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 PHILLIPS PETROLEUM COMPANY

CASE NO. 10675

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

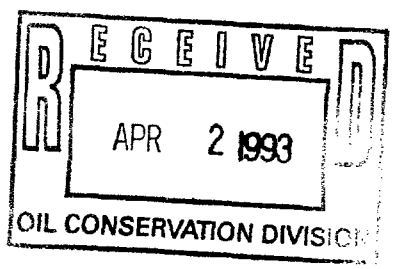
BEFORE: David R. Catanach, Hearing Examiner

March 4, 1993

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on March 4, 1993, at 10:00 a.m. at the Oil Conservation Division Conference Room, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico, before Freda Donica, RPR, Certified Court Reporter No. 45, for the State of New Mexico.

ORIGINAL



I N D E X

March 4, 1991
Examiner Hearing
CASE NO. 10675

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E X H I B I T S

A P P E A R A N C E S

FOR THE DIVISION:
ROBERT G. STOVALL, ESQ.
General Counsel
Oil Conservation Commission
State Land Office Building
310 Old Santa Fe Trail
Santa Fe, New Mexico 87501

FOR THE APPLICANT:
KELLAHIN & KELLAHIN
117 N. Guadalupe
Santa Fe, New Mexico
BY: THOMAS KELLAHIN, ESQ.

EXAMINER CATANACH: At this time we'll call Case 10675.

MR. STOVALL: Application of Phillips Petroleum Company for an unorthodox gas well location, Lea County, New Mexico.

EXAMINER CATANACH: Are there appearances in this case?

MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of the Santa Fe law firm of Kellahin & Kellahin, appearing on behalf of the applicant. And I have two witnesses to be sworn.

EXAMINER CATANACH: Any other appearances? Will the two witnesses please stand to be sworn in?

(Witnesses sworn.)

MR. KELLAHIN: Mr. Examiner, my first witness is Mr. Scott Balke. He's a geologist with Phillips Petroleum Company.

SCOTT C. BALKE

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

EXAMINATION

BY MR. KELLAHIN:

Q. Mr. Balke, for the record, would you please state your name and occupation?

A. Scott C. Balke; I'm a petroleum geologist

with Phillips Petroleum.

Q. And where do you reside, sir?

A. Odessa, Texas.

Q. On prior occasions, have you testified before the Division as a petroleum geologist?

A. Yes, I have.

Q. And pursuant to that employment, are you appearing again today with regards to Phillips' application for an unorthodox location in the West Ranger Lake-Devonian Gas Pool of Lea County, New Mexico?

A. Yes, sir.

MR. KELLAHIN: We tender Mr. Balke as an expert petroleum geologist.

EXAMINER CATANACH: Mr. Balke is so qualified.

Q. (By Mr. Kellahin) Mr. Balke, before we start looking at the exhibits, would you give the Examiner an overview of what you're proposing to accomplish with this particular application insofar as it affects well locations in this pool?

A. Okay. Essentially, what we're trying to do is -- the West Ranger Lake was developed on 320-acre spacing through our 3-D seismic interpretation. The 320-acre spacing did not adequately develop the

field. We have a separate fault block, as you can see, up to the northwest of Section 26 there. The orthodox location would not penetrate that isolated fault block. We need an unorthodox location to actually penetrate and develop this field.

Q. You're dealing with 320 gas spacing in this pool?

A. That's correct.

Q. A standard location would be 660 from a side boundary and 1980 from the end boundary?

A. That's correct.

Q. Where do you propose to put this well?

A. As you can see on Exhibit 1, Section 26, in green, well name and number is Ranger Number 20 up in the northwest, which is, I believe, 860 from the north, 660 from the west, in Unit D of Section 26.

Q. My information is 810.

A. 810?

Q. 810 from the north line and 660 from the west boundary?

A. That's correct.

Q. Give us a picture of the Devonian Reservoir. Is there a word description by which you can characterize for us what this Devonian looks like to you?

A. Well, the trapping mechanism for the Devonian is structural. You have within the Devonian Reservoir itself porosity of less than, say, five percent, on the average of four percent. Primary porosity and permeability is almost like broken glass. You don't see this on the porosity log, porosity logs don't pick up this type of porosity, and so your permeability is going to be essentially fractured porosity and trap, structurally. Gravity will be oil -- I should say, the condensate with gas is like 58 to 60 high-gravity oil. And it's a gas reservoir.

