

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:

ORIGINAL

APPLICATION OF ENERGEN RESOURCES
CORPORATION FOR EXCEPTION TO THE WELL
DENSITY PROVISIONS OF THE POOL RULES
FOR THE BASIN-FRUITLAND COAL GAS POOL
FOR THREE SPACING UNITS AND FOR
SIMULTANEOUS DEDICATION, RIO ARRIBA,
NEW MEXICO

Case No. 14654

TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: TERRY WARNELL, Presiding Examiner
DAVID K. BROOKS, Legal Examiner

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May 26, 2011

Santa Fe, New Mexico

This matter came on for hearing before the
New Mexico Oil Conservation Division, TERRY WARNELL,
Presiding Examiner, and DAVID K. BROOKS, Legal Examiner,
on Thursday, May 26, 2011, at the New Mexico Energy,
Minerals and Natural Resources Department, 1220 South St.
Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105

1	A P P E A R A N C E S	
2	FOR THE APPLICANT:	
3	MONTGOMERY & ANDREWS, P.A.	
4	J. SCOTT HALL, ESQ.	
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1 EXAMINER WARNELL: This is Case 14654,
2 application of Energen Resources Corporation for
3 exception to the well density provisions of the pool
4 rules for the Basin-Fruitland Coal Gas Pool for three
5 spacing units and for simultaneous dedication, Rio
6 Arriba, County, New Mexico.

7 Call for appearances.

8 MR. HALL: Mr. Examiner, Scott Hall,
9 Montgomery & Andrews law firm, Santa Fe, appearing on
10 behalf of the applicant, Energen Resources Corporation,
11 with three witnesses this morning.

12 EXAMINER WARNELL: Would those three
13 witnesses please stand? State your names.

14 Mr. Poage, you're already sworn.

15 MR. BENSON: Andrew Benson.

16 MS. COLLIER: Rounak Collier.

17 (Two witnesses were sworn.)

18 EXAMINER WARNELL: Thank you.

19 DAVID POAGE

20 Having been first duly sworn, testified as follows:

21 DIRECT EXAMINATION

22 BY MR. HALL:

23 Q. For the record, please state your name.

24 A. David Poage.

25 Q. Where do you live and by whom are you

1 employed?

2 A. I live in Farmington, New Mexico. I'm
3 employed by Energen Resources Corporation.

4 Q. What do you do for Energen?

5 A. I'm a district landman.

6 Q. You are familiar with the application that's
7 been filed in this matter and the lands that are the
8 subject of the application?

9 A. Yes.

10 Q. Have you previously been -- you had your
11 credentials accepted today as an expert petroleum
12 landman?

13 A. Yes, sir.

14 MR. HALL: At this point, Mr. Examiner, we
15 offer Mr. Poage again as an expert petroleum landman.

16 EXAMINER WARNELL: So recognized.

17 Q. (By Mr. Hall) Please explain to the Hearing
18 Examiner what Energen seeks by its application.

19 A. What we intend to do is we have three
20 sidetrack wells that we wish to drill in existing spacing
21 units, and these existing spacing units contain two
22 vertical wells as allowed by our current Fruitland Coal
23 rules and orders.

24 What we request to be allowed to do is to
25 drill a horizontal sidetrack out of one of the wellbores

1 across the entire spacing unit, which means we would have
2 a portion of that lateral in the same quarter section
3 that another vertical well exists. What we intend to do
4 is ask for permission to continue to produce both
5 vertical wells, as well as the sidetrack, once the
6 sidetrack is completed.

7 Q. What formation and pool are we talking about?

8 A. The Basin-Fruitland Coal pool and the
9 Fruitland Coal Formation.

10 Q. You're familiar with the Division's special
11 pool rules applicable to the Basin-Fruitland Coal gas
12 pool?

13 A. Yes, sir.

14 Q. Can you explain to the Examiner what the
15 current restrictions are in those rules with respect to
16 well densities?

17 A. Well density, as it currently exists outside
18 of the high productivity area defined in the order, which
19 this is outside of that HPA, density allows us to drill a
20 Fruitland Coal vertical well in each quarter section.

21 Q. So Energen is asking for an exception to that
22 provision of the special pool rules to enable it to drill
23 the sidetracks?

24 A. That's correct.

25 Q. By drilling the sidetracks will it result that

1 you have more than one well producing from the coal in a
2 quarter section?

