NEW MEXICO OIL CONSERVATION DIVISION

STATE LAND OFFICE BUILDING

STATE OF NEW MEXICO

CASE NO. 10517

IN THE MATTER OF:

The Application of Shackelford Oil Properties, on behalf of Plains Radio Petroleum Company, for a unit agreement, Chaves County, New Mexico.

BEFORE:

MICHAEL E. STOGNER

Hearing Examiner

State Land Office Building

August 6, 1992

REPORTED BY:

DEBBIE VESTAL
Certified Shorthand Reporter
for the State of New Mexico

ORIGINAL

A P P E A R A N C E S

FOR THE APPLICANT:

KELLAHIN, KELLAHIN & AUBREY
Post Office Box 2265
Santa Fe, New Mexico 87504-2265
BY: **W. THOMAS KELLAHIN, ESQ.**

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EXAMINER STOGNER: I'll call Case 10517, which is the application of Shackelford Oil Properties, on behalf of Plains Radio Petroleum Company, for a unit agreement, Chaves County, New Mexico.

At this time I'll call for appearances.

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

EXAMINER STOGNER: Are there any other appearances in this matter?

Will the witnesses, please, stand to be sworn at this time.

[The witnesses were duly sworn.]

EXAMINER STOGNER: Mr. Kellahin.

MR. KELLAHIN: Mr. Examiner, my first witness is Mr. Phil Moore. Mr. Moore is a geologist appearing on behalf of Plains Radio Petroleum Company.

PHIL MOORE

Having been duly sworn upon his oath, was examined and testified as follows:

EXAMINATION

BY MR. KELLAHIN:

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

A. Yes. My name is Phil Moore. I'm a petroleum geologist, vice president of exploration for Plains Radio Petroleum in Amarillo, Texas.

Q. On prior occasions have you testified before the Division?

A. No.

Q. Would you summarize for us your educational background?

A. Sure. Received a BS in geology from West Texas State University in 1973. I've worked continuously in the oil and gas exploration business since then.

Q. This particular project is an application for approval of a voluntary exploratory unit?

A. Correct.

Q. And the reservoir that's the primary target is a San Andres reservoir?

A. That's right.

Q. Do you have prior experience in geologic interpretations in mappings of San Andres reservoirs?

A. Yes, sir, I sure do. I have generated several other exploratory type prospects, but I have also worked in development and just field studies in the Racetrack-San Andres Field, in Chaves County, and also the East Chisolm-San Andres Field, which is also in Chaves County, New Mexico.

Q. And does the geologic interpretation and presentation we're about to make represent your work product?

A. Yes, sir, it does.

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

EXAMINER STOGNER: Mr. Moore is so qualified.

Q. (BY MR. KELLAHIN) Mr. Moore, to orient the Examiner about your proposed unit, let me direct your attention, sir, to what we've marked as Applicant Exhibit No. 1. Take a minute and orient us as to the acreage that is proposed for inclusion in the unit.

A. Okay. Exhibit No. 1, as titled, is a Leasehold Ownership Map. The unit boundary that we would like to have proposed as the unit in question is outlined in the hachureds. The

acreage is shown that we'd like to include in that unit shaded in yellow along with the ownership thereof.

Q. The kinds of acreage to be dedicated to the unit are what, sir?

A. The kinds of acreage, one, there's only one section that is State of New Mexico; the rest is federal.

Q. What's the significance of the yellow shading within the boundary of the proposed unit area?

A. That yellow shading illustrates the acreage that we, as Plains Radio Petroleum Company, have had as an agreement -- or those people who own that acreage have agreed to in some way join in the unit.

Q. All right. And you will pursue then efforts to get the parties that have the interest within the unit that is not yet shaded to participate on a voluntary basis?

A. Yes, sir, that's correct.

Q. All right. Let's turn now to Exhibit No. 2. Identify and describe that display.

A. Okay. Mr. Examiner, Exhibit No. 2 is just a unit index map that illustrates the

location of our proposed unit. It also illustrates a band of San Andres production that is shaded there in brown signifying the San Andres fields.

As you can see there, there is an east-west trending band of these San Andres fields that extends across the northwest shelf of southeast New Mexico.

Q. All right. Let's turn now to Exhibit 3 and begin to discuss in more detail some of the information that you have accumulated upon which then you base your ultimate geologic conclusions.

