

NEW MEXICO OIL CONSERVATION DIVISION

STATE LAND OFFICE BUILDING

STATE OF NEW MEXICO

Docket No. 4-93

Cases Nos. 10572 and 10573

IN THE MATTER OF:

The Application of Texaco Exploration & Production Inc. for waterflood expansion, Lea County, New Mexico

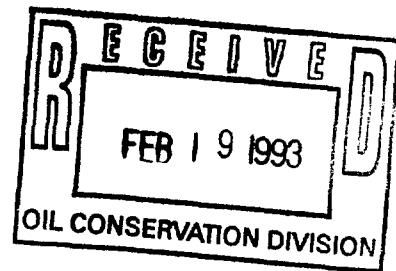
BEFORE:

EXAMINER DAVID R. CATANACH

February 5, 1993

REPORTED BY:

DEBORAH O'BINE
Certified Shorthand Reporter
for the State of New Mexico



CUMBRE COURT REPORTING

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A P P E A R A N C E S

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FOR THE NEW MEXICO OIL CONSERVATION DIVISION:

ROBERT G. STOVALL, ESQ.
General Counsel
State Land Office Building
Santa Fe, New Mexico 87504-2088

FOR TEXACO EXPLORATION & PRODUCTION, INC.:

CAMPBELL, CARR, BERGE & SHERIDAN
110 N. Guadalupe
Santa Fe, New Mexico 87501
BY: WILLIAM F. CARR, ESQ.

FOR DOYLE HARTMAN:

GALLEGOS LAW FIRM
141 E. Palace
Santa Fe, New Mexico 87501
BY: GLENN J. THERIOT, ESQ.

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1 EXAMINER CATANACH: Call the hearing to
2 order this morning. Continuation of Docket No. 4-93.
3 At this time we'll call Case 10572.

4 MR. CARR: Application of Texaco
5 Exploration & Production Inc. for a waterflood
6 expansion, Lea County, New Mexico.

7 EXAMINER CATANACH: Are there appearances
8 in this case?

9 MR. CARR: May it please the examiner, my
10 name is William F. Carr with the Santa Fe law firm
11 Campbell, Carr, Berge & Sheridan. I represent Texaco,
12 and I have one witness.

13 EXAMINER CATANACH: Additional
14 appearances?

15 MR. THERIOT: I'm Glenn Theriot with the
16 Gallegos Law Firm on behalf of Doyle Hartman. We'll
17 be monitoring the activities.

18 EXAMINER CATANACH: I'm sorry, sir, your
19 name is Glenn --

20 MR. THERIOT: Theriot, T-h-e-r-i-o-t.

21 MR. CARR: Mr. Examiner, at this time I
22 would request that Case 10573 also be called and
23 consolidated with this case. They are docketed as two
24 cases, but they're the result of the same application
25 filed by Texaco. The testimony will be virtually

1 identical in the two cases.

2 EXAMINER CATANACH: Okay. At this time
3 we'll call case 10573.

4 MR. STOVALL: Application of Texaco
5 Exploration & Production Inc. for a waterflood
6 expansion, Lea County, New Mexico. Didn't I say that
7 before?

8 EXAMINER CATANACH: I thought you did.
9 You may proceed.

10 MR. CARR: Thank you.

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

14 EXAMINATION

15 BY MR. CARR:

16 Q. Would you state your name for the record,
17 please.

18 A. Charles Sadler.

19 Q. Mr. Sadler, where do you reside?

20 A. Hobbs, New Mexico.

21 Q. By whom are you employed?

22 A. Texaco.

23 Q. And in what capacity?

24 A. Area geologist.

25 Q. Have you previously testified before this

1 Division and had your credentials as a geologist
2 accepted and made a matter of record?

3 A. Yes, I have.

4 Q. Are you familiar with the application filed
5 in each of these cases?

6 A. Yes, I am.

7 Q. Are you familiar with the Rhodes Yates
8 Waterflood Project and Texaco's plans to expand this
9 project?

10 A. Yes, I am.

11 MR. CARR: Are the witness's qualifications
12 acceptable?

13 EXAMINER CATANACH: They are.

14 Q. (BY MR. CARR) Mr. Sadler, would you
15 briefly state what Texaco seeks in these consolidated
16 cases?

17 A. Texaco filed a C-108 application requesting
18 authorization to inject in four wells within the
19 Rhodes Yates Waterflood Expansion Project.

