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:) CASE NO. 10943

APPLICATION OF ENRON OIL & GAS COMPANY

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: Michael E. Stogner, Hearing Examiner

March 31, 1994

Santa Fe, New Mexico

This matter came on for hearing before the Oil Conservation Division on March 31, 1994, at Morgan Hall, State Land Office Building, 310 Old Santa Fe Trail, Santa Fe, New Mexico, before Deborah O'Bine, RPR, Certified Court Reporter No. 63, for the State of New Mexico.

ORIGINAL

APR 27 1994

I N D E X

March 31, 1994
Examiner Hearing
CASE NO. 10943

E X H I B I T S

A P P E A R A N C E S

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

FOR THE APPLICANT: CAMPBELL, CARR, BERGE & SHERIDAN, P.A.
P.O. Box 2208
Santa Fe, New Mexico 87504
BY: WILLIAM F. CARR, ESQ.

EXAMINER STOGNER: This hearing will come to order. Call next case No. 10943.

MR. CARROLL: Application of Enron Oil & Gas Company for special pool rules, Lea County, New Mexico.

EXAMINER STOGNER: Call for appearances.

MR. CARR: May it please the examiner, my name is William F. Carr with the Santa Fe law firm, Campbell, Carr, Berge & Sheridan. I represent Enron Oil & Gas Company in this case, and I have three witnesses.

EXAMINER STOGNER: Any other appearances? There being none, will the three witnesses please stand to be sworn at this time.

(Witnesses sworn.)

EXAMINER STOGNER: Mr. Carr.

PATRICK J. TOWER,

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

EXAMINATION

BY MR. CARR:

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

A. Patrick J. Tower.

Q. Where do you reside?
A. Midland, Texas.
Q. By whom are you employed?
A. Enron Oil & Gas Company.
Q. What is your current position with Enron Oil & Gas?
A. I am a project landman.
Q. Have you previously testified before this Division?
A. Yes, I have.
Q. At the time of that testimony were your credentials as a petroleum landman accepted and made a matter of record?
A. Yes, they were.
Q. Are you familiar with the application filed in this case on behalf of Enron?
A. Yes, I am.
Q. Are you familiar with the status of the lands in the subject area?
A. Yes, I am.
MR. CARR: Are the witness's qualifications acceptable?
EXAMINER STOGNER: They are.
Q. (BY MR. CARR) Mr. Tower, will you briefly state what Enron seeks with this application?

A. Enron seeks the promulgation of special pool rules for the Red Hills (Bone Spring) Pool located in Section 13, Township 25 South, Range 33 East, in Lea County, New Mexico, including a provision for 80-acre spacing and designated well location requirements.

Q. Have you prepared exhibits for presentation here today?

A. Yes, I have.

Q. Would you refer to what has been marked as Enron Exhibit 1, identify this, and review it for Mr. Stogner?

A. Exhibit No. 1 is a land plat prepared from the Midland Map Company. On such land plat in yellow designates Enron Oil & Gas Company's leasehold position, either in full interest or partial interest.

Also depicted on this land plat are two outlines. The outline in red is the current established pool outline for the Red Hills (Bone Spring) formation, and the green outline is what we believe -- and subsequent testimony by the geology will support this -- what we believe to be the productive limits or reasonably productive limits of the Bone Spring Pool.

The plat also will identify, however we will also get into more detail later, various oil well locations that Enron has drilled or intends to drill.

MR. CARR: Mr. Stogner, the reason we've included this green outline on this exhibit is that although there have been a number of additional wells drilled in Sections 12 and 7, through the normal nomenclature process, the pool rules haven't been expanded. And we've been advised that's really because Mr. Kautz in the Hobbs District office has been tied up on On Guard-related matters.

The wells, however, in Section 7 are classified in the OCD files as being in the Red Hills (Bone Spring) Field, and as there is normal expansion of the Pool under the Division's nomenclature process, the pool will be expanded, and we did put the green area on only because at the moment there are wells that are classified in the pool that are more than a mile from the pool boundary as defined in Commission record. We just provide that by way of background.

