located approximately 6 miles east-southeast of the junction of New Mexico State Highway 176 No. and US Highway 62/180, New Mexico.

CASE 11536: Application of Meridian Oil Inc. for an unorthodox coal gas well location, San Juan County, New Mexico. Applicant seeks approval to drill its proposed Allison Unit Com Well No. 146 at an unorthodox coal gas well location 1000 feet from the North line and 1265 feet from the West line (Unit D) of Section 23, Township 32 North, Range 7 West, Basin Fruitland Coal (Gas) Pool, said well to be dedicated to the W/2 of said Section 23 to form a standard 320-acre gas spacing and proration unit for said pool. Said unit is located approximately 4 miles southeast of the intersection of State Highway 511 with border between the State of Colorado and the State of New Mexico.

CASE 11499: (Continued from April 18, 1996, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division ("Division") on its own motion to permit the operator, Deanie Lou, American Manufacturer's Mutual Insurance Company, Surety, and all other interested parties to appear and show cause why the Ring Well No. 1 located in Unit C of Section 32, Township 6 South, Range 26 East, Chaves County, New Mexico, should not be plugged and abandoned in accordance with a Division-approved plugging program, authorizing the Division to plug said well, and ordering a forfeiture of the plugging bond.

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date MAY 16, 1996 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Mike Brown	Manzano Oil	Roswell
Kevin Wisner	Gillespie-Crow	Midland
William Crow	Gillespie-Crow, Inc.	Midland
James Bruce	Hinkle Law Firm	SF
William F. Carr	Campbell, Carr, Berge & Sheridan	Santa Fe
Charles E. Wolfe	Texaco	Midland
Ernest L. Padilla	Padilla Law Firm	SF
Ron Lanning	Texaco	Midland
Jerry Elgin	Nearburg	Midland
Scott E. Wehner	Texaco E&P Inc.	Midland, Tx
Bret Jameson	UMC Petroleum Inc	Denver CO

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

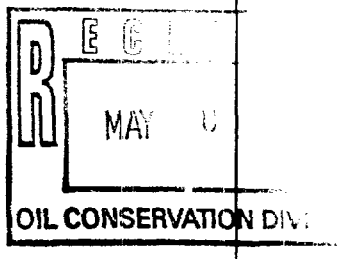
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF GILLESPIE-CROW, INC., FOR CERTIFICATION OF A POSITIVE PRODUCTION RESPONSE, LEA COUNTY, NEW MEXICO

CASE NO. 11,531

ORIGINAL



REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID R. CATANACH, Hearing Examiner

May 16th, 1996

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID R. CATANACH, Hearing Examiner, on Thursday, May 16th, 1996, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

May 16th, 1996
Examiner Hearing
CASE NO. 11,531

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	4	11
Exhibit 2	5	11
Exhibit 3	7	11
Exhibit 4	8	11
Exhibit 5	9	11

* * *

A P P E A R A N C E S

FOR THE APPLICANT:

HINKLE, COX, EATON, COFFIELD & HENSLEY
218 Montezuma
P.O. Box 2068
Santa Fe, New Mexico 87504-2068
By: JAMES G. BRUCE

* * *

WHEREUPON, the following proceedings were had at 8:18 a.m.:

EXAMINER CATANACH: At this time I'll call first case, 11,531, which is the Application of Gillespie-Crow, Incorporated, for certification of a positive production response, Lea County, New Mexico.

Are there appearances in this case?

MR. BRUCE: Mr. Examiner, Jim Bruce from the Hinkle law firm in Santa Fe, representing the Applicant.

I have one witness to be sworn.

EXAMINER CATANACH: Any additional appearances?

Okay, will the witness please stand to be sworn in at this time?

(Thereupon, the witness was sworn.)

KEVIN WIDNER,

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

DIRECT EXAMINATION

BY MR. BRUCE:

Q. Will you please state your name for the record?

A. Kevin Widner.

Q. And by whom are you employed and in what capacity?

A. I'm employed by Gillespie-Crow, Incorporated. I'm the production manager.

Q. Have you previously testified before the Oil Conservation Division?

A. Yes, I have.

Q. And in what capacity?

A. As a -- you mean --

Q. As an engineer?

A. Yes, uh-huh, as an engineer.

Q. And were your credentials accepted as a matter of record?

A. Yes, they were.

Q. And are you familiar with the engineering matters pertaining to this Application?

A. Yes, I am.

MR. BRUCE: Mr. Examiner, I'd tender Mr. Widner as an expert petroleum engineer.