Q. The type of geologic tools that you use to help you find locations in this particular reservoir are what, sir?

A. A couple of things. Since it is a structural trap, we use both seismic -- in this case it was 3-D seismic -- across the entire field area and subsurface control, in combination with our understanding of the reservoir. We want to be in the structurally highest position possible and yet still be within our productive trend to see if there's a -- there's a forced-in grauven feature here. We want to stay up on the forced, not within the grauven, which is an essential part of the field right here.

Q. Is this a reservoir where it's useful for you, as a geologist, to prepare an isopach map of the reservoir?

A. Not in this case, strictly because of its complexity. The reservoir itself is out of a dolomite. There's a limestone cap on top. Sometimes this limestone cap cannot be present at all, could be eroded. In other cases, it can be over a hundred feet thick. And so when you're dealing with an isopach, you want to make sure that you're dealing with the same continuous reservoir. In this case, we're not completely confident that we are dealing with the same continuous reservoir.

Q. When you look at Section 26, as shown on Exhibit Number 1, are there any producing wells dedicated to this pool at this point?

A. There's one producing well currently producing, Ranger Number 17, located in the southwest-southwest, or I believe that's Unit M, Section 26. We completed that June of '92, and it's currently flowing from the Devonian.

Q. What is the spacing unit dedicated to that well?

A. 320-acre spacing, or the south half of Section 26.

Q. When you look at the north half, which is the spacing unit you propose to dedicate to the Ranger 20 Well, has it had historically any wells producing in that spacing unit from this pool?

A. Yes, it has.

Q. Which well?

A. The number 15 well, which you can see on Exhibit Number 1, is located in the northeast of the northwest of Section 26. It's located there with a red dot with a slash, indicating that it had been an abandoned producer. It had been produced from the Devonian later, had been plugged back and moved up and produced out of the pin.

Q. That is at a standard location for a north half dedication?

A. That is correct.

Q. What are the open blue circles in the north half of Section 26?

A. Those are the orthodox locations for the north half of 26 and just showing in reference to what our structural picture looks like.

Q. Give us your geologic conclusions why none of the three remaining standard locations for that spacing unit represent to you, as a geologist, viable locations from which to drill a replacement well for

the 15 well.

A. Primarily structural. You'll see each one of the three orthodox locations occurred downdip from the 15, 15 had -- when it was abandoned, had watered out, and any wells downdip from this watered-out well should be noncommercial.

Q. When you look at the proposed unorthodox location for the Ranger 20, describe for us what you see, as a geologist, to be the critical points that distinguish that location from the remaining three standard locations.

A. Primarily two reasons. The first, being of most significance, is structural. You're going to be structurally high, significantly. You can see you're going to be structurally high from the orthodox locations. The second reason is you have a ceiling fault that separates where the orthodox locations are from our unorthodox location proposed.

Q. If the Division does not approve the unorthodox location for the Ranger 20, will there be hydrocarbons left in the reservoir that might otherwise be produced?

A. Yes, sir, there will be.

Q. Do you have a way to describe for us who are the offsetting operators towards which this well

is moving?

A. Yes, I do. Using Exhibit 1 again, they're in Section 26, Section 27, Section 23 above Section 26, are all Phillips Petroleum 100 percent. In Section 22, which is the northwest of Section 26 --

Q. The northwest offset to your spacing unit in -- what's that, 22?

A. Twenty-two, excuse me. Yes.

Q. Who controls that spacing unit?

A. Yates Petroleum and several affiliates of Yates.

Q. Have you notified Yates Petroleum and the other Yates entities of your proposed location?

A. Yes, we have.

Q. Did they waive any objection to your locations?

A. They waived any objection. It's Exhibit Number 4.

Q. When you look at Exhibit Number 1, Ranger 20 is located on the edge of that structural contour line minus 8620?

A. Uh-huh.

Q. Why have you not located it farther to the east and to the south so that you're in the center of the highest structural point within that fault line?

A. Two considerations. The first consideration, there is a Pennsylvanian well drilled 660 from the north, 660 from the west line, and reached its TD within the Pennsylvanian Formation approximately 10,500 feet. We wanted to stay away from that so there wouldn't be any kind of drilling problems, actually deviating into a previously drilled bore hole.