20 Q. And what you're proposing is to convert
21 current wells to injection?

22 A. Yes, that's correct.

23 Q. Let's go to the exhibits that have been
24 provided to the examiner, and I would direct your
25 attention to Texaco Exhibit No. 1, and I would ask you

1 to identify this exhibit.

2 A. Exhibit No. 1 is a base map identifying the
3 three properties operated by Texaco in the waterflood
4 operations. The green area is the Rhodes Yates Unit.
5 The orange is the Rhodes Federal "B" NCT-1 lease. And
6 the pink is the Rhodes Federal "A" lease.

7 All three of these properties are serviced
8 by a cooperative water injection system. And it's
9 also worth noting, our current 80-acre five spot
10 patterns.

11 Q. Does Texaco own an interest in each of
12 these leases?

13 A. Yes, we do.

14 Q. Is the interest the same in each of the
15 properties?

16 A. No. It varies.

17 Q. Texaco does, however, operate the
18 waterflood project?

19 A. Yes.

20 Q. Let's move to Exhibit No. 2. Would you
21 identify and review that for Mr. Catanach?

22 A. Exhibit No. 2 is a log of the reservoir
23 section. It is the log of the Rhodes Yates Unit No.
24 16, which is a recent drill within the Rhodes Yates
25 Unit. The injection interval is specifically

1 identified for an interval of 3100 feet down to
2 approximately 3275 feet.

3 Q. Let's move to Exhibit 3. Would you
4 identify this for Mr. Catanach?

5 A. Exhibit No. 3 is a structural map on the
6 top of the Yates formation. Worth noting is a dip to
7 the southwest. The structure is important here in
8 that we have a gas column updip, an oil column
9 downdip, with the updip limit of the waterflood being
10 restricted by that contact.

11 Q. All right, Mr. Sadler, let's now go to
12 Exhibit 4. Would you identify Exhibit 4 and review
13 the information on this plat for Mr. Catanach?

14 A. Exhibit 4 is, again, a base map which
15 identifies our Phase 1 project.

16 In green are the four proposed conversions
17 which are identified in the C-108. In orange are the
18 five 20-acre infill wells which have been drilled to
19 this date. And also in pink are five current
20 injection wells in which profile modification is being
21 performed in.

22 Q. Basically, what you're moving to is a 40-
23 acre, five spot pattern?

24 A. That is correct.

25 Q. This is Phase 1 only?

1 A. Yes, this is Phase 1.

2 Q. What is the status of the Phase 2 part of
3 this project expansion?

4 A. We're in the process of evaluating the
5 performance of Phase 1 and constructing our Phase 2
6 plans which we anticipate proceeding with either
7 fourth quarter of 1993 or first quarter 1994.

8 Q. Have you received either budget or partner
9 approval for Phase 2 at this time?

10 A. No, we have not.

11 Q. Could you identify Exhibit No. 5?

12 A. Exhibit No. 5 is a base map which
13 identifies our future pattern, being a 40-acre five
14 spot. This is after full implementation of the
15 expansion, which would be Phase 3.

16 Q. And these future expansions will also
17 require Oil Conservation Division approval, will they
18 not?

19 A. Yes, they will.

20 Q. Let's go to what is marked Exhibit No. 6.
21 Would you identify this?

22 A. Exhibit No. 6 is a copy of a letter dated
23 August 25, 1992, in which Texaco requested
24 administrative approval for C-108 application
25 approval. Attached with this letter is the actual

1 C-108 application. Within this application, both
2 leases were combined.

3 The OCD separated this into two separate
4 hearings. Per C-108 application regulation
5 supplements have been filed in prior applications and
6 were not included with this application.

