

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 THE NEW MEXICO OIL)
CONSERVATION DIVISION FOR A COMPLIANCE)
ORDER)

CASE NO. 13,373

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: WILLIAM V. JONES, JR., Hearing Examiner

December 16th, 2004

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Thursday, December 16th, 2004, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

2004 DEC 30 AM 10:30

I N D E X

December 16th, 2004
Examiner Hearing
CASE NO. 13,373

	PAGE
EXHIBITS	3
APPEARANCES	3
DIVISION WITNESS:	
<u>BILLY PRICHARD</u> (Compliance and Enforcement Officer, Hobbs District Office, District 1, NMOCD) (Present by telephone)	
Direct Examination by Ms. MacQuesten	9
Examination by Examiner Jones	17
REPORTER'S CERTIFICATE	25

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	6	21
Exhibit 2	6	21
Exhibit 3	7	21
Exhibit 4	8	21
Exhibit 5	11	21
Exhibit 6	11	21
Exhibit 7	15	21
Exhibit 8	12	21
Exhibit 9	13	21
Exhibit 10	16	21

* * *

Additional submission by the Division, not offered or admitted:

	Identified
Draft Order	21

* * *

A P P E A R A N C E S

FOR THE DIVISION:

GAIL MacQUESTEN
 Deputy General Counsel
 Energy, Minerals and Natural Resources Department
 1220 South St. Francis Drive
 Santa Fe, New Mexico 87505

* * *

STEVEN T. BRENNER, CCR
 (505) 989-9317

1 WHEREUPON, the following proceedings were had at
2 8:27 a.m.:

3
4 EXAMINER JONES: Okay, let's call Case 13,373,
5 Application of the New Mexico Oil Conservation Division for
6 a compliance order.

7 Call for appearances in this case.

8 MS. MacQUESTEN: Gail MacQuesten representing the
9 Oil Conservation Division.

10 I have one witness, Billy Prichard, who will be
11 appearing by telephone.

12 EXAMINER JONES: Any other appearances?

13 Mr. Prichard, would you please stand to be sworn?

14 MR. PRICHARD: Will?

15 EXAMINER JONES: Yes.

16 MR. PRICHARD: Can I break in just a second?

17 I've got a plugger on the line. I'm just talking to him,
18 and I need to call him right back. Can I do that?

19 EXAMINER JONES: You want to call him back right
20 now?

21 MR. PRICHARD: Yeah, he's plugging for the State
22 and he needs some direction.

23 EXAMINER JONES: I tell you what, go ahead.
24 We'll take a 10-minute break, and I'll call you back in 10
25 minutes; is that okay?

1 MR. PRICHARD: You bet, that'll work. I should
2 be able to handle it in that quick. We got some problems
3 on one of the wells, and he has just called right before
4 you all did.

5 EXAMINER JONES: Okay.

6 MR. PRICHARD: Thank you, sir.

7 EXAMINER JONES: Okay, we'll take a 10-minute
8 recess and come back in 10 minutes.

9 (Off the record at 8:28 a.m.)

10 (The following proceedings had at 8:44 a.m.)

11 EXAMINER JONES: Okay, let's go back on the
12 record, and Mr. Prichard, will you stand to be sworn?

13 MR. PRICHARD: Yes, I will.

14 (Thereupon, the witness was sworn.)

15 MS. MacQUESTEN: Mr. Examiner, before we start
16 with Mr. Prichard's testimony, I would like to briefly
17 explain what we're asking for in this case.

18 This is an inactive-well case. We have five
19 wells that have been inactive for more than a year plus 90
20 days without being plugged or placed on temporary
21 abandonment status. This is a clear violation of Rule 201.

22 It is also a knowing and willful violation,
23 because the evidence will show that although Orbit was
24 aware that the wells were out of compliance when it
25 acquired them and the Division made repeated requests to

1 Orbit to bring the wells into compliance, Orbit has not
2 taken action.

3 We are asking for an order, first, determining
4 that there has been a knowing and willful violation of Rule
5 201, second imposing a penalty for that violation, and we
6 are asking for a \$5000 penalty, which breaks down to \$1000
7 per well.