The second concern is just north and a little bit to the east of -- approximately where that one fault block is -- or one fault trends in Section 23, there's a house. They have a pecan orchard up there. We'd like to stay as far away from that pecan orchard as possible so we don't have any influences from our drilling proceedings affecting his pecan orchard.

Q. Let's turn now to Exhibit Number 2. Is this a cross section that you prepared, Mr. Balke?

A. Yes, it is.

Q. Before we discuss the details of the display, tell us what we're looking at.

A. What you have here is your -- to the right, lower right-hand section is a condensed version of Exhibit 1, giving the location. As you can see, I've made a cross section called A-to-A prime. It goes

through our proposed unorthodox location, Ranger Number 20, through the previously drilled well number 15, and the orthodox location, and then further to the east to A prime. That A-to-A prime cross section can be seen -- seismic cross section can be seen here on the upper left. What we have there marked is the Ranger Number 20 location. Going over to the Ranger 15 location, you can see that also on the cross section, or the location of the cross section. And then the other faults that are shown in the location map.

Q. What's the basis for the orientation of the seismic line A-to-A prime?

A. To show the two ceiling faults, the one that's over to the west of the Ranger Number 20, and the one that's over to the east of Ranger 20 that separates the Ranger 15 from our proposed Ranger Number 20.

The Devonian is highlighted in pink on the 3-D seismic cross section there. And you can see the first fault slanted sort of north-northwest to south-southeast. That is the high-angle fault, which you can see as you're going in, just past the letter A. Then you have the next fault, which is right before Ranger 15 on the cross section. Those two

faults isolate the Ranger Number 20 location.

Q. When you look at the fault between the Ranger 20 and the Ranger 15 location, describe for us that fault as it cuts through and penetrates the Devonian.

A. These are not straight vertical faults. They're high-angle faults. The fault that's directly to the east of the Ranger 20 location actually comes down. You can see -- on this line it doesn't show as dramatic as we've seen on other lines, but you can see it trends sort of north northeast to south-southwest. We want to stay away from cutting on the other side of the fault as we're going through there, which gives the proposed location a better shot of not cutting across that fault.

Q. What is it about the data that's caused you, as a geologist, to conclude that you're going to have reservoir isolation between that portion of the Devonian that was produced in the 15 well and what you have proposed to produce out of the number 20 well?

A. Something key to look at is if you look on the seismic cross section, go down -- from the Ranger 15, go down to the Devonian. See where the pink is highlighted in the Devonian there, that is a change of energy, essentially. These are very brittle

carbonates. You don't have the elasticity to bend these things. They actually just break and snap. We see that's the evidence of the fault. With that much throw, you're looking at almost 100 foot of throw right there. You're not going to be able to bend rock 100 feet. It's actually faulted across. And that would -- with the dense carbonate we're dealing with, would cause a ceiling fault.

Q. Have you applied this geologic investigation and analysis to drilling and locating any other wells in this pool?

A. Yes, we have.

Q. Which well or wells were utilizing this technology to locate those wells?

A. We have one more well at this time proposed. It's in an unorthodox location, 1980 from the south, 660 from the east line, in Section 27. That's going to be a Ranger Number 21. As you can see, it's also in a structurally high position and should drain that -- effectively drain that ridge -- productive ridge that you see to the west side of the field.

Q. Was this technology and data utilized to locate number 17 well in 26?

A. It was.

Q. And that has been a successful attempt on Phillips' part to develop additional reserves for the spacing unit in 26 that the well 16 did not achieve?

A. That's correct.

Q. Would you turn now to Exhibit Number 3 and identify and describe that for us?

A. This is our survey plat showing the Ranger Number 20 location being surveyed in 810 feet from the north, 660 feet from the west.

Q. Do you have an opinion as to whether the surface location for this well has met all the necessary approvals?

A. It has met all the necessary approvals.

Q. Were Exhibits 1 and 2 prepared by you or compiled under your direction and supervision?

A. Yes, they were.

Q. Do the conclusions you've made concerning those displays represent your own personal conclusions as a geologist?

A. Yes, they do.

MR. KELLAHIN: We move the introduction of Exhibits 1 through 4.

EXAMINER CATANACH: Exhibits 1 through 4 will be admitted as evidence.

EXAMINER CATANACH: Mr. Balke, is this

acreage shown in pale yellow, is that actually part of the unit?

THE WITNESS: The unit's boundaries encompass 23, 26, the northwest of 25, and that 80-acre block there in Section 24 is an active exploration unit started in 1958. The unit does not encompass 27 or 34.