First of all, let me have you turn to what we've identified as Exhibit 3, and it's a production map.

A. Okay. Exhibit No. 3, Mr. Examiner, is a production and also a shows map. And I have gone through here and identified the various zones that produce in and around the proposed unit with primary emphasis on the San Andres Formation.

I have color-coded these zones. The San Andres is shown in brown. And then besides some of the dry holes that are in the area, I

have indicated any type of show that might have been in the San Andres. And these shows would have been on drill stem test information or production through pipe.

I have also designated the cumulative and the average daily rates of production next to the wells shown. And then also underneath, underneath the horizontal line, I indicated the cumulative water production.

In doing the geology for the exploration idea of this project, we used the field that is in Section 16 and 17 of Township 8 South, 31, as an analogy. And that is the analogy that we were trying to use in doing our exploration project here.

Q. The pool or the field to the north of you in 16 and 17 is called what?

A. It's called the Siete Field.

Q. Within the interior of this boundary for the proposed unit, you've also identified a proposed location?

A. That's correct.

Q. Based upon your geologic interpretation, does that represent the optimum place to put the initial test well that would

qualify as the unit well?

A. Based on the technical data that we have, that would appear to be the optimum location, yes, sir.

Q. In doing your research, do you find evidence that any of the formations contained within the unit boundary have producing wells on them?

A. No, sir, they do not. There is one well in the southeast quarter of Section 23 that was originally completed and produced about 100 barrels of oil cumulative out of the Upper Penn carbonate, but that well has been plugged.

Q. When you went through your analysis of the data, what is the first level of investigation that you make as a geologist in order to reach a conclusion about the area to be included so that the operator will have effective and efficient control over this San Andres reservoir if this unit is approved?

A. Normally what I do is I like to make a production map, as we see here by Exhibit 3, but then I also make a structural map. In this case I did make a structure map on top of the pie marker in the San Andres, although the hypothesis

that I used for this particular project is not totally dependent on present day structure.

Q. Let's look at the structure maps so the Examiner will see your interpretation. That's Exhibit No. 4?

A. That's correct.

Q. Identify and describe that for us.

A. Exhibit No. 4, Mr. Examiner, is a structure map drawn on the pie marker, which is a consistent marker regionally within the Lower San Andres Formation. And the map that is before you is a structure map, and it is present-day structure, in other words, the structure that is consistent during today's time.

One thing that I would like to point out on this particular map is that the Siete Field in Sections 16 and 17 does not appear to be on a closed structure, nor does the unit that we have proposed to the south of it.

Q. Can you rely exclusively on the structural interpretation to help you draw the proposed boundaries of the exploratory unit?

A. No, sir, not at all.

Q. Let's turn to an isopach of the San Andres. It's marked as Exhibit No. 5.

A. Okay.

Q. And continuing with your methodology for analyzing the reservoir, having completed the work on the structure, do you prepare an isopach?

A. Yes, sir.

Q. Describe the kind of isopach that you're working with here.

A. Exhibit No. 5, Mr. Examiner, is an interval isopach. And let me just clarify this a little bit about the hypothesis that is used -- that I used in exploring in this area. It's based on a theory that San Andres production in the northwest shelf area of southeast New Mexico is not totally relevant to present day structure.

But that these reservoirs trapped oil and gas or hydrocarbons shortly after deposition of the San Andres dolomite and that they -- that the traps were in preexisting or Paleo structures and that during tertiary time or, as a result of the Laramide orogeny, these reservoir were tilted to the east.

And the oil and gas is not consistent. The traps are not consistent with the present day structure. They have tilted oil-water contacts.

And that's the hypothesis here.

And this map is an interval that was drawn from the top of the San Andres to the pie marker. And it is the best tool, I believe, for trying to identify the Paleo structure in the area.

And, as you can see there, there looks to be a fairly broad thin in the area of the proposed unit. Hopefully this is indicative of the preexisting Paleo-type trap that we would be looking for in our exploratory project.

Q. I see on Exhibit 5 you have in purple a line of cross-section through the unit area. Let's turn to the cross-section that describes that.