8 Third, we are requesting that the order require
9 Orbit to bring the wells into compliance with Rule 201 by
10 January 30th, 2005, by plugging the wells, placing the
11 wells on temporary abandonment status, or returning them to
12 beneficial use, and, if Orbit fails to comply with that
13 January 30 deadline, authorizing the Division to plug the
14 wells and authorizing the Division to forfeit the
15 applicable financial securities immediately. In this case
16 the financial securities are in the form of two cash bonds
17 totaling \$90,000.

18 There should be an evidence packet in front of
19 you.

20 The first exhibit is an affidavit of notice
21 showing that Orbit has received notice of this hearing.

22 The second exhibit is an affidavit of Jane
23 Prouty. This affidavit shows that the wells have been
24 inactive since at least May of 1997, and in one case
25 there's been no report of production or injection at all.

1 The third exhibit is an affidavit from Dorothy
2 Phillips showing that Orbit posted two cash bonds. They
3 posted a \$50,000 blanket plugging bond and an additional
4 \$40,000 blanket bond. They posted the additional \$40,000
5 when they acquired wells from Orbit Enterprises, the prior
6 operator, and the Division required additional bonding for
7 inactive wells that were being transferred.

8 The five wells at issue today were inactive when
9 acquired from Orbit Enterprises, and they were wells that
10 required additional bonding.

11 If you look at Attachment C to Ms. Phillips'
12 affidavit, it shows the last production for each well and
13 it indicates which wells required additional bonding, and
14 you'll see that the wells at issue today were among those
15 wells.

16 I'd like you also to note that when Orbit
17 acquired these wells and was required to post additional
18 bonding, it could have posted single-well bonds for each
19 well that required additional bonding. If they'd done
20 that, it would have limited their liability to that single-
21 well bond, because it was tied to a particular well.

22 They didn't choose to do that. Instead of
23 posting individual bonds that were applied only to specific
24 wells, they posted a \$40,000 blanket bond for their
25 additional bonding. That bond can be applied to any of

1 Orbit's wells. And if you look at the language in that
2 bond, which is attachment E to Ms. Phillips' affidavit, it
3 says that if any of Orbit's wells are not plugged after an
4 order telling Orbit to plug those wells, the total amount
5 of the bond shall be forfeited.

6 The fourth exhibit in your packet is a copy of
7 Order R-11,887, and I ask you to take administrative notice
8 of this order. I made it an exhibit for your convenience.
9 You'll find that two of the wells at issue in the case
10 you're hearing today were at issue in a prior case against
11 Orbit Enterprises, Inc. -- that's the prior operator -- the
12 BA Well Number 1 and Number 2.

13 Orbit Enterprises, Inc., the prior operator, was
14 ordered to plug and abandon these wells by February 21st,
15 2003, because they were in violation of Rule 201.

16 Instead of obeying the order and plugging the
17 wells, they sold them to Orbit Energy, Inc., the company we
18 are proceeding against today. These wells are still
19 inactive and still in violation of 201. This is now the
20 second time we're coming in for an order to plug these
21 wells.

22 And the testimony will show that when Orbit
23 Energy acquired these wells they were well aware of the
24 need to bring the wells into compliance.

25 With that, I would call Billy Prichard.

1 BILLY PRICHARD (Present by telephone),
2 the witness herein, after having been first duly sworn upon
3 his oath, was examined and testified as follows:

4 DIRECT EXAMINATION

5 BY MS. MacQUESTEN:

6 Q. Mr. Prichard?

7 A. Yes, ma'am.

8 Q. Can you hear me all right?

9 A. Yes, I can.

10 Q. Would you please state your name for the record?

11 A. Billy Prichard.

12 Q. And where are you employed?

13 A. I'm employed by the New Mexico Oil Conservation
14 Division, District 1, Hobbs Office.

15 Q. What do you do there?

16 A. I'm the compliance and enforcement officer.

17 Q. Could you tell us a little bit about your
18 background and experience in the oil and gas industry?

19 A. Yes, ma'am, I sure can. I worked 10 years for a
20 drilling contractor and 20 years for Amoco Production
21 Company.