7 Q. So what you're doing is seeking an
8 expansion of a previously approved project?

9 A. Yes, we are.

10 Q. And on the first page of the C-108 you have
11 referenced where additional information has been filed
12 by Texaco concerning this waterflood project?

13 A. That's correct.

14 Q. Was this application furnished to the owner
15 of the surface of the land upon which the injection
16 wells are located and also to each leasehold operator
17 within a half mile of an injection well?

18 A. Yes, it was.

19 Q. Were these applications provided by
20 certified mail?

21 A. Yes, they were.

22 Q. Are copies of the mail receipts attached to
23 this application as the last two pages of Exhibit No.
24 6?

25 A. Yes, they are.

1 Q. After you filed this application, can you
2 relate to Mr. Catanach what happened?

3 A. After filing this application, Texaco was
4 notified that a hearing had been set by virtue of
5 opposition from an offset operator.

6 Q. Could you go to Exhibit No. 6 and turn to
7 the plat that shows the areas of review and then
8 review this exhibit for the examiner?

9 A. This is a base map which identifies the
10 leases in the area, as well as the wells. The
11 proposed injection wells are identified with
12 triangles, and the area of review is identified by the
13 half-mile radius circles drawn around each well.

14 Q. What is the current status of each of the
15 wells that Texaco is proposing to convert to
16 injection?

17 A. These are currently marginal oil producers.

18 Q. Could you go to the pages immediately
19 behind this plat in Exhibit No. 6 and refer to the
20 schematic drawings for the proposed injection wells
21 and review for Mr. Catanach how the wells are
22 currently completed and how Texaco proposes to modify
23 these wells for injection purposes?

24 A. There are four wells proposed to be
25 converted, two within the Rhodes Yates Unit. Rhodes

1 Yates Unit numbers are 8 and 13, and two on the W.H.
2 Rhodes Federal "B" NCT-1, Nos. 6 and 13.

3 There is one cased hole completion and
4 three open hole completions with casing set
5 approximately 50 feet into the injection interval.
6 That portion of the casing is being perforated. We
7 will be setting injection packers within 50 feet of
8 the top perforation and running cement line injection
9 tubing.

10 Q. Will the annular space be -- the pressure
11 in the annular space be monitored in accordance with
12 the Federal Underground Injection Control Program?

13 A. Yes, it will be.

14 Q. Has all the data on the wells within the
15 area of review which is required by OCD Form C-108
16 either been included with the application or otherwise
17 filed with the Division?

18 A. Yes, it has. This is an expansion
19 project. The majority of the information has been
20 filed in previous applications. After review by the
21 OCD, additional well schematics were requested by
22 Benjamin Stone in early September. This information
23 was provided to the OCD in late September by Texaco.

24 Q. So now the well information on each of the
25 wells within the area of review has been filed with

1 the OCD?

2 A. Yes, it has.

3 Q. And has the additional material that was
4 filed by Texaco in September been marked Exhibit 7 for
5 the purpose of this hearing?

6 A. Yes, it has.

7 Q. On page 4 of Exhibit 6, the text portion of
8 the application, there is a statement that there are
9 four plugged and abandoned wells within the leasehold
10 area. My question is, how many plugged and abandoned
11 wells are there actually within the area of review as
12 shown on this plat?

13 A. There are three. The Koch Exploration
14 Wells Federal No. 10 located in spot D, Section 35,
15 the Anderson-Pritchard State 28 "A" No. 2, located in
16 Spot G, Section 28.

17 Q. That's right on the limit of the area of
18 review?

19 A. Yes, it is. And the Meridian State UTP No.
20 1 well, also located in Spot G, Section 28.

21 Q. Since the time the application was filed,
22 have there been additional plugging operations within
23 the unit?

24 A. Yes. Since filing of the application,
25 Texaco has plugged the W.H. Rhodes "B" Federal NCT-1

1 No. 2 well.

2 Q. Could you identify what has been marked as
3 Texaco Exhibit No. 8?

4 A. Texaco Exhibit No. 8 are the plugging
5 applications and schematics for the wells within the
6 area of review, as well as the additional wells
7 requested by Benjamin Stone.