Q. What is the interest of Kaiser-Francis in this area, Mr. Tower?

A. Kaiser-Francis' interest in this

particular area lies in Section 12 within the green outline. They approximately own about a 12-1/2 percent working interest, nonoperated position in one of Enron's operating agreements.

Q. As you indicated, this is a portion of a Midland Map Company map?

A. Yes, it is.

Q. Have you reviewed it? Is the information on this exhibit correct?

A. Yes, it is.

Q. The tracts shaded in solid yellow are 100 percent Enron in terms of the working interest?

A. This is correct.

Q. Those that just have a yellow outline would have varying percentages of ownership, but Enron has an interest in each of those tracts?

A. Correct.

Q. Could you identify what has been marked as Exhibit 2?

A. Exhibit No. 2 represents the compilation of the parties that Enron notified in regard to this case.

Q. Who have you actually notified of this hearing?

A. We have notified within the body of this

all operators within a mile of the pool boundaries, being predominantly Enron, Hallwood Petroleum Company, and Yates Petroleum Company, and in addition we have notified all of Enron's working interest partners in and around a mile of the pool boundary.

Q. So all operators in the pool and all operators of wells within a mile of the pool in this formation have been notified?

A. Yes, they have.

Q. Will Enron call technical witnesses to review the engineering and geological aspects of this case?

A. Yes, they will.

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

A. Yes, they were.

MR. CARR: At this time, Mr. Stogner, we move the admission of Enron Exhibits 1 and 2.

EXAMINER STOGNER: Exhibits 1 and 2 will be admitted into evidence.

MR. CARR: That concludes my direct examination of Mr. Tower.

EXAMINATION

BY EXAMINER STOGNER:

Q. Mr. Tower, in looking at Section 12, is

that a pencil mark, or is that how the leases are split up?

A. That is a mistake by Midland Map Company. That is in actuality the federal lease that encompasses the entire section, and there are no lease boundaries per se under that oil and gas lease. I want to correct this map that it is not correct as to that item.

MR. CARR: That's one lease, that section?

THE WITNESS: Section 12 is one lease. It encompasses some other lands in Section 11 and a piece of land up in Section 1 as well.

Q. (BY EXAMINER STOGNER) Is that a federal lease, all of those wells?

A. All of it is federal.

Q. That's unusual. So that state down there doesn't mean anything, down in the lower right hand-corner?

A. That's correct. I am aware in this area a situation where there are some surface -- not on this section -- there are some surface ownerships owned by the state overlying federal minerals, and it might be possibly there they superimposed that for some reason, but that is federal.

EXAMINER STOGNER: That stood out, and I

wanted to get that cleared up. Other than that, I don't have any questions.

MR. CARR: We have no further questions of this witness. At this time I would call Barry Zinz.

BARRY L. ZINZ,

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

EXAMINATION

BY MR. CARR:

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

A. Barry Lynn Zinz.

Q. Where do you reside?

A. Midland, Texas.

Q. By whom are you employed?

A. Enron Oil & Gas Company.

Q. What is your current title?

A. Geologist.

Q. Have you previously testified before this Division?

A. Yes, I have.

Q. At the time of that testimony were you credentials as a petroleum geologist accepted and made a matter of record?

A. Yes, they were.

Q. Are you familiar with the application filed in this case on behalf of Enron?

A. I am.

Q. Have you made a geological study of the area surrounding the Red Hills (Bone Spring) Pool?

A. I have.

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

EXAMINER STOGNER: They are.

Q. (BY MR. CARR) Have you prepared exhibits for presentation here today?

A. Yes, sir.

Q. Would you refer to what has been marked Enron Exhibit 3, identify this, and review it for Mr. Stogner?

A. Exhibit 3 has been entered as type log on the discovery well for the Red Hills Pool. This is the Vaca 13 Fed No. 1 Well.

On the log you see several divisions. We're dealing with the Bone Spring in this matter. The Bone Spring is a formation that consists of about 3,500 feet, alternating sands and carbonates. We're interested in the bottommost clastic unit, which is the third Bone Spring sand, which the top of this

sand is noted on the upper portion of the log. This third Bone Spring sand overlies the Wolf Camp, which is also noted on the log, and we have two producing sands in this area that we're dealing with. They're designated A Sand and B Sand, which these are also noted on the log.