22 Q. And how long have you worked for the Division?

23 A. About six.

24 Q. All right. In the course of your duties with the
25 Division do you conduct well inspections?

1 A. Yes, ma'am, I do.

2 Q. Do you also supervise plugging operations when
3 the State is plugging wells?

4 A. Yes, ma'am, I do.

5 Q. And do you design plugging procedures for wells
6 that need to be plugged by operators?

7 A. Yes, ma'am, I do.

8 MS. MacQUESTEN: I would offer Mr. Prichard as an
9 expert in well inspections and plugging procedures.

10 EXAMINER JONES: Mr. Prichard is qualified as an
11 expert in well inspection and well-plugging procedures.

12 Q. (By Ms. MacQuesten) Mr. Prichard, are you
13 familiar with the five wells that are at issue in this
14 case, as set out in the Application?

15 A. Yes, ma'am, I sure am.

16 Q. And are those wells located in Roosevelt County?

17 A. Yes, they are.

18 Q. Are they within the area that you inspect?

19 A. Yes, ma'am, I have everything north of Lovington.

20 Q. What type of wells are these? Are they oil and
21 gas wells or are they injection wells, or service wells?

22 A. The State BA 1 and 2 are -- one is a gas well and
23 one is an oil well. The other three wells are injectors or
24 saltwater disposal wells.

25 Q. Okay. Have you reviewed the well files for these

1 five wells and the inspection reports that have been filed
2 relating to these wells?

3 A. Yes, ma'am, I have.

4 Q. Do you have the packet of exhibits that I sent to
5 you?

6 A. Yes, ma'am, I do.

7 Q. Could you turn to what has been marked as Exhibit
8 Number 5?

9 A. Yes, ma'am.

10 Q. What is this document?

11 A. It's a C-104A. It's a change of operator from
12 Orbit Enterprises to Orbit Energy.

13 Q. And what is the date of that change?

14 A. It was approved April 8th, 2004.

15 Q. All right. Now, this document doesn't identify
16 any specific wells, does it?

17 A. No, ma'am, it doesn't.

18 Q. How do you identify the wells that are applied to
19 that operator change?

20 A. This is a list of wells that applies to this
21 operator change, has a permit number on it, and it lists
22 the wells that are being transferred.

23 Q. Is that what's been marked as Exhibit Number 6?

24 A. Yes, ma'am, that's it.

25 Q. Does that list include the five wells that are at

1 issue in this case?

2 A. Yes, ma'am, it does.

3 Q. Is Orbit Energy, Inc., still the operator of
4 record for those five wells?

5 A. In my review of the well files, I could find no
6 other change of operator from Orbit Energy to anyone else.

7 Q. According to the records in the well files, have
8 those five wells been plugged and abandoned?

9 A. No, ma'am, they have not.

10 Q. Have they been placed on temporary abandonment
11 status?

12 A. No, ma'am, they have not.

13 Q. Have you attempted to contact Orbit Energy, Inc.,
14 regarding the need to bring these wells into compliance?

15 A. Yes, ma'am, I have. I've met with Bruce Holland,
16 who signed these C-104s and the change of operator -- prior
17 to the change of operator and also after the change of
18 operator.

19 Q. Do you recall when that first meeting was?

20 A. No, I really don't recall the first meeting. The
21 one that's documented in RBDMS is the only one I recall.

22 Q. Is that -- we'll jump ahead just a little bit --
23 Exhibit Number 8?

24 A. Yes, ma'am, it sure is.

25 Q. Okay, and Exhibit Number 8 deals with the State

1 BA Number 1; is that right?

2 A. State BA Number 1 and 2, I think.

3 Q. Okay, that may be on Exhibit Number 9.

4 A. Yes.

5 Q. Okay, and the meeting that's described in those
6 two exhibits was on June 13th of 2003?

7 A. Yes, ma'am, it was.

8 Q. Now, that's before Orbit acquired these wells?

9 A. Yes, ma'am. There's been a long history -- I
10 don't know if this is the correct -- between Orbit
11 Enterprises and Orbit Energy. There's been an ongoing deal
12 for several -- actually, Orbit Energy has been the operator
13 of these wells for a long time. And I was actually called
14 into a lawsuit between Orbit Enterprises and Orbit Energy
15 back probably two or three years ago, over the State BA 1
16 and 2 needing to be plugged.