8 Q. So there are several additional plugged and
9 abandoned wells in the area that you also have
10 included plugging information on?

11 A. Yes, there are.

12 Q. What is Exhibit No. 9?

13 A. Exhibit No. 9 is the well schematic for the
14 Texaco W.H. Rhodes "B" Federal NCT-1 No. 2 which was
15 plugged at the end of 1992.

16 Q. So plugging data has now been provided for
17 all wells within the areas of review?

18 A. Yes, it has.

19 Q. Are these wells adequately plugged so as to
20 not cause migration between the injection interval and
21 any other formation?

22 A. Yes. These wells were approved by OCD and
23 plugged per their regulations.

24 Q. And the schematics reflect all the
25 cementing and other detail on each of these pluggings?

1 A. Yes.

2 Q. Into what zone are you proposing to inject?

3 A. We will be injecting into the Yates
4 formation.

5 Q. What is the pool in this area?

6 A. This is the Rhodes Yates Seven Rivers Pool.

7 Q. Are there any other productive oil zones in
8 this immediate area?

9 A. No, there are not.

10 Q. What is the source of the water you propose
11 to inject?

12 A. We will be utilizing existing water
13 sources.

14 Q. So it's the same water that you're now
15 injecting in this project area?

16 A. Yes.

17 Q. What volumes are you proposing to inject?

18 A. Five hundred barrels per day per injection
19 well.

20 Q. Is there a maximum injection rate that you
21 are seeking authorization for?

22 A. Seven hundred and fifty pounds.

23 Q. Seven hundred and fifty pounds or barrels,
24 the rate?

25 A. The maximum rate is 750. I'm sorry.

1 Q. And that would be barrels?

2 A. Yes.

3 Q. In each of the four wells?

4 A. Yes, barrels in each of the four wells.

5 Q. Is this going to be a closed system?

6 A. Yes, it will be a closed system.

7 Q. Are you going to be injecting by gravity or
8 under pressure?

9 A. We will be injecting under pressure.

10 Q. What is the initial pressure that you're
11 requesting?

12 A. Six hundred pounds.

13 Q. How does that relate to .2 pound per foot
14 of depth to the top of the injection interval?

15 A. That is per the regulations of the OCD.

16 Q. If the order that was entered as a result
17 of this hearing, if that order provided for a pressure
18 limitation of .2 pound per foot of depth to the top of
19 the injection interval, would that be sufficient
20 initially for Texaco's purposes?

21 A. Yes, it would be.

22 Q. Do you anticipate a need to increase that
23 pressure?

24 A. Yes. And if we do, we will have a
25 witnessed OCD separate test done to justify that

1 increase.

2 Q. Are there fresh water zones in the area?

3 A. Yes, there are.

4 Q. And what are they?

5 A. The Ogallala and Santa Rosa.

6 Q. And at approximately what depth are these
7 located?

8 A. Two hundred and fifty to 500 feet.

9 Q. Have you been able to locate any fresh
10 water wells within this area?

11 A. There is one water supply well. It's a
12 Santa Rosa well in Spot E, Section 35.

13 Q. And that is a water supply well for whom?

14 A. For Koch Exploration.

15 Q. Do you know what formation this well is
16 producing from?

17 A. It's producing from the Santa Rosa.

18 Q. Mr. Sadler, have you examined the available
19 geologic and engineering data on this area?

20 A. Yes, I have.

21 Q. As a result of that examination, have you
22 found evidence of any faults or other hydrologic
23 connections between the injection interval and any
24 underground source of drinking water?

25 A. No, I have not.

1 Q. Are there going to be any additional
2 capital costs for additional facilities for this Phase
3 1 project expansion?

4 A. No, there are not.

5 Q. Can you tell me what the total estimated
6 costs for the project expansion are at least estimated
7 at this time to be?