Q. Let's go to the isopach map of the A Sand, Enron Exhibit No. 4. Would you review this exhibit for Mr. Stogner.

A. Exhibit 4 is an isopach map of what I've called the A Sand. The A Sand is present in some wells but not all wells that we have drilled out here to date. We have seven producing wells, one dry hole, and two wells have the sands behind pipe. They are currently deeper Morrow producers.

You can see from these map, the trends of this A Sand generally run north-south. They appear to be more channelized. And I've come to this conclusion based on the fact that the sand is not present in every well, and I've interpreted it as more or less a channel sand.

Q. Is your geological interpretation based on well control information?

A. Yes, it is.

Q. Have you confirmed that by integrating

seismic work?

A. We have not used seismic here.

Q. Let's go now to the isopach on the B Sand, Enron Exhibit No. 5.

A. Exhibit No. 5 is a similar isopach map of the B Sand. One thing I want to point out here is that, as on the A Sand isopach, these maps are constructed based on using a neutron porosity cutoff equal to or greater than 10 percent.

We have used this porosity designation because the last well we drilled out here, we cored an interval within the B Sand, and the core analysis indicates that the neutron porosity matches up very well with the core porosities that were calculated. And even though we did not core the A Sand, I've just implied that the same parameters exist there. So you're looking at an isopach map based on neutron porosity equal to or greater than 10 percent.

Also, if you notice on this map, the wells that we have drilled out here contain -- all the wells contain this sand. It's more widespread. I've elected to interpret this being more like a fan-type deposit, as you can see from the isopach map.

Q. Mr. Zinz, the green outline on this exhibit is the area that, as Mr. Tower has testified,

is presumed productive in this zone. Why did you not extend this productive area into Section 5?

A. The area outlined we feel is the productive limit at this point. The south half of Section 6 was outlined because our half 6 well there has the zones behind pipe. They had excellent mud log shows while we drilled it. And we assume right now that any offsets to that well would be productive.

The wells over in Section 5 have, as you can see, two and three feet of this porosity designated. These wells were also drilled by Enron. They had no associated mud log shows with the zones when they were penetrated. Therefore, I have at this point shut off the potential productive area at Section 6 and 5 boundary, and it'll just have to wait until we decide to go over there and drill the well before it can be determined.

Q. Based on the geological information you have, the area outlined in green is the area that as the pool is expanded ultimately should be included in that?

A. That's correct.

Q. What general geological conclusions were reached from your review?

A. I've reached the conclusions that these sections or partial sections outlined in green are the productive limits of these two Bone Spring Sands, Third Bone Spring Sands, and also the engineering calculations that will be presented by Mr. Cate. He used my outlines and mapping here for those particular calculations.

Q. Were Exhibits 3 through 5 prepared by you?

A. Yes, sir.

MR. CARR: At this time, Mr. Stogner, we move the admission into evidence of Enron Oil & Gas Company Exhibits 3 through 5.

EXAMINER STOGNER: Exhibits 3 through 5 will be admitted into evidence.

MR. CARR: That concludes my direct examination of Mr. Zinz.

EXAMINATION

BY EXAMINER STOGNER:

Q. Mr. Zinz, as far as Exhibit No. 4, that being the channel sand, what kind of deposit is the B Sand?

A. I'd like to say I think it is more like a fan-type deposit, and I've tried to indicate that with the mapping that you see there.

Q. Would that be a deep subsea fan type?

A. Yes, sir, that's what we think these are. The Bone Spring carbonates and clastics are really slope-to-basin equivalents to the Yazo-Clear Fork-Abo shelf edge, and these clastic and carbonate units that make up the Bone Spring were carried out into the basin by virtue of flows, turbidity currents. And for that reason, they are generally thought of as being fairly deep water. And this is what I'm trying to depict with these interpretations.

Q. And your type log that you've presented here, you show, it says Top of the Wolfcamp, and then going up toward the surface you have the Third Bone Spring Sand?

A. Yes, sir.

Q. But the Bone Spring formation extends a lot higher?

A. Yes, sir. Like I said, it's 3,500 feet thick, approximately, and you have what is designated as First, Second, Third Bone Spring Carbonates, which are separated by First, Second, and Third Bone Spring Sands.