17 Q. So there's a history of Orbit Energy, Inc., being
18 involved with these wells, then?

19 A. Yes, ma'am, that's right.

20 Q. Why did you contact Orbit Energy back in June
21 13th of 2003?

22 A. Well, I think they contacted me originally about
23 plugging these wells, and I carried them plugging
24 procedures that I had written for the State BA 1 and 2 to
25 their office in Tatum. I also got on their computer and

1 showed them how to pull up the C-103 forms and explained to
2 them what they needed to do to get those wells in
3 compliance.

4 Q. Did they take any action after you met with them?

5 A. No, ma'am, they sure did not.

6 Q. Was that meeting only with regard to the BA 1 and
7 2?

8 A. Actually, it concerned all of their idle wells, I
9 talked to them about all of their idle wells in District 1.
10 But the BA 1 and 2 was the -- it was the main focus of the
11 meeting.

12 Q. Why was that?

13 A. The State BA 1 and 2 are located on a ranch up
14 there north of Milnesand named Roy Kramer, and Roy --
15 seemed like he called constantly for about a year, and so I
16 was attempting to get something done about those wells,
17 mainly to get Roy Kramer off my back, and also to address
18 the idle wells.

19 Q. When you met with Mr. Holland, did you make him
20 aware of the order that had been issued? Was the order
21 issued at that time?

22 A. I don't believe the order was issued at that
23 time, Gail.

24 Q. Okay. Actually, looking at the order dated -- it
25 looks as though it was issued in January of 2003, and you

1 were out there at the meeting in June.

2 A. Oh, okay, so maybe the order had been written.

3 Q. Yeah, but you don't recall discussing the order
4 in particular?

5 A. I don't recall discussing the order.

6 Q. Okay. If you could turn to Exhibit Number 7, is
7 this a Notice of Violation that was sent to Orbit in 2004?

8 A. Yes, ma'am, it was.

9 Q. All right, and what is the notice of violation
10 telling Orbit?

11 A. That the wells are out of compliance with Rule
12 201 or the shut-in rule and that they needed to be TA'd,
13 plugged or returned to service.

14 Q. And it's referencing specifically the three wells
15 other than the State BA 1 and 2?

16 A. That's right, the Federal 10, the James McFarland
17 Number 4 and the Humble Federal Number 5.

18 Q. Now, attached to Exhibit Number 7 is a certified
19 mail receipt.

20 A. Yes, ma'am.

21 Q. Can you tell us about that?

22 A. Yes, ma'am, I sent the letter, Exhibit 7 -- I
23 sent that with the full intention of having it as part of
24 the document for this show-cause hearing, and so I wanted
25 to make sure that Orbit got it.

1 And I mailed it to the last known address of
2 Orbit Energy, and it looks like that -- and this is
3 speculation on my part, that it was forwarded on to a
4 Milnesand address where Orbit Energy has now moved their
5 operations.

6 Q. Okay. Now, I notice that -- I couldn't see a
7 certified mail number on the letter itself, so how do you
8 know that this receipt matches this particular letter?

9 A. Well, the Orbit Energy on the certificate is in
10 my handwriting, and the letter is dated such that -- I mean
11 dated -- there hasn't been -- I hadn't sent anything
12 certified to Orbit, so this -- except for this letter, and
13 because I personally did it I know that that that's what
14 it's for.

15 Q. All right. And did Orbit return that certified
16 mail receipt?

17 A. Yes, ma'am, they did.

18 Q. Was any action taken after you sent that letter?

19 A. None that I know.

20 Q. If you could turn to Exhibit Number 10, please,
21 are these the plugging procedures that you prepared for the
22 five wells at issue in this case?

23 A. Yes, ma'am, they sure are.

24 MS. MacQUESTEN: I have no more questions of this
25 witness.

EXAMINATION

BY EXAMINER JONES:

Q. Okay, Mr. Prichard, this -- when you sent them a letter on 9-11, did they -- did you tell them that they had to plug the wells, or they had to -- they could temporarily abandon the wells and meet compliance with Rule 201?

A. Yes, in the letter I told them the well needs to be plugged, TA'd or repaired and returned to service.

Q. Okay. Have you talked to any of these people personally?

A. Not recently, I sure haven't.

Q. But you did before that, I guess?

A. Yes, fact is, I've had several occasions to meet with Bruce Holland, once at the request of Wayne Price over an open pit, and this was long prior to the change of operator from Enterprises to Energy.