EXAMINER CATANACH: He is so qualified.

Q. (By Mr. Bruce) Briefly, what does Gillespie-Crow, Inc., seek in this Application?

A. We seek certification of a positive production response for the West Lovington-Strawn Unit Pressure Maintenance Project.

Q. What is Exhibit 1?

A. Exhibit 1 is a plat outlining the unit. The ten producing wells and the single injection well within the unit are marked on the plat.

Q. Would you give a brief history of the West Lovington-Strawn Pool and of the West Lovington-Strawn unit?

A. Yes, the West Lovington-Strawn Pool was discovered in June of 1992 by the Hamilton Federal Number 1, which is the WLSU Number 1 right now, in the southwest quarter of the southeast quarter of Section 33, 15 South, 35 East. Eleven wells have subsequently been drilled in the pool within the next three years.

As early as April of 1993, we began considering a pressure-maintenance project due to the rapid pressure depletion of the reservoir. In June of 1995, a hearing was held before the Division to approve statutory unitization and a gas injection pressure maintenance project.

Approval of the pressure injection project was granted by Order Number 10,448. The unit became effective October 1st, 1995.

Q. And is a copy of Order R-10,448 marked as Exhibit 2?

A. Yes, it is.

Q. Okay, let's discuss production from the pool. What is the drive mechanism?

A. It's a solution gas drive.

Q. And what is the depth bracket allowable for the wells in this pool?

A. 445 barrels a day per well.

Q. Were the wells in this pool ever produced at allowable?

A. Yes, early in the early life of the pool.

However, due to the pressure decline, we voluntarily curtailed the production to around 100 barrels of oil per day per well in May of 1994.

Q. Why was this necessary?

A. At that time we knew we were going to initiate a secondary project but that it would take some time in putting it into place.

We also knew the reservoir was approaching critical gas saturation, and the depletion of the reservoir, the bottomhole pressure, had to be slowed down.

Had we continued to produce the wells at top allowable, by the time the pool was unitized in October of 1995, critical gas saturation would have been reached. As a result of this, the free gas within the reservoir would have become mobile, the producing GOR would have increased, rapidly depleting the reservoir of its main energy drive, and all production would have declined very rapidly.

If that had occurred, a vast majority of the original oil in place would have been unrecovered.

Q. And was the pressure maintenance project proposed as a method of preventing loss of reserves?

A. Yes, it was.

Q. When did you begin injecting gas into the unitized formation?

A. In October of 1995. And since that time, we have injected about 785 million cubic feet of gas, averaging about 5 million cubic feet of gas per day.

Q. Now, which well are you injecting into?

A. We're injecting into the top of the Strawn porosity, in the WLSU Number 7, which was formerly the Speight Fee Number 1, which structurally has the highest porosity in the pool.

The perforations in each of the producing wells in the unit are at the bottom of the Strawn porosity.

Q. Okay. Now, referring to Exhibit 3, would you describe for the Examiner the effect of gas injection on pressures in the Strawn formation?

A. Exhibit 3 is a plot of the bottomhole pressure versus the cumulative production from the pool.

As you can see, the original bottomhole pressure was 4392. By April of 1994, the bottomhole pressure had declined to 3450. At that time production was curtailed. By October of 1995, when injection began, bottomhole pressure had further declined to 3261.

Since injection began, and as a result of the injection, the bottomhole pressure has increased to about

3310, even though over -- almost a quarter of a million barrels had been produced since the project was started.

Q. Looking at Exhibit 3, how do the actual bottomhole pressure figures compare with the calculated and extrapolated BHP figures?

A. The calculated points on the graph were generated back in August of 1994 and have never been altered. The calculated points, compared to the actual measured points, indicate how accurate our measured productions have been. This further indicates that our estimate that the reservoir was about to deplete very rapidly, had we not instituted a pressure maintenance program, was correct.