Q. Are there any productive intervals, in your opinion, in this first and second?

A. As far as the history of the production of the Bone Spring, generally you have good production

out of the Second and Third Carbonates and First, Second, and Third Sands.

Q. The Red Hills (Bone Spring) Pool covers the whole Bone Spring section; is that correct?

A. Well, there's no other producing zones in the Bone Spring that I'm aware of.

Q. Other than that A and B Sands?

A. Yes, sir.

Q. When you say Bone Spring history, are you referring to the Bone Spring formation in this general area or --

A. I'm referring to the production history throughout the Permian Basin, being southeast New Mexico and West Texas.

EXAMINER STOGNER: Any other questions of Mr. Zinz at this time?

MR. CARR: No questions of this witness.

EXAMINER STOGNER: He may be excused.

MR. CARR: At this time we call Randy Cate.

RANDALL CATE,

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

EXAMINATION

BY MR. CARR:

Q. Please state your name for the record, please.

A. It's Randall Cate.

Q. Where do you reside?

A. I reside in Midland, Texas.

Q. By whom are you employed and in what capacity?

A. I'm employed by Enron Oil & Gas as a project reservoir engineer.

Q. Have you previously testified before this Division?

A. Yes, I have.

Q. At the time of that testimony, were your credentials as a petroleum engineer accepted and made a matter of record?

A. Yes, they were.

Q. Are you familiar with the application filed in this case on behalf of Enron?

A. Yes.

Q. Have you made an engineering study of the ability of the wells in the Red Hills (Bone Spring) Pool to drain this formation?

A. Yes, I have.

MR. CARR: Are the witness's

qualifications acceptable?

EXAMINER STOGNER: Mr. Cate is so qualified.

Q. (BY MR. CARR) Let's refer, Mr. Cate, to what has been marked Enron Exhibit No. 6. Would you identify this for Mr. Stogner and then basically review the information on this exhibit.

A. Exhibit 6 is Red Hills (Bone Spring) Field reservoir and fluid properties. Most of this data presented I used either directly in or indirectly in arriving at the volumetric calculations for drainage. I'll just go through some of this.

The discovery date of the field was in the Vaca 13 Federal No. 1 Well, which is the red outline on the previous map exhibits, and it was recompleted from the Wolfcamp gas zone into the Bone Spring Sand August 3, 1992.

Currently we have seven producers. The estimated field production through March this year is 180,000 barrels of oil, 170 million cubic feet of gas, and 12,000 barrels of water.

Average depth of the pay is 12,250 feet, the average pay thickness, 50 feet, which was derived from Mr. Zinz's isopach maps that are exhibits here. Average porosity from log and core analysis is 13-1/2

percent. Average oil saturation, again from log and core analysis, is 60 percent. Oil gravity is 43.9 API. Gas gravity is .712, with a bottomhole temperature 172 degrees Fahrenheit.

Original bottomhole pressure derived from electrical measurements, downhole gauge measurements, is 9,433 psia. And the bubble point is derived from a recombination test of the fluids, PVT analysis, of 4,113 pounds absolute.

Formation volume factor again from a PVT analysis, 1.867. Estimated recovery factor is 8 percent. I took that out of Craft & Hawkins Handbook of Petroleum Engineering. That's always a little tough initially to figure out, but they've got some empirical data that for this gas GOR and the gravity of the crudes, they bracket it between about 7 and 9 percent. So for now I took 8 percent, and it would not materially affect the calculations.

Typical stimulation out there is 2,000 gallons of acid wash over the perforations, and then we have to do a rather large hydraulic fracture treatment of the sands, 110,000 gallons fluid carrying 160,000 pounds of sand. The resulting typical initial production is 400 barrels of oil per day, 600 Mcf per day, and 30 barrels of water per

day, flowing.

Q. Let's move on now to Exhibit No. 7. What is this?

A. Exhibit No. 7, I have taken each of the wells that are producing, I've taken their net pay, porosity, and using some of the data that I just described in Exhibit No. 6, have arrived at drainage areas that would support our application for 80-acre spacing units.