EXAMINER CATANACH: 26 is in the unit?

THE WITNESS: Yes, it is.

EXAMINER CATANACH: All of 26?

THE WITNESS: All of 26.

EXAMINER CATANACH: So do you have different interest owners in Section 26 than in 27?

THE WITNESS: No, sir, it's 100 percent Phillips.

EXAMINER CATANACH: What type of land is it? Do you know? Federal land? State land?

THE WITNESS: It's all state land.

EXAMINER CATANACH: Is it my understanding both well number 15 and 16 are currently abandoned?

THE WITNESS: That's correct, within the Devonian.

EXAMINER CATANACH: The well number 15 watered out; is that correct?

THE WITNESS: That is correct.

EXAMINER CATANACH: And number 16?

THE WITNESS: It's watered out also. Simone will have wellbore sketches and documentation for that.

EXAMINER CATANACH: In your opinion, is the 3-D seismic accurate in locating the faults?

THE WITNESS: Yes, it is very accurate. We've proved it successful in number 17 well, and we've drilled other wells both in New Mexico and Texas that have been very effective with 3-D seismic.

EXAMINER CATANACH: Well number 17 is currently producing?

THE WITNESS: That is correct, currently flowing.

EXAMINER CATANACH: Mr. Kellahin asked you a question about drilling on the top of the structure. If you moved east, you would get higher in the structure; is that correct?

THE WITNESS: If we moved eastward, we would get at a maximum maybe ten feet higher, which is not significant. We would like to -- when we take into consideration the surface owner and his pecan orchard, the possibility of crossing across that fault -- because it is angling towards the west -- we feel that we'd rather lose the minor amount -- again, a

maximum of ten feet -- to gain comfort level both from the fault and be able to provide the surface owner a little bit better location.

EXAMINER CATANACH: In essence, this northwest portion of Section 26 is effectively isolated from well number 15, the reservoir in well number 15?

THE WITNESS: That is correct. One important point to note, number 17, when we completed it, came in with essentially virgin pressure, no pressure depletion from the 16 at all.

EXAMINER CATANACH: It appears that that's not totally isolated in well number 16 by fault.

THE WITNESS: The 17 and the 16?

EXAMINER CATANACH: Yes.

THE WITNESS: Could be due to two things; again, the reservoir itself being fractured up may be able to not drain out. That's what we're learning about the reservoir, the drainage area of the reservoir itself. But you see that there's two faults that essentially die out right before they separate the 16 and the 17 from each other? Those faults could actually extend across there. However, they could be continuing the energy from the previous survey itself, and we were not able to actually delineate those

faults across there. Believe me, I'd like to carry it across here and be able to say that this is separated, but I cannot justify that.

EXAMINER CATANACH: The number 1 well in Section 27, do you believe that produced or will produce, or do you believe the number 20 will produce in the same portion of the reservoir as that well?

THE WITNESS: I believe so, yes.

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

MR. KELLAHIN: Mr. Examiner, you may have noted that while 17 in Section 26 appears to be unorthodox for the pool, it, in fact, was approved administratively. Here's a copy of the application and the administrative order issued June 8th of '92. It's NSL 3117. It was administratively approved because 17 was an Ellenburger test, and it was recompleted up back into the Devonian and thereby eligible for administrative process.

Mr. Examiner, my next witness is Simone Gutberlet.

SIMONE GUTBERLET

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

EXAMINATION

BY MR. KELLAHIN:

Q. Would you please state your name and occupation?

A. Simone Gutberlet; I'm a reservoir engineer with Phillips Petroleum Company.

Q. Where do you reside?

A. Midland, Texas.

Q. On prior to occasions, have you testified as an expert witness?

A. No, I have not.

Q. Describe for us when and where you obtained your degree.

A. I have a bachelor's degree in petroleum engineering from the Colorado School of Mines in 1984, and I have worked for Phillips Petroleum since 1986.

Q. As part of your duties as an engineer, do you make engineering studies and evaluations that would include this portion of Lea County, New Mexico?

A. Yes, I do.

Q. Have you worked with Mr. Balke in analyzing the opportunities for Phillips in the pool that's known as the West Ranger Lake-Devonian Gas Pool, Lea County, New Mexico?

A. Yes, I have.

MR. KELLAHIN: We tender Ms. Gutberlet as

an expert petroleum engineer.