Q. Did the injection program successfully prevent further gas from breaking out of solution and thus prevent critical gas saturation from being reached?

A. Yes, it did, it prevented waste and will enable the recovery of additional reserves.

Q. Okay. Now, referring to your Exhibit 4, what has been the effect of gas injection on production?

A. Exhibit 4 is a graph of the oil and gas production from the lands within the unit.

The exhibit shows that we started injecting gas in October of 1995. At that time, the production from the wells was increased approximately 2000 barrels a month.

After injecting gas for three months and

determining that the gas was forming a gas cap in the top of the reservoir and not experiencing early breakthrough in the producing wells, the production leg was gradually increased to its present rate of about 55,000 barrels a month, which is about 1000 barrels a day greater than prior to initiation of the project.

Q. What is Exhibit 5?

A. Exhibit 5 is simply the raw production data from Exhibit 4.

Q. Okay, what rate are the wells in the unit currently producing at?

A. The wells average approximately 210 barrels a day per well.

Q. Is this producing rate greater than the rate you could have produced the wells without the pressure maintenance project?

A. Yes, it is. Without the project, we would have continued to restrict production to 100 barrels a day to minimize depletion of the reservoir energy and loss of reserves.

Q. Now, as of the end of 1995, what amount of oil had been produced from the pool?

A. Approximately 1.7 million barrels, which is about 14.5 percent of the original oil in place.

Q. And this original oil in place, is that based on

the Snyder Ranches OOIP calculations?

A. Yes, it is. Their exhibit in Cases Number 11,194 and 11,195 estimated original oil in place of about 11.7 million barrels of oil.

Q. Okay, and this 14.5 percent of original oil in place, is this close to what your engineering study predicted would be recovered under primary production?

A. Yes, it is, as indicated by Exhibit 3, showing the rapid depletion of pressure.

Q. And Exhibit 3, once that pressure started declining rapidly, you would have been at the end of primary?

A. Yes.

Q. Has gas injection also had a beneficial effect on the gas-oil ratio?

A. Yes, it has. On Exhibit 4 you can see that the gas injection has prevented the producing gas-oil ratio from the pool from increasing.

Q. Therefore in your opinion, the pressure-maintenance project was approved in time to prevent harm or damage to the reservoir?

A. Yes, it was.

Q. As a result, will enhanced recovery prevent further depletion of reservoir energy and maximize ultimate recovery of oil from the pool?

A. Yes, uh-huh.

Q. Now, looking at your Exhibit 4 again, when did gas injection first have a beneficial effect on oil production from the unit?

A. Again, looking at Exhibit 4, you can see that production began increasing in December of 1995. As a result, we're asking that the certification of positive production response be dated as of 12-31-95.

Q. One final question along this line. Are there any other analogous Strawn pools or pressure maintenance projects in Strawn pools in New Mexico, from what you can draw, a comparison?

A. No, there are not.

Q. In your opinion, is the granting of this Application in the interests of conservation and the prevention of waste?

A. Yes, it is.

Q. And were Exhibits 1 through 5 prepared by you or compiled from company records?

A. Yes, they were.

MR. BRUCE: Mr. Examiner, at this time I would move the admission of Gillespie-Crow Exhibits 1 through 9 -- I mean, 1 through 5.

EXAMINER CATANACH: Exhibits 1 through 5 will be admitted as evidence.

EXAMINATION

BY EXAMINER CATANACH:

Q. Mr. Widner, you referenced back in 1994 where you guys voluntarily cut back production on the wells.

A. Yes.

Q. To what rate did you guys cut them back at that point?

A. Approximately 100 barrels of oil per day per well.

Q. And that occurred in -- Do you remember the month or --

A. I believe it was May of -- May of 1994.

Q. And you left the wells at that producing rate until you instituted the pressure maintenance project?

A. Yes, we did.

Q. Okay. And at what point did you guys start increasing that production rate?

A. In October of 1995.

I might add, the production increase that you might be seeing on Exhibit 4 from the first of 1995 until the time of injection is due to additional drilling within the unit.

Q. Okay. From what time period again?

A. From January of 1995 until October of 1995. That increase in production is due to additional drilling within

the unit.