3 A. That's correct.

4 Q. Let's look at Exhibit Number 1. If you could
5 identify that, please?

6 A. Exhibit Number 1 is a plat of the area we're
7 discussing. It's in Rio Arriba County, Township 32
8 North, Ranges 5 and 6 West. The three -- this is kind of
9 a cartoon. But the three laterals we intend to re-enter
10 and complete as horizontal laterals are shown.

11 The setback requirements in each case are for
12 the Elkhorn 100 well and the State Bancos 100S well are
13 660 setbacks, and our proposal complies with both the
14 setbacks in those two cases.

15 The well in Section 25, which is the 32-5
16 Unit, Number 105S, that well has a different setback
17 requirement, in that because it's within the unit and not
18 on an exterior boundary of the unit, it's about a 10-foot
19 setback from the section line.

20 Q. On Exhibit 1, each of the 320 units that are
21 shown in Sections 25, 29 and 32, if we look on there, are
22 the existing Fruitland Coal wells reflected on the
23 exhibit?

24 A. Yes, they are. They're in triangles. The
25 Fruitland Coal Formation on this plat is shown with a

1 triangle. The circles are around what are Mesaverde
2 wells and completions, and the square indicators are
3 Dakotas.

4 Q. Those are existing vertical wells?

5 A. Yes, they are.

6 Q. Each of them are producing from the Fruitland
7 Coal Formation?

8 A. Yes.

9 Q. What is shown by the red highlighted --

10 A. The red highlight is just that portion of the
11 unit boundary that exists in this area.

12 Q. Is there also an indication of the well path
13 for the sidetrack?

14 A. Yes. That is shown in red in each case.

15 Q. Let's look at Exhibits 2, 3 and 4. If you
16 would identify those, please.

17 A. These are the C-102s, which are the well
18 location and acreage dedication plats for each of the
19 wells. And in each case, they show the surface hole
20 location, and the lateral is shown by a dotted line, and
21 the bottomhole location is indicated by "BHL."

22 Q. Exhibit 2 is for the Elkhorn 100?

23 A. Yes.

24 Q. And Exhibit 3 is for the State Bancos 100S?

25 A. Yes.

1 Q. Exhibit Number 4 is the C-102 for the San Juan
2 32-5 Unit, 105S?

3 A. Yes.

4 Q. Are the surface and bottomhole locations for
5 the Elkhorn and State Bancos wells orthodox and
6 permitted?

7 A. Yes.

8 Q. Look at Exhibit 4 for the 32-5 Unit 105S. I
9 think you explained before, but the bottomhole location
10 for that well will be what?

11 A. 600 feet from the north line and 100 feet from
12 the west line.

13 Q. If we refer back to Exhibit Number 1, we can
14 see that well highlighted in red?

15 A. Yes.

16 Q. Let me ask you about Exhibit 1. Is the
17 adjoining Section 30 part of the 32-5 Unit?

18 A. Yes, it is.

19 Q. And it's inclusion in the unit allows you to
20 locate the bottomhole that close to the section line?

21 A. Yes, it does.

22 Q. Let's look at Exhibit Number 5. Would you
23 explain that?

24 A. This exhibit shows each of the three wells, as
25 well as the spacing unit involved and the ownership of

1 each of the wells. It also has a column to show whether
2 or not the parties that own each of these wells have
3 agreed to participate and join in this effort.

4 Q. You have 100 percent participation of all
5 interest owners?

6 A. Yes, we do.

7 Q. Could you go back to Exhibit 1 and identify to
8 the Examiner all of the operators -- the offsetting
9 units?

10 A. If you look at Section 29, the offset operator
11 to the north, there is no operator. That's an unleased
12 BLM section, Section 32 North, 5 West, and that's in a
13 restricted area. It includes no leasing. So we're
14 unable to lease that section.

15 In Section 36 of 32 North, 6 West, the
16 operator of those wells is Williams Production, and in
17 all other cases, Energen is the offset operator.

18 Q. Have all of the offset operators and the BLM
19 and the State Land Office for the State Bancos well been
20 notified of this application?

21 A. That's correct.

22 Q. Are you aware of any objections to Energen's
23 proposal?

24 A. No.

25 Q. Does Energen also seek the simultaneous

1 dedication of production from all three of the wells
2 eventually to be located in each of the units?

3 A. Yes.

4 Q. Were Exhibits 1 through 5 prepared by you or
5 at your direction?

6 A. Yes.

7 MR. HALL: That concludes our direct of
8 Mr. Poage. We move the admission of Exhibits 1 through
9 5.

10 EXAMINER WARNELL: Exhibits 1 through 5
11 are admitted.

12 Questions?

13 (Exhibits 1 through 5 admitted.)