A. Okay.

Q. Exhibit No. 6.

A. Well, Exhibit No. 6, sir, is the model cross-section.

Q. I'm sorry. All right.

A. That's shown there in blue, X-Y-Z.

Q. This is the one to the northwest --

A. Right.

Q. -- as model cross-section?

A. Right.

Q. What's the purpose of preparing the cross-section that is not over the unit area?

A. This is over a little field that is to the north of us. It is not the Siete Field. It's only a two-well field. But I think this best illustrates the theory of the Paleo or the diagenetic trap type theory in the San Andres.

As we look at the wells, and this was made with porosity logs, I think primarily sonic logs, from X to Y to Z illustrated on Exhibit No. 5. Well number -- or well letter "Y" would represent the top or very near the top of the Paleo structure.

If you look at the interval there that I isopached, which is shown there bracketed in blue, one can tell that there is a thin in that interval. And also underneath that interval the porosity buildup shown down there toward the base of the P-1 porosity zone is thicker. So this is just a model to indicate that the theory that I used here is potentially correct.

Q. Show us the application of that theory then to the unit area as you build a cross-section, A-to-A prime, through the unit.

A. Okay. That would be Exhibit No. 7, Mr.

Examiner, and it's on a larger scale. And these wells that are on this were hung with whatever porosity log that was available on those particular wells. And again that is cross-section A-to-A prime that identifies the proposed location. That is a stratigraphic cross-section hung at the pie marker.

The key well would be the well in the middle, the second well going from either side. That is the Pennzoil United Pubco well in Section 33. We have identified the top of the pie marker. We have also identified the top of the P-1 porosity zone.

And what we're looking for here is a zone that occurs right at the base of the Lower P-1 interval, which I call the "K" zone, indicating permeability. This is what I think is the key to good San Andres production in the area, is the development of this Lower P-1 "K" zone. It is usually fairly thin, no more than 15 to 16 feet thick. But the log character of this zone is very, very good. It shows a very good porosity and good indications of permeability.

The cross-section that we're looking at there identifies that zone. And, as we go to the

north or northwest, we can see that, as illustrated by the well in the far left of the cross-section, that that porosity, that Lower P-1 "K" zone, is not developed to the northwest of our unit.

So somewhere between Section 33, which drill stem tested this with a slight show and to the northwest over our proposed location, we lose this zone. The well to the left was able to complete in the upper portion of the P-1 porosity zone, but it made a very poor well. It did potential for 62 barrels of oil a day and 235 barrels of water. But evidently, after they put the well in production, it did not make enough to even have any reported production history, so that well has been plugged.

So there is considerable risk in this exploratory unit in trying to find this permeability zone that exists right at the base of the P-1 interval.

Q. Have you taken this information about the P-1 zone and isopached that interval?

A. Yes, sir, I sure have, and that would be shown on Exhibit No. 8. And, Mr. Examiner, this is a distribution and a thickness map or

isoporosity map of that Lower P-1 "K" zone. It shows the relationship of the production at Siete Field and some of these smaller one- and two-well fields and the thickness that those wells have in them.

At Siete Field the best wells in Siete Field have at least eight feet of this Lower P-1 "K" zone. The rest of the wells that have, say, less than five wells, five feet of this zone, are fairly poor as far as the production goes. This map indicates the development of the Lower P-1 "K" zone across the proposed unit.

Q. Have you been able to reach a geologic conclusion about the surface boundary of the unit and how it relates to the San Andres reservoir?

A. From the data that we have in the area, which is strictly subsurface, wireline logs, we have no core information, it looks as though the development in the thickest portion of that Lower P-1 interval that we have mapped here should develop very nicely for the center of our unit. And then, as you go in all directions away from the unit, it appears to thin out.

A lot of the San Andres fields in the area seem to have very poor development of this

to the north and northwest of where you find this P-1 "K" zone development.

Q. Based upon the current status of data available to you, are you able to conclude as a geologist that the proposed unit boundaries are such that they will give the operator and the interest owners within the unit effective and efficient control of this San Andres reservoir?

A. Yes, sir, I surely believe that's right.

Q. Do you have an opinion as to whether or not the approval of the unit concept for exploration and development is a more efficient way to develop the hydrocarbons in this potential reservoir than competitive leasehold exploration and development?

A. Yes, sir. It is my opinion that given the luxury of having this unitized that that would give us the time that I think is critical to accurately and prudently develop the resources that potentially underlie this proposed unit. Should we make a discovery well, we would like the opportunity to evaluate every piece of technical information we have. I think that's critical in the San Andres.