8 A. This first phase of the project,
9 approximately \$1 million.

10 Q. What is the additional volume of oil that
11 you expect to recover as a result of the Phase 1
12 expansion?

13 A. Approximately 450,000 barrels.

14 Q. Can you estimate the value of that
15 additional oil?

16 A. Approximately \$8 million, using \$18 oil.

17 Q. How soon does Texaco propose to commence
18 injection if this expansion is approved?

19 A. Approximately 30 days.

20 Q. In your opinion, will approval of this
21 application result in the increased recovery of oil?

22 A. Utilizing the existing patterns, yes, the
23 production rates are approaching depletion.

24 Q. In your opinion, is it prudent to now
25 expand the project area as proposed to maximize the

1 recovery of crude oil from the Phase 1 area?

2 A. Yes, it is.

3 Q. Has the production from the reservoir been
4 sufficiently depleted so that it is now prudent to
5 implement this additional waterflood?

6 A. Yes.

7 Q. In your opinion, will the approval of these
8 applications be in the best interest of conservation,
9 the prevention of waste, and the protection of
10 correlative rights?

11 A. Yes.

12 Q. Were Exhibits 1 through 9 either prepared
13 by you or compiled under your direction?

14 A. Yes, they were.

15 Q. Can you testify as to their accuracy?

16 A. Yes, I can.

17 MR. CARR: At this time, Mr. Catanach, we
18 would move the admission of Texaco Exhibits 1 through
19 9.

20 EXAMINER CATANACH: Exhibits 1 through 9
21 will be admitted into evidence.

22 MR. CARR: That concludes my direct
23 examination of Mr. Sadler.

24 EXAMINER CATANACH: Mr. Theriot, do you
25 have any questions of this witness?

1 MR. THERIOT: No.

2 EXAMINATION

3 BY EXAMINER CATANACH:

4 Q. Mr. Sadler, on Exhibit No. 1, you've got
5 three separate areas. Has just one of those areas
6 been unitized?

7 A. Yes.

8 Q. The Rhodes Yates Unit?

9 A. That's correct.

10 Q. And that Rhodes Yates Unit waterflood was
11 authorized by No. R-3889, and according to the ad, the
12 W.H. Rhodes "B" federal waterflood project was
13 authorized by R-2748?

14 MR. CARR: That is correct, Mr. Catanach.

15 Q. (BY EXAMINER CATANACH) The Rhodes Federal
16 "A" lease, has that been authorized for waterflood,
17 to your knowledge?

18 A. To my knowledge, yes.

19 Q. And do you have any idea what that older
20 number may be?

21 A. No, I don't.

22 Q. Do you know why the whole area wasn't
23 initially unitized?

24 A. Reading through the material that we have
25 on hand, there were problems getting the operators to

1 agree to some type of unitization formula.

2 Q. Texaco is the operator of all three of the
3 units for the areas?

4 A. That is correct.

5 Q. But you do have various and different
6 working interest owners?

7 A. In two of the properties, the working
8 interest owners are the same, the Federal "A" and the
9 "B" NCT-1; those are the same. And in the Rhodes
10 Yates Unit, one of those operators is in the unit, and
11 then there are two smaller working interest owners
12 that are different.

13 Q. Is the Rhodes Yates Unit, is that all
14 federal lands, too?

15 A. No. There is some state land within that
16 unit.

17 Q. It's all operated as generally a common
18 waterflood?

19 A. Yes.

20 Q. Subsequent to the original orders entered
21 in these two cases that I already cited, do you know
22 which orders have expanded the waterflood projects,
23 which administrative orders?

24 MR. CARR: Mr. Catanach, if I might, the
25 orders that expand the area are indicated, at least

1 some of them and otherwise case numbers are indicated
2 on the bottom of Form C-108.

3 EXAMINER CATANACH: Okay.

4 MR. CARR: If you would like us to compile
5 those and provide them to you, we can.

6 EXAMINER CATANACH: That's all right. We
7 should have that information here.

8 Q. Mr. Sadler, you said this application was
9 initially reviewed by Ben Stone. To your knowledge,
10 do you have all the information required in to the
11 Division at this time?

12 A. Yes.

13 MR. STOVALL: Mr. Carr, just to clear
14 something up and make sure we've got this down, you've
15 got the C-108 as your exhibit here?