I do show in the third column, I show the matrix permeability that has been derived from some pressure buildups as it ranges from .028 millidarcies, to .46 millidarcies, very tight rock. I'll discuss that more.

The low permeability supports the reason that I've used some hyperbolic declines in the subsequent exhibits. And based on those declines, the fourth column shows the range of estimated ultimate recoveries in thousandths of barrels of oil. You can see the average would be 101,000 barrels per well.

And then applying that in standard drainage calculations, I've got an average of 84.1 acres is what the average well would drain. And you can see the range is from just under 50 to possibly

up to 123 acres. All the calculations are over 40 acres, and the average is just over 80.

Q. What is Exhibit No. 8?

A. Exhibit No. 8 is six decline curves that support the drainage acres -- well, actually the decline EUR column on Exhibit No. 7. These are how I derived the decline estimated ultimate recoveries that are used in the volumetric calculations to arrive at the drainage acres.

There are six wells. I would say the first well, the Vaca 13 No. 1, has the most production history. All the others are about six months or even less production, but this first well does have a year and a half worth of production, and you can see its decline.

And, again, I have used a hyperbolic decline with about a 15 percent abandonment or terminal decline after you get out of your hyperbolic region, based on the tightness of the rock. That's very typical for a rock of this tight nature.

Q. Mr. Cate, are you prepared to make a recommendation to the examiner concerning appropriate spacing rules for this pool?

A. Yes, I am.

Q. What is that recommendation?

A. I would recommend that the commission adopt 80-acre spacing units for the Red Hills (Bone Spring) Field with 330 feet from the boundary of quarter quarter section distances for well spacing.

Q. If the Division adopts the 330-foot setback, will all existing wells be in the pool at standard location?

A. That's correct, all existing wells would be standard under that.

Q. What if the Division promulgated rules and required wells to be located within 150 feet of the center of the quarter quarter section, what impact would that have?

A. Enron would accept that, if so desired by the Commission. There's one well that we have moved to 330 feet off the section line, and that was the Hallwood 12 No. 2. If you're looking on, let's see which one this is -- Exhibit No. 5, it would be the well with the 34 feet. So it's approximately 1,980 off the east and 330 off the south of Section 12.

It had to be moved due to a pipeline constraint. And then we have had three other locations that we have had to move due to either pipeline or archeological constraints. So the 330 feet would allow Enron the flexibility to move these

locations.

I would say that we are and have been developing this field on 80-acre spacing with 660 feet from the boundaries when we can.

Q. Mr. Cate, if the Division should promulgate rules that require wells to be within 150 feet of the center of the quarter quarter section, would you request that wells that do not comply with that be grandfathered in?

A. Yes.

Q. If the application is granted, you would not have a situation where there would be more than one well on an 80-acre tract?

A. That's right. All wells would have the 80 acres dedicated to it.

Q. Are you requesting permanent rules?

A. No. At this time, we'd like to request temporary field rules for up to 18 months. We may come in earlier. Again, the production histories of a lot of the wells are still young, and we are in the process of doing a computer simulation modeling of this reservoir as we develop it and collect more data, but we believe right now that it's in the best interest of the field and to prevent waste for going to the 80-acre spacing at this time.

Q. In your opinion, will approval of this application be in the best interest of conservation, the protection of waste, and the protection of correlative rights?

A. Yes.

Q. Were Exhibits 6 through 8 prepared by you?

A. Yes, they were.

MR. CARR: At this time, Mr. Stogner, we move the admission of Enron Exhibits 6 through 8.

EXAMINER STOGNER: Exhibits 6 through 8 will be admitted into evidence.

MR. CARR: That concludes my direct examination of this witness.

EXAMINATION

BY EXAMINER STOGNER:

Q. I want to make sure I've got this straight. Of the existing wells, only that one would be considered unorthodox in that it's 330 feet from the south line, if we went with the old standard 150 foot from the center of the quarter quarter section?

A. That's correct.

Q. All the others are in the middle of their respective quarter quarter sections at this time?

A. Yes, I believe so. We've had to move one -- so Barry could answer better, I think, but around

500 feet instead of 660, but we think that would still fall within that 150-foot circle.