14 EXAMINER BROOKS: So all you're asking for
15 is simultaneous dedication in this application?

16 MR. HALL: We're also asking for an
17 exception to Rule 7(D) of the special pool rules for the
18 pool which provides for a density restriction currently
19 of one well per 160.

20 EXAMINER BROOKS: That's basically the
21 same thing as what you're asking for for the simultaneous
22 dedication. Because you're asking for permission to
23 have, in effect, a second completion within each quarter
24 section.

25 MR. HALL: That's correct. Same

1 formation.

2 EXAMINER BROOKS: Yeah. There's not any
3 other thing you're asking for in this application?

4 MR. HALL: No, sir.

5 EXAMINER BROOKS: Okay. So it's strictly
6 about well density. Okay.

7 EXAMINATION

8 BY EXAMINER BROOKS:

9 Q. In regards to the nonstandard location or what
10 would otherwise be the nonstandard location in Section
11 25, you said that Section 30 is also in the San Juan --
12 is it 32-5 Unit?

13 A. Yes.

14 Q. Now, is that in a Fruitland Coal participating
15 area?

16 A. Yes, it is.

17 Q. Both Section 25 and Section 30 are in the same
18 participating area?

19 A. Yes, sir.

20 Q. And do you know -- this Section 30 looks like
21 it's a small section.

22 A. Yes. Section 30 has got an NSP. It's pooled
23 with Section 31.

24 Q. Do you know what the horizontal -- what the
25 east/west distance across Section 30 is?

1 A. Not off the top of my head, no. It's more
2 than 660.

3 EXAMINER BROOKS: That's my question, if
4 it's more than 660. I don't care exactly what it is.

5 Do you have the penetration points of any of
6 these wells for the Fruitland Coal? Is that in any of
7 these exhibits?

8 MR. HALL: We have an engineering
9 witness --

10 EXAMINER BROOKS: Okay.

11 Q. (By Examiner Brooks) Let's talk about the
12 area that you gave notice for. You said the portion
13 north of -- the section to the north of 29 is unleased?

14 A. Unleased BLM.

15 Q. And if I understood -- I don't have a plat
16 that shows me where all these -- well, I do have it.
17 It's Exhibit 7. Where is Williams' interest?

18 Oh, Williams is to the south of 25, to the
19 south of the third well.

20 A. That's correct.

21 Q. You said all of the other adjoining sections
22 are operated by Energen?

23 A. That's correct.

24 Q. Now, what about non-operating interests in
25 those areas? Are they the same as the sections to which

1 they adjoin? Does Williams have 100 percent?

2 A. I believe Williams has 100 percent.

3 Q. What about Energen?

4 A. Energen has 100 percent in all the properties
5 shown here.

6 Q. All the sections?

7 A. All the adjoining properties are 100 percent
8 Energen.

9 Q. That would be the east half of 29, the south
10 half of 32, and 30 and 31?

11 A. That's correct.

12 Q. And the west half of 25?

13 A. Yes. As well as Section 24.

14 Q. Okay. All of that area to the north is
15 unleased?

16 A. Yes.

17 EXAMINER BROOKS: Very good. That's all I
18 have.

19 EXAMINATION

20 BY EXAMINER WARNELL:

21 Q. Mr. Poage, do you know that NSP number for
22 Sections 30 and 31?

23 A. I did not bring that with me.

24 MR. HALL: I recall doing that case. I
25 can get that to you.

1 EXAMINER WARNELL: No further questions.

2 MR. HALL: At this time, Mr. Examiner, we
3 would call Andrew Benson.

4 ANDREW BENSON

5 Having been first duly sworn, testified as follows:

6 DIRECT EXAMINATION

7 BY MR. HALL:

8 Q. For the record, please state your name.

9 A. Andrew Benson.

10 Q. Mr. Benson, where do you live and by whom are
11 you employed?

12 A. I live in Birmingham, Alabama. I'm employed
13 by Energen Resources Corporation.

14 Q. In what capacity?

15 A. As a geologist.

16 Q. Have you previously testified before the
17 Division and had your credentials as a petroleum
18 geologist accepted and made a matter of record?

19 A. Yes, I have.

20 Q. Are you familiar with the application and the
21 lands that are the subject of the application in this
22 case?

23 A. Yes.

24 MR. HALL: At this point we offer
25 Mr. Benson as a qualified expert petroleum geologist.

1 EXAMINER WARNELL: So recognized.

2 Q. (By Mr. Hall) Mr. Benson, if you would, would
3 you turn to Exhibit Number 6 and identify that for us,
4 please?

5 A. This is just sort of a general location map
6 showing the application areas highlighted in yellow, and
7 the position of those application areas relative to the
8 Colorado state line and the NMOCD Fruitland Coal high
9 productivity area, which is shaded in green. As you can
10 see, it's outside the HPA.