16 MR. CARR: Yes.

17 MR. STOVALL: That is the complete C-108
18 package from the administrative review; is that
19 correct?

20 MR. CARR: That is the application that was
21 filed, I believe in August of last year, seeking
22 administrative approval. There was a letter from Mr.
23 Stone to Texaco following his review on the 8th of
24 September in which he requested additional information
25 on certain specific wells, and that was provided by

1 Texaco on September the 21st.

2 I might note that Mr. Stone requested
3 information on all wells within the area of review
4 that was not on file. He also asked for some
5 additional information on several plugged and
6 abandoned wells that are immediately outside the area
7 of review in the Koch lease down in Section 35, for
8 example.

9 All of that was supplied, and those
10 wellbore schematics, well data sheets are included in
11 the exhibit as Exhibit 7.

12 MR. STOVALL: Okay. I just wanted to make
13 sure that we've got the complete record here from
14 either --

15 MR. CARR: Yes.

16 MR. STOVALL: And you're saying we do; we
17 don't need to incorporate anything from the
18 administrative --

19 MR. CARR: I don't believe so because
20 everything we filed for administrative approval plus
21 the supplemental data is all contained in the exhibit
22 package.

23 MR. STOVALL: That's all I want to know.

24 EXAMINER CATANACH: So, to your knowledge,
25 all the area of review wells have been submitted by

1 Texaco in this specific application?

2 MR. CARR: That plus the references on the
3 C-108 prior filing.

4 EXAMINER CATANACH: So there is some data.

5 MR. CARR: Yes. And they are indicated on
6 the bottom of C-108.

7 MR. STOVALL: When you say references to
8 prior, you're talking about the previous orders that
9 --

10 MR. CARR: I'm talking about the previous
11 application for approval of a waterflood project.

12 MR. STOVALL: Not this expansion
13 application, but the original application?

14 MR. CARR: No, not this expansion.

15 MR. STOVALL: Just to make sure we've got a
16 complete record, the documents noted are the cases and
17 orders noted on the C-108 --

18 MR. CARR: Yes.

19 MR. STOVALL: -- are prior approvals of
20 various phases of this waterflood project?

21 MR. CARR: That's correct.

22 MR. STOVALL: And they are there just so we
23 go back and check the prior records, and then
24 everything that is associated with this application
25 for this expansion is in the exhibits?

1 MR. CARR: In the exhibit package, yes,
2 sir.

3 MR. CARR: If you would like for us to
4 request that they be incorporated -- Form C-108 does
5 state that if the information required under certain
6 sections above has previously been submitted, it need
7 not be duplicated. For that reason, we simply
8 referenced the prior files.

9 MR. STOVALL: In my opinion, the Division
10 can take notice and inquire into prior records for
11 their official -- the orders would incorporate that
12 information.

13 Q. (BY EXAMINER CATANACH) Mr. Sadler, is the
14 Yates formation the only one being flooded in this
15 waterflood?

16 A. Yes, it is.

17 Q. Is the Seven Rivers productive at all?

18 A. It's not that we've found.

19 Q. The open hole interval in two -- three of
20 the injection wells?

21 A. Three of the injection wells.

22 Q. Does that only include the Yates formation?

23 A. Yes.

24 Q. Mr. Sadler, have you examined the area of
25 review wells and satisfied yourself that they're

1 cemented properly and will not serve as a conduit for
2 migration?

3 A. Yes.

4 Q. Have you looked at the plugged and
5 abandoned wells in the area of review and satisfied
6 yourself that they're plugged properly?

7 A. Yes.

8 EXAMINER CATANACH: I believe that's all I
9 have.

10 MR. CARR: We have nothing further.

11 EXAMINER CATANACH: There being nothing
12 further in this case, Cases 10572 and 10573 will be
13 taken under advisement.

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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. 10572, 10573
heard by me on February 5, 1993.