EXAMINER CATANACH: She is so qualified.

Q. (By Mr. Kellahin) Let me ask you to take Mr. Balke's index display, Exhibit Number 1, simply a locator map for us.

A. Uh-huh.

Q. He had identified a potential issue of a gas-water contact in the reservoir. Have you examined that issue as a reservoir engineer?

A. Yes, I have. This reservoir has a very strong water drive, and all of the wells that have produced in this field have watered out during their -- when they were producing. So based on that, we determined that the water-gas contact is at least to the point where the current wells have produced from.

Q. If we're looking at a spacing unit for the north half of 26, within that spacing unit, and using the well 15 as your control point, give us the contour line that represents your opinion of the current top of the water in that spacing unit.

A. It would be the negative 8670 or 74, minimum.

Q. What effect, if any, does that have on the remaining three standard locations in that spacing unit?

A. It affects the three remaining locations in that they are all structurally low and the oil-water contact -- or the gas-water contact, excuse me, has already passed through those locations. And if we drill those three wells, they would be wet.

Q. Give us your opinion, as a reserve engineer, of what is the next-best location in which to recover additional hydrocarbons from this reservoir using the north half as the spacing unit.

A. The next-best location would be the Ranger Number 20, as drawn on this map.

Q. Describe for us what causes you to reach that conclusion.

A. As I said, the three orthodox locations, as shown in blue, would not be commercial wells. They would be wet. There are some possible structural highs just south of the number 15 that perhaps might still have a little bit of hydrocarbon left behind. But, again, due to the structure, that would be a very, very limited reservoir. Where number 20 is located is in a separate structural high and would not be drained through any of the other locations. And the number 20 is needed to adequately drain that portion of the reservoir.

Q. Have you prepared wellbore schematics of

wells in this area that you consider relevant for the hearing purposes?

A. Yes, I have. I've prepared wellbore sketches. They're Exhibits 5 through 8, going from north to south. The first one is the Ranger Lake 214, which was also -- when it was producing from the Devonian, it was known as the Tract 2 Well Number 2. This wellbore shows that it had produced from the Devonian and then was plugged back to the Pennsylvanian and is now completely plugged out with casing removed. The Phillips Petroleum Number 15 going south from there is the same situation.

Q. It's Exhibit Number 6?

A. Yes, Exhibit Number 6 -- had produced from the Devonian, was plugged back, produced and is now completely plugged out. Going further south, the number 16, which is Exhibit Number 7, is still an active well from the Pennsylvanian, but has been plugged back from the Devonian. And then the next wellbore sketch is the Ranger Number 17, which is the active Devonian well in the area.

Q. Were all four wells completed in such a way that you maximized the opportunity to recover the hydrocarbons at the greatest extent above the water encroachment?

A. Yes, I believe so. The three wells that have produced in the past were open-hole completions. They set casing to the top of the Devonian and then drilled into the Devonian and produced it open-hole.

Q. Let's turn now to the next two displays. The next one is marked Exhibit 9. What does that represent?

A. This is the decline curve for the Ranger Number 15, which is the well offsetting the Ranger Number 20. That really is the decline curve, the production curve. As it shows, these wells aren't really on a decline due to the strong water drive that's there. The wells produce anywhere from a year to two-year life. And then, when the gas-water contact hits the well, the well ceases to produce.

Q. Let's look at Exhibit Number 10. Would you identify and describe that display?

A. That one is the Ranger Number 16, south of the number 15, basically showing the same thing.

Q. What does this tell you about this reservoir?

A. It tells us that when we drill these wells, we're going to have a real short life, very quick life span, that it's very difficult to do any kind of a material balance calculation on these wells since we

have such a huge water influx. Basically, you get all the gas and oil out until the water hits.

Q. What is the estimated ultimate recoveries from these wells? They're fully depleted, so you have actual recoveries at this point?

A. Right.

Q. What is that general range in terms of barrels of oil?

A. Approximately 1 to 1.2 BCF and 120 to 150,000 barrels of oil, which equates to around 300,000 barrels equivalent of oil.

Q. Would that volume of production be consistent with the geologic interpretation that Mr. Balke has given us concerning the limited nature of the wellbore that's produced by individual wells because of the significant faulting in this area?

A. Yes, it is.

MR. KELLAHIN: That concludes my examination of Ms. Gutberlet. We move the introduction of her Exhibits 5 through 10.