A case in point does occur in the Siete Field to the north. In Section 17,, the operator in that particular section drilled a well that would be located approximately in Unit H. That well potentialed for 348 barrels of oil a day flowing.

And I'm not sure when they spud the well to the west, but they offset the well to the west, completed it less than a month after completing that particular well, and the well only potentialed for 23 barrels of oil a day and has only made 2- or 3,000 barrels of oil cumulative. So that's kind of the nature of that particular reservoir.

And I believe, given the luxury of having this unitized, we can best design our development with the information that we receive from the drilling of each well.

Q. Were the wells drilled in 16 and 17 in the Siete Pool drilled pursuant to a unit concept?

A. No, sir, they were not.

Q. With approval of the unit, then, you will have the opportunity to space your wells regardless of the differences within the leases

contained within the unit boundary?

A. Yes, sir.

Q. This area looks to be different from the conventional exploratory wildcat unit that the Commission often sees?

A. Right.

Q. Describe for us what you conclude as the risk involved and why that risk is managed and minimized under a unit concept versus leasehold development.

A. As far as the risk, I'll address that issue first, and then I may need some clarification on your second question. But the San Andres, particularly in this area, is a very risky, exploratory objective. As indicated by the exhibits that I prepared and the different theories in trying to explore for the San Andres, that in itself is somewhat indicative of the risk.

But just as the analogies to the north, good wells are very hard to find, and they're very hard to offset. And we do not -- you really cannot use seismic. And you're looking for either structural noses that we seem to see on our present day structure interpretation or the

interval isopach, which is somewhat indicative of Paleo structure. And these are very, very hard to predict from the subsurface information that you have.

And so subsurface is the only tool that you have. And with the nature of the risk of the San Andres, it's as risky as some of the things that are -- you know, even though it is not a rank wildcat, it still does have a large degree of risk.

Q. Does it allow the interest owners within the unit area to reduce that risk if they develop and explore this San Andres reservoir on a unit concept versus on competitive leasehold development?

A. Yes, sir, I believe that's right. And the way I would see that is that it gives the participants in a unit of this nature, even though it dilutes their interest, it would give them a smaller interest, say, in a field versus 100 percent interest of what quite possibly could be very poor fringe type production.

Did that answer that question?

Q. Well, I understand your point of view is that the risk is shared among all interest

owners --

A. Right.

Q. -- within the voluntary unit. And if they get a prolific well, they share and it affords the opportunity to explore the fringes --

A. Right.

Q. -- without having a selected group of owners bear that entire responsibility?

A. Right. Right.

Q. Have you presented this same geologic interpretation and presentation to the Commissioner of Public Lands, State of New Mexico?

A. Yes, sir, we have.

Q. And have you obtained preliminary approval from that agency?

A. Yes, we have.

Q. And have you made the same geologic presentation to the Bureau of Land Management?

A. Yes, sir.

Q. And have you obtained the preliminary approval of that agency?

A. Yes, sir, we have.

Q. Were the exhibits that we have described, Exhibits 1 through 8, prepared by you

directly?

A. Yes, sir.

MR. KELLAHIN: That concludes my examination of Mr. Moore, Mr. Stogner. We would move the introduction of his Exhibits 1 through 8.

EXAMINER STOGNER: Exhibits 1 through 8 will be admitted into evidence at this time.

EXAMINATION

BY EXAMINER STOGNER:

Q. Mr. Moore, in your proposed location do you propose to complete that in any other or test any other formations of the deeper horizons?

A. Mr. Examiner, not to any deeper horizons at this time. We will or would like to thoroughly evaluate the thin sandstone members of the Queen Formation, including the Queen itself and the Penrose Premier possibilities that may exist at this location.

At a future time certainly it would be considered to drill deeper in looking for the opportunity to produce gas from the Atoka and Morrow or possibly even oil from the Devonian. In Section 33 there was -- the Pennzoil well that you see there did have what I would say is a

fairly significant show and drill stem test in the Devonian Formation, recovered 190 feet of oil, free oil on the drill stem test. But that would be later on.

Q. That well is plugged and abandoned at this time?

A. Yes, sir, it is.

Q. Did it test the San Andres, the Pennzoil well?

A. It did test through a drill stem test. I believe, if you will look on your cross-section A-to-A prime, it is the middle well. I have highlighted the test information in the drill stem test beneath the well there on that scout ticket. And I believe they did drill stem test it.