David M. Catanach, Examiner
Oil Conservation Division

CERTIFICATE OF REPORTER

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

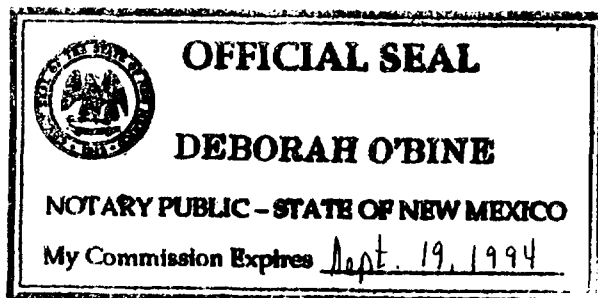
I, Deborah O'Bine, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that I caused my notes to be transcribed under my personal supervision, and that the foregoing transcript is a true and accurate record of the proceedings of said hearing.

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, February 13, 1993.

Deborah O'Bine

DEBORAH O'BINE
CCR No. 63

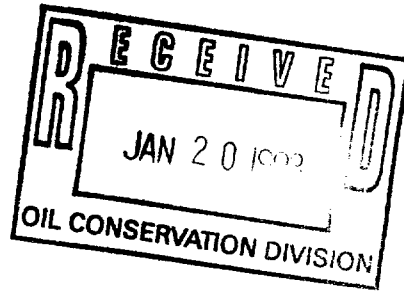


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NEW MEXICO OIL CONSERVATION DIVISION
STATE LAND OFFICE BUILDING
STATE OF NEW MEXICO
CASE NO. 10572 and 10573

IN THE MATTER OF:

The Applications of Texaco Exploration
& Production, Inc., for Waterflood
Expansion, Lea County, New Mexico.



BEFORE:

MICHAEL E. STOGNER
Hearing Examiner
State Land Office Building
December 18, 1992

REPORTED BY:

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

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A P P E A R A N C E S

FOR THE APPLICANT:

CAMPBELL, CARR, BERGE & SHERIDAN, P.C.

Post Office Box 2208

Santa Fe, New Mexico 87504-2208

BY: WILLIAM F. CARR, ESQ.

I N D E X

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1 EXAMINER STOGNER: With that, before I
2 adjourn for today, the two Texaco cases we had
3 discussed, Mr. Carr, do you have anything?

4 MR. CARR: Mr. Stogner, at this time we
5 would request those cases be continued to January
6 7th. We're still trying to coordinate schedules
7 with counsel for Doyle Hartman, and we'll be back
8 to you proposing a hearing date at that time.

9 EXAMINER STOGNER: I'll work with you
10 on that in setting up a special hearing sometime
11 in January.

12 With that, these two cases, 10572 and
13 10573, will be continued to the Examiner Hearing
14 scheduled for January 7th, and today's hearing is
15 adjourned.

16 (And the proceedings concluded.)

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I do hereby certify that the foregoing is
a complete and true record of the proceedings in
the Examiner hearing of Case No. _____,
heard by me on _____, 19____.

_____, Examiner
Oil Conservation Division

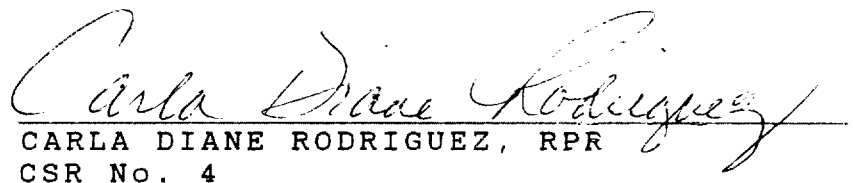
1 CERTIFICATE OF REPORTER

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

5
6 I, Carla Diane Rodriguez, Certified
7 Shorthand Reporter and Notary Public, HEREBY
8 CERTIFY that the foregoing transcript of
9 proceedings before the Oil Conservation Division
10 was reported by me; that I caused my notes to be
11 transcribed under my personal supervision; and
12 that the foregoing is a true and accurate record
13 of the proceedings.

14 I FURTHER CERTIFY that I am not a
15 relative or employee of any of the parties or
16 attorneys involved in this matter and that I have
17 no personal interest in the final disposition of
18 this matter.

19 WITNESS MY HAND AND SEAL January 18,
20 1992.

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24 CARLA DIANE RODRIGUEZ, RPR
25 CSR No. 4