And I also met with him concerning the idle wells at one time before. None of that is documented, though.

Q. Okay, the -- You deal with lots of operators, don't you, north of Lovington?

A. Yes, I do.

Q. Would you say Orbit Energy is one of your better operators, or what would you rate them as -- Would you rate them as one of your better ones or one of your worst ones?

A. Well, I've never thought of it quite in that

1 context. I guess if you ranked them 1 to 10, and 10 being
2 the best, 1 being the worst, that they would be up there
3 around 2 or 3.

4 Q. Okay.

5 A. And I think if you did it that way, it would have
6 to strictly be by well county --

7 Q. You bet.

8 A. -- because we've got some operators with a lot
9 higher well count with problems.

10 Q. Yeah. What about this deadline on January the
11 30th? Do you think that's reachable by them?

12 A. Of plugging these five wells?

13 Q. Or bringing them back into compliance?

14 A. Yes, I think it's very easy to do. This is the
15 16th of December, and I know for a fact that Orbit
16 Enterprises owns their own well service unit. I think it's
17 very achievable.

18 Q. Okay. So in other words, if the order got out in
19 the next week, you could -- Do you think they could get a
20 rig and they could get in there and put a plug above their
21 perfs and some cement?

22 A. Yes, they could, they sure could. All of these
23 are shallow San Andres wells.

24 Q. Okay, all of these are shallow. That's a good
25 question, and I'm glad you've asked it and answered it,

1 so...

2 Okay, let's -- This is all very thorough here,
3 all this stuff, the reported production, the affidavit of
4 notice.

5 The bond that they posted, was -- that bond is
6 definitely in Orbit Energy's name, right? It's not in
7 Orbit Enterprises, Inc., name. Orbit Energy, okay, here it
8 is, yeah. Okay.

9 MS. MacQUESTEN: Mr. Examiner, those were the
10 bonds they were required to post. The Division treated
11 this switch from Orbit Enterprises to Orbit Energy, Inc.,
12 as a change of operator rather than a change of name, so
13 Orbit Energy was required to post its own bonds under its
14 own name at that time.

15 EXAMINER JONES: Okay, and you're asking for both
16 bonds to be in jeopardy?

17 MS. MacQUESTEN: Yes.

18 EXAMINER JONES: Okay, in this case, what's the
19 difference between the order that came out in January of
20 2003 and the order that you're requesting in this case, as
21 far as the enforcement and the penalties?

22 MS. MacQUESTEN: Well, the first order was issued
23 against the other entity, first of all, which is why we're
24 here today to get an order against the current operator of
25 the wells.

1 The original order also only dealt with the BA 1
2 and 2 wells. It didn't deal with the other three wells
3 that we're asking to add on in this case.

4 I don't recall the specific enforcement that was
5 requested in that -- or required in that order, but I do
6 recall that it set a deadline for compliance, to bring the
7 wells into compliance, and I believe it may have imposed a
8 penalty in the event of noncompliance.

9 EXAMINER JONES: But in this case you're asking
10 for a strict \$5000?

11 MS. MacQUESTEN: As a penalty for their
12 violations up until this point, yes.

13 EXAMINER JONES: Okay. If they don't get it done
14 by January 30th --

15 MS. MacQUESTEN: At that point we would want to
16 immediately forfeit both cash bonds and have authority for
17 the State to go in and plug the wells itself.

18 EXAMINER JONES: But the penalties would not keep
19 accruing after that?

20 MS. MacQUESTEN: No, at that point we would
21 simply want to take matters into our own hands and get the
22 wells plugged.

23 EXAMINER JONES: Okay. Okay, I'm sure I have
24 everything here. I've got the API numbers and the
25 locations, well names, and that's all I need.

1 MS. MacQUESTEN: All right. I would move to
2 admit Exhibits 1 through 10.

3 EXAMINER JONES: Okay, let's admit into evidence
4 Exhibits 1 through 10 and make administrative notice of
5 Order Number R-11,887.

6 MS. MacQUESTEN: I would also ask for permission
7 to submit a draft order, and I'd be happy to send this to
8 you in an electronic version also.