It showed a lot of fluid recovery with some oil- and gas-cut mud, I believe. There's a little scout ticket that is below that scout ticket which represents the dry hole drilled by Pubco, which is about 2- or 300 feet to the north. And they did have a show of free oil on the drill stem test from the San Andres in that well.

Q. Of course these two wells are to be

included in the area of your exploratory unit at this time?

A. That's correct.

Q. But yet take note that preliminary approvals also have been included, this acreage.

A. Yes, sir.

Q. You've used some geological tops that I want to make sure I'm clear with.

A. Okay.

Q. When I look at the A-A prime cross-section, you have the orange mark --

A. Uh-huh.

Q. -- which is the straight line on the top, showing the top of the San Andres P-1 marker.

A. Right.

Q. Is that to be interpreted the top of the San Andres Formation?

A. No, sir. That is a local or actually it's a regional marker that is relative to the structure and deposition of the porosity zones that occur within the Lower San Andres.

I might ask you to look back at Exhibit 6, which is the model cross-section, and in that on X-Y-Z, the top of the San Andres is designated

there with the red. And then one can look down toward the bottom of the cross-section, and where I have the orange marked again, that would be the relationship to where the pie marker is and the top of the San Andres.

Is that clear, Mr. Examiner?

Q. Now, that you have brought that out, yes.

A. Okay. Thank you.

Q. I was confused with the colors you used.

A. Sorry.

Q. You used pink as the top of the P-1 on the A-A prime, but purple on the top of the P-1 on the other one.

A. Yeah.

Q. I just overlooked that.

A. Well, on A-A prime those logs don't go high enough to include the top of the San Andres. And I see your confusion, and I apologize for that.

Q. Oh, no problem. I just wanted to clarify that.

A. Okay.

EXAMINER STOGNER: I have no other

questions of this witness, Mr. Kellahin.

MR. KELLAHIN: Thank you. Mr. Examiner, I'd like to call Mr. Sam Shackelford. Mr. Shackelford is a landman.

SAM SHACKELFORD

Having been duly sworn upon his oath, was examined and testified as follows:

EXAMINATION

BY MR. KELLAHIN:

Q. Could you, please, state your name and occupation?

A. Sam Shackelford. I'm a consultant petroleum landman from Roswell, New Mexico.

Q. On prior occasions, Mr. Shackelford, have you testified before the Division as a landman?

A. No, I have not.

Q. Summarize for us your experience as a petroleum landman.

A. I have been working as an independent consulting landman for approximately 15 years.

Q. Where do you reside, sir?

A. Roswell, New Mexico.

Q. As part of your duties as a consulting landman, have you been employed by Plains Radio

Petroleum to make an investigation of the ownership of the acreage that is proposed to be included within this unit?

A. Yes, sir.

Q. Have you completed that work?

A. Yes, sir.

Q. In addition, are you familiar with the necessary unit agreement and the operating agreements that are required for operations under a unit concept?

A. Yes, sir.

Q. Have you prepared those documents?

A. Yes, sir.

MR. KELLAHIN: We tender Mr. Shackelford as an expert petroleum landman.

EXAMINER STOGNER: Mr. Shackelford is so qualified.

Q. (BY MR. KELLAHIN) Mr. Shackelford, let me ask you, sir, to turn to what is marked Exhibit No. 9. Do you have a copy of that?

A. Yes, sir.

Q. Would you identify that for us? What is that?

A. This is the form of the unit agreement that was provided to me from the BLM as their

model form. And it includes three exhibits, Exhibit A, B, and C, showing the ownership and so forth.

Q. Have you taken the model form from the Bureau of Land Management that is utilized for state, federal, and fee exploratory units and modified that in any way?

A. No, sir.

Q. Have you completed all the necessary blanks in the form including all the exhibits?

A. Yes, sir.

Q. To the best of your knowledge, is that information accurate and correct?

A. Yes, sir.

Q. In looking at Exhibit A to the unit agreement, what have you displayed on that exhibit?

A. This is a map showing the boundaries of the unit and also the ownership lease numbers and so forth. And it's numbered in numerical order the leases by serial number and by federal acreage first and state acreage.

Q. Have you taken the information available to you and tabulated the ownership by tracts as shown on the plat and attached that

tabulation as Exhibit B?