EXAMINER CATANACH: Exhibits 5 through 10 will be admitted as evidence.

Ms. Gutberlet, have you done any kind of estimate on what the Ranger Well Number 20 may recover?

THE WITNESS: Yes, I have. Based on the map we've drawn, I would say that it would cover approximately 100 acres.

EXAMINER CATANACH: I'm sorry, in terms of recoveries.

THE WITNESS: Recoveries?

EXAMINER CATANACH: Gas and oil recoveries.

THE WITNESS: Yes, my estimates are around 1 BCF and 100,000 barrels of oil.

EXAMINER CATANACH: Have you done any investigation as to where the location of the gas-water contact in that portion of the reservoir may be?

THE WITNESS: Yes, I have. Based on the well in Section 27 and the well in 214 and, again, using the structure, I believe, that the water contact probably is running around 8680, kind of snakes its way up along the fault.

EXAMINER CATANACH: There's a standard location, I guess it's 1980 -- 1980 from the north, 1980 from the west in Section 26, one of the blue circles, that looks like it may be somewhat isolated from the northern portion of the reservoir. Do you have an opinion on that?

THE WITNESS: The one that's directly south

of the number 15?

EXAMINER CATANACH: Correct.

THE WITNESS: Yes, that one is isolated through that fault, but it is structurally lower than the number 15. So it's -- I perceive it as being in a grauven, sitting lower. So it probably will be a water well.

EXAMINER CATANACH: So you believe that gas-water contact in that area -- it goes around and is the same in that area?

THE WITNESS: Yes.

EXAMINER CATANACH: In terms of calculating recoveries, is there a relationship between where your well will be structurally and where the location of the gas-water contact is? Is that how you determine recoveries?

THE WITNESS: What I did was I took all the produced volumes throughout the field based on some PVT work we had on an offset reservoir, used that PVT data to put those volumes back into the reservoir, and to come up with some kind of a number that would say for so many acres we should be able to recover so many reserves. And then, just based on the structural map and the 100 acres, applied that same factor to the number 20. Came up with an average per-acre number,

and then applied that to the number 20 and said that's probably what we could recover.

EXAMINER CATANACH: Explain to me where you got the 100 acres.

THE WITNESS: Just from numbering the isolated fault block around the number 20, and also including where our estimate was of the gas-water contact.

EXAMINER CATANACH: Likely, the drainage area for the number 20 well will encompass a small portion of Section 27 and --

THE WITNESS: A very small area. As I said, we believe that the oil-water -- the gas-water contact actually runs up along that fault and probably takes away some of that from Section 27. So if there is some drainage from 27, it would be a very small amount. Most of it will come from that northwest portion of Section 26.

EXAMINER CATANACH: I have nothing further.

MR. KELLAHIN: That concludes our presentation with the introduction of Exhibit 11, which is the certificate of mailing of notice to the offset operators.

EXAMINER CATANACH: Let me ask you about that, Mr. Kellahin. Is that waiver on behalf of all

the Yates entities?

MR. KELLAHIN: Yes, Exhibit 4 will show a cover letter in which --

MR. STOVALL: All signed individually?

MR. KELLAHIN: All signed individually, with the exception of Abo, and Ms. Porter indicates on behalf of Abo that that waiver is forthcoming.

EXAMINER CATANACH: Can I get a copy of that waiver when you get it?

MR. KELLAHIN: Yes, sir.

EXAMINER CATANACH: There being nothing further, Case 10675 will be taken under advisement.

(The foregoing hearing was adjourned at the approximate hour of 10:35 a.m.)

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 10675, heard by me on March 4 1993.

David R. Catanach, Examiner
Oil Conservation Division

STATE OF NEW MEXICO)
:
COUNTY OF SANTA FE)

I, FREDA DONICA, RPR, a Certified Court Reporter, DO HEREBY CERTIFY that I stenographically reported these proceedings before the Oil Conservation Division; and that the foregoing is a true, complete and accurate transcript of the proceedings of said hearing as appears from my stenographic notes so taken and transcribed under my personal supervision.

I FURTHER CERTIFY that I am not related to nor employed by any of the parties hereto, and have no interest in the outcome hereof.

DATED at Santa Fe, New Mexico, this 26th day of March, 1993.

Freda Donica
Certified Court Reporter
CCR No. 45