9 EXAMINER JONES: Draft orders are always nice.

10 MS. MacQUESTEN: This proposed order sets out the
11 findings that are required for a violation of 201, i.e.,
12 that Orbit is the operator of the wells at issue, that the
13 wells at issue have been inactive for a period of one year
14 plus 90 days and have neither been plugged nor placed on
15 temporary abandonment status.

16 It also sets out the findings needed to conclude
17 that a violation of Rule 201 was knowing and willful. In
18 this case, that would be that Orbit was aware that their
19 wells were out of compliance when it acquired them, and it
20 even had to post additional bonds for those wells, and that
21 Orbit met with an inspector regarding two of the wells that
22 they had acquired that were subject to the plugging order,
23 and that there was further written correspondence with the
24 OCD about the need to bring the other wells into
25 compliance. That's the basis for our request that you find

1 that the violation was knowing and willful.

2 Because there was a knowing and willful
3 violation, we ask for a civil penalty, in this case in the
4 amount of \$5000.

5 We also ask that a short deadline be imposed for
6 bringing the wells into compliance. We are suggesting
7 January 30th of 2005. Then the order would provide that if
8 they fail to meet the deadline, that the Division would be
9 authorized to immediately forfeit the financial assurances
10 and plug the wells.

11 I've added the language about immediately
12 forfeiting the financial assurances because it's my
13 understanding that the policy of the Department in the past
14 has been not to forfeit the financial assurances until the
15 wells are actually plugged. That is not a legal
16 requirement, and we will not see that in the Statutes or
17 Rules. We have the authority to forfeit the financial
18 assurances immediately, and that is our plan in this case.
19 We're asking you to put it in the order so that Orbit is
20 aware of our intentions in that regard.

21 EXAMINER JONES: How many other wells does Orbit
22 operate in the state?

23 MS. MacQUESTEN: I have a list from RBDMS and I
24 haven't counted them up, but it's over two pages long.

25 THE WITNESS: Ninety-one wells.

1 EXAMINER JONES: And some of those do produce,
2 right?

3 THE WITNESS: Yes, they do.

4 EXAMINER JONES: If you forfeit their bonds
5 because of these wells, they're going to have to post
6 another bond for the other wells; is that correct?

7 MS. MacQUESTEN: That's right.

8 EXAMINER JONES: How soon do they have to do
9 that?

10 MS. MacQUESTEN: It depends on how long they
11 choose to be out of business.

12 EXAMINER JONES: They can't produce without a
13 bond.

14 MS. MacQUESTEN: They need to be bonded, so
15 they'll need to replace the bonds.

16 EXAMINER JONES: Okay, as far as the knowing,
17 willful -- we've established a record for that in here,
18 that they have been contacted, that they have actually
19 received the notices, and they haven't given any reason why
20 they haven't met this deadline, this notice of violation?

21 MS. MacQUESTEN: No, and in fact, I have been in
22 contact with Orbit after filing the Application for
23 hearing, and at one point they indicated that they were
24 willing to sign an agreed compliance order. I drafted an
25 agreed compliance order for them that would have allowed

1 them to bring the wells into compliance under a schedule.
2 I sent that to them and received no response. I called and
3 I sent a number of e-mails to them, and I did not receive a
4 response. So that is why we're at hearing today.

5 EXAMINER JONES: Okay, that's all I need.

6 Thank you very much, Mr. Prichard.

7 THE WITNESS: Yes, sir.

8 EXAMINER JONES: Thank you, Ms. MacQuesten.

9 With that, we'll take Case 13,373 under
10 advisement.

11 And there being no more cases in this docket,
12 Docket 35-04 is adjourned. Thank you.

13 (Thereupon, these proceedings were concluded at
14 9:10 a.m.)

15 * * *

16
17
18 I do hereby certify that the foregoing is
19 a complete record of the proceedings in
20 the Examiner hearing of Case No. _____,
21 heard by me on _____.

22
23
24 _____, Examiner
25 Oil Conservation Division

CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Court Reporter and Notary Public, HEREBY CERTIFY that the foregoing transcript of proceedings before the Oil Conservation Division was reported by me; that I transcribed my notes; and that the foregoing is a true and accurate record of the proceedings.

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

WITNESS MY HAND AND SEAL December 16th, 2004.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 16th, 2006