A. Yes, sir.

Q. Does the information show the kinds of leases that are being dedicated to the unit in terms of whether they're state, federal, or fee?

A. Yes, they do.

Q. What kinds of leases do you have?

A. We have federal and state.

Q. You don't have any fee tracts?

A. No, sir.

Q. Okay. The tabulation of interest owners, is that accurate to the best of your knowledge?

A. Yes, sir.

Q. And have you made initial contacts with everyone who proposes to have an interest in the unit?

A. I've made contact with all the working interest owners.

Q. At this point, just as a reference to the Examiner, what is the status of your efforts to get voluntary participation in the unit?

A. Currently approximately 89 percent of the people involved have committed, verbally committed to the unit.

Q. Will that include all tracts except for Tract No. 1 as it's shown on Exhibit A?

A. Correct.

Q. Do you propose to continue to discuss with the owners in Tract 1 their voluntary participation in the unit?

A. Yes, sir.

Q. Let me turn to what is marked as Exhibit No. 10. Would you identify and describe that for us?

A. This is the Model Form 610 Operating Agreement which we're going to use in conjunction with the unit agreement. I've modified it to be subject to the unit agreement. And it states the operator and also the working interest owner.

Q. Have you submitted the unit agreement and the operating agreement to the Bureau of Land Management along with all the necessary supporting documents including the geology to obtain preliminary approval from the Bureau of Land Management?

A. I've submitted everything that you mentioned except for the operating agreement.

Q. Okay. Have you also submitted the unit agreement and the supporting documents to the

Commissioner of Public Lands for preliminary approval?

A. Yes, sir.

Q. And have you obtained preliminary approval from both those agencies?

A. Yes, sir.

Q. Turn to Exhibit 11. Identify that for me.

A. Exhibit 11 is the letter that I received from Mr. Armando Lopez giving us preliminary approval of the unit. Also mentions the zones and so forth that we are attempting to target.

Q. The qualifying well for the unit as written and requested is a San Andres well or a well to at least 4,000 feet?

A. Correct.

Q. Identify and describe for us Exhibit No. 12.

A. Exhibit No. 12 is the letter I received from Floyd Prando from the State of New Mexico. I provided them with the same information that I did the BLM. Once I received the BLM approval, I sent the same information to the State of New Mexico. And this is the letter granting this

approval, preliminary approval.

Q. Okay. And if the Division enters its order approving the unit, then you'll go forward and comply with the rest of the conditions and requirements of these letters?

A. Yes, sir.

MR. KELLAHIN: That concludes my examination of Mr. Shackelford, Mr. Examiner. We would move the introduction of his Exhibits 9 through 12.

EXAMINER STOGNER: Exhibits 9 through 12 will be admitted into evidence.

EXAMINATION

BY EXAMINER STOGNER:

Q. Mr. Shackelford, in looking at page 4 of Exhibit No. 10, that being the model form operating agreement, who will be the operator of this unit, and has that been determined yet?

A. Plains Radio Petroleum Company.

Q. Okay. Now, in today's ad there was also mentioned Fred Pool or Plains Broadcasting to be named the initial operator, and it has been determined that Plains Radio Broadcasting will be the operator?

A. Yes, sir.

Q. How is Mr. Fred Pool, is he still involved in this?

A. Yes, sir.

Q. As a --

A. Working interest owner. He's listed in the operating agreement as a working interest owner on Exhibit A.

Q. Now, I see reference to Plains Radio Broadcasting in the preliminary approval by the State Land Office. But, looking it over in the BLM preliminary approval, I see no mention of the operator. Oh, I'm sorry. I do see that. That's on the very top line. Okay.

No questions of this witness.

MR. KELLAHIN: That concludes our presentation, Mr. Examiner.

EXAMINER STOGNER: Thank you, Mr. Shackelford, you may be excused.

Does anybody else have anything further in Case No. 10517? If not, this case will be taken under advisement.

[And the proceedings were concluded.]

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 10517, heard by me on 9 September 1992.

Examiner
Oil Conservation Division

CERTIFICATE OF REPORTER

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

I, Debbie Vestal, Certified Shorthand Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I caused my notes to be transcribed under my personal supervision; 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 AUGUST 15, 1992.

DEBBIE VESTAL, RPR
NEW MEXICO CSR NO. 3