Q. 150-foot from the center of the quarter quarter section was kind of adopted on these 80-acre pools to keep wells from being grouped. And I think you can see what I mean down in a corner where four 80 acres comes together, and if they were all each 330 feet off their respective quarter quarter section lines, then we would have a grouping, although 160, or -- I'm sorry -- four 80's come together where all these wells would be grouped within 660 foot of each other. If we allow the 330 foot offset, how could that be prevented?

A. Well, we just -- if you look at how we have to date spaced our wells, we are trying to stay at the 660 from a boundary, and Enron intends to. We feel that we will be the only operator in this field. There is no competitive advantage to us crowding. We just want to space the wells for the best possible economic return and the best reservoir management. So all I can tell you is that's our plan is 660's.

Q. As long as Enron holds the lease and are developing?

A. Yes. Again, we have had to move four of

our locations due to constraints beyond our control, and going with 330's would just allow us some flexibility in doing that.

Q. I'm referring back to Exhibit No. 1. Most of that is federal acreage. In my experience, a lot of the unorthodox locations approved lately, due to the topography, have come off of federal land due to constraints by the surface agency. And you feel that 330 offset would be able to allow Enron to work with the BLM in those limits on finding more orthodox locations?

A. Yes.

EXAMINER STOGNER: I know this situation has occurred in a couple of previous 80-acre pools as of late, I'd say within the last three years due to mostly federal land and the federal constraints. It still does concern me that they could allow the bunching up of wells in the development, but, like you said, Enron in this particular instance pretty much controls the pool, but that may not always be the case.

Okay. I'll keep that in mind.

Any other questions of this witness at this time?

MR. CARR: No further questions.

EXAMINER STOGNER: I have no other questions. Do you?

MR. CARROLL: No.

EXAMINER STOGNER: Okay. He may be excused. Anything further in Case 10943?

MR. KELLAHIN: Yes, sir.

EXAMINER STOGNER: I'm sorry, Mr. Kellahin. When we called the case to order, I don't remember you making a presentation. Would you like to at this time?

MR. KELLAHIN: No, sir. I want to make a statement on behalf of my client.

EXAMINER STOGNER: Okay.

MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of the Santa Fe law firm of Kellahin and Kellahin, appearing on behalf of Kaiser-Francis Oil Company.

Kaiser-Francis Oil Company is a working interest owner in some of the Enron-operated wells in this pool. And I'm directed to advise you that Kaiser-Francis supports Enron's application in this case for the 80-acre pool rules.

In addition, we would encourage the Division to manage this reservoir through the nomenclature process and to apply the 80-acre spacing

to the area identified on the displays and outlined in green. We think that is the best way to provide for the prevention of waste and the protection of correlative rights so that the same spacing rules apply for the entire source of supply, and as identified on the geologic displays, there's all reasonable probability to believe that the wells in Sections 12 and 7 are all hooked into the same reservoir.

And so we would request that action be taken so that all these wells are operated under the same type of rules.

EXAMINER STOGNER: Thank you, Mr. Kellahin. Mr. Carr?

MR. CARR: I have nothing further, Mr. Stogner.

EXAMINER STOGNER: I want to ask one of the three witnesses, since that was brought up, have any of you talked to Mr. Kautz in the Hobbs District Office concerning when he might have this pool expanded on the regular nomenclature proceedings?

MR. ZINZ: I have not.

MR. CARR: Actually, that communication, Mr. Stogner, was by me to the Hobbs office. I didn't talk to Mr. Kautz personally.

EXAMINER STOGNER: With what you have stated, I'm very well aware of Mr. Kautz's involvement with the On Guard and some of our, or the District's normal duties per se being tied up. So I'm aware of that, and I'll keep that in mind in preparing an order in this instance.

MR. CARR: Thank you.

EXAMINER STOGNER: Anything further in this case? Then Case 10943 will be taken under advisement.

APR 27 1994

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 10943 heard by me on 31 March 1994.

Examiner
Oil Conservation Division

CERTIFICATE OF REPORTER

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, April 11, 1994.

Deborah O'Bine

DEBORAH O'BINE
CCR No. 63

OFFICIAL SEAL
Deborah O'Bine
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: Sept 19, 1994