Q. So the wells at this point are averaging 200 barrels a day?

A. Yes, sir.

Q. When you first shut the wells in or reduced the production rate, what indication did you have that that was necessary at that time?

A. By -- From the graph, again, that was generated from the reservoir predictions that we had, we knew that had we continued to produce the wells at a high producing rate, that we were going to reach the recovery factor that we felt we were going to achieve prior to being able to put a secondary project into effect.

So at that time, we knew that we needed to slow down the reservoir depletion rate, and the only way to do that was to cut the production back.

Q. The recovery factor that you've got, now that you've got the injection program in place, has that significantly changed from that?

A. We feel it has. I believe Exhibit 3 shows the graph of the reservoir pressure versus the cumulative oil production. That last data point shows that by increasing the reservoir pressure, we significantly altered the shape of that curve.

Had we continued to produce without a pressure

maintenance project, we feel at this time our reservoir pressure would have been at about 2900 pounds, instead of 3300 pounds, and we would have had approximately maybe 200,000 more barrels of oil to recover.

Q. With the project in place, what is the additional recovery above that, that you expect to obtain?

A. That is a difficult number to actually put a finger on. We were hoping somewhere in the 35- to 40-percent range, versus the 15-percent range.

Q. Versus 15 percent?

A. Yes.

Q. When was that last bottomhole pressure measurement made?

A. It was taken in March of 1995.

MR. BRUCE: 1996.

THE WITNESS: 1996, I'm sorry.

MR. BRUCE: Mr. Examiner, page 2 of that Exhibit 3 has the dates of the pressure.

THE WITNESS: The actual raw data points for that curve.

Q. (By Examiner Catanach) Mr. Widner, at what point in time did you guys feel -- or how did you make the determination that it was okay at that time to increase the production on the wells?

A. We -- When we started the project, one of our

fears was that we would be injecting gas in the injection well, and the gas would just cycle and return through our producing wells and not stay, what you might say, form a cap within the reservoir.

By monitoring the production of the producing wells surrounding the injection well and on all of the wells from the field, we determined that the gas was in fact staying in the reservoir and forming a gas cap. At that time, that reduced our fear of increasing the production in the producing wells.

Q. And that's evidenced by your GOR that hasn't --

A. Yes, we saw absolutely no indication that the gas that we were injecting in the ground was being produced, which is indicated by the GOR figures.

Q. Okay, but your gas production is going up some?

A. Correct, it goes up -- As we increase the oil production, the gas production associated with that also increases. But that is not gas production from the gas that we're injecting into the reservoir.

Q. So as best you can determine, that date would be around December 31st?

A. Yes, sir, it would.

EXAMINER CATANACH: I think that's all I have.

Mr. Bruce?

MR. BRUCE: Just a couple of follow-up questions,

Mr. Examiner.

FURTHER EXAMINATION

BY MR. BRUCE:

Q. Just to clarify something, Mr. Widner, you increased production in October, 1995, but only about 2000 barrels per month, correct?

A. Correct.

Q. So that's about what per well, per day?

A. About 60 barrels a day, about 10 -- It's about 60 barrels a month -- a day, per well, and there were 10 wells. About 10 barrels. It's a hard figure to put on. About 10 barrels a day a well.

Q. About 10 barrels a day per well?

A. Correct.

Q. And then after a few months it was substantially increased --

A. Correct, it was.

Q. -- to 200 , 210 barrels a day?

A. Correct.

Q. And then one thing on your Exhibit 3, you originally estimated what? About 1.9 million barrels of primary?

A. Yes.

Q. And by the end of 1995, you had produced about 1.7 million?

A. Yes, we had.

Q. That was about 90 percent of the primary?

A. Okay.

MR. BRUCE: Okay. Thank you, Mr. Examiner.

EXAMINER CATANACH: Okay, the witness may be excused.

Mr. Bruce, can you supply me with a list of the producing wells, well locations, and API numbers?

MR. BRUCE: Oh, sure.

EXAMINER CATANACH: Okay. There being nothing further in this case, Case 11,531 will be taken under advisement.

(Thereupon, these proceedings were concluded at 8:40 a.m.)

* * *

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11531, heard by me on Aug 16 1996.

David H. 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 May 16th, 1996.

STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998