11 Q. But it is within the limits of the Fruitland
12 Coal pool?

13 A. It is.

14 Q. In the course of your involvement with this
15 case, did you conduct a geologic investigation to
16 determine whether increased flexibility on the drilling
17 laterals and sidetracks is necessary to fully and
18 adequately develop the Fruitland Coal resources?

19 A. I have.

20 Q. What did you conclude?

21 A. That the drilling scenario that we're
22 proposing will allow for a more efficient drainage of the
23 Fruitland Coal reservoir in this area. The proposed
24 scenario will effectively drain the same Fruitland Coal
25 reserves via sidetrack recompletion of one existing

1 vertical well in each case, in each 320-acre drill block,
2 versus sidetrack recompletions of both existing vertical
3 wells in the drill block, which is currently permitted by
4 the State.

5 Q. Would you turn to Exhibit 7 and explain that
6 to the Hearing Examiner?

7 A. This is just a topographic map showing the
8 application areas in the red rectangles. And the
9 symbology here, as Mr. Poage said, the Fruitland Coal
10 vertical wells are triangles.

11 I've highlighted Energen's operated Fruitland
12 Coal wells in blue, and the blue bars, as Mr. Poage
13 stated, represent the producing portion of a lateral
14 wellbore within the Fruitland Coal.

15 Q. Given the topography shown by Exhibit Number
16 7, does the terrain present surface location restrictions
17 to Energen?

18 A. Yeah. It's a very rugged terrain and -- yeah.
19 Each and every location is one to be cherished.

20 Q. So will the relief that Energen requests in
21 its order allow Energen to drill additional wells from
22 existing well pads?

23 A. Yes.

24 Q. Will it also allow Energen to avoid additional
25 surface disturbance?

1 A. Yes, it will.

2 Q. Let's discuss geology. Turn to Exhibit 8.
3 What does that show us?

4 A. This is a structural map drawn on the top of
5 the Pictured Cliffs Formation, which immediately
6 underlies the Fruitland Coal.

7 As you can see, the increased structural
8 elevation is moved from the application area. It's north
9 toward the Colorado border. There's a prominent feature
10 there that sort of straddles the Colorado border,
11 straddling the actual Colorado/New Mexico text on the
12 map, which is the Ignacio anticline, which is a regional
13 structure that's fairly well known in this area.

14 Q. Exhibit 9, what does that show us?

15 A. Exhibit 9 is a net coal thickness map using a
16 bulk density cutoff of two grams per cc or less, which is
17 a cutoff we use to identify coal. The thicker areas are
18 shown in various shades of green. And as you move into
19 the sort of blues and purples, those reflect areas where
20 the net coal thickness is less.

21 Q. Does Exhibit 9 also reflect an AA prime line
22 for a cross-section?

23 A. Yes, it does, in red.

24 Q. Let's turn to Exhibit 10. Tell us what that
25 shows.

1 A. This shows a cross-section as shown --
2 referenced on the previous thickness map, just showing
3 the nature of the coal package in the area of the
4 application lands.

5 As you can see, in the two wells on the left
6 side of the cross-section, the coal package comprises two
7 seams, one thick primary upper seam, as well as a thinner
8 secondary seam, and we would propose to sidetrack --
9 drill a horizontal sidetrack recompletion in the thicker
10 upper seam.

11 Q. In the vertical wells, are both of these seams
12 currently producing?

13 A. They are. And they will remain on production
14 once sidetrack operations are complete.

15 Q. Turn to Exhibit 11 and talk about the
16 proposal.

17 A. I just prepared some plats, and our engineer
18 will expound on these a little further.

19 But I basically just wanted to prepare these
20 to give you a visual reference of what we're proposing to
21 do here. In each case, the upper scenario is the
22 scenario that is currently permitted by the State, which
23 would allow us to sidetrack recomplete both existing
24 vertical wells in each 320-acre drill block.

25 And then below you can see that what we're

1 simply trying to do is just to cut that effort and
2 consequent a surface and other disturbances in half and
3 just do it once but still develop the same coal reserves.

4 Q. The result is you get a longer lateral with
5 the sidetrack?

6 A. The result is that you just have to do it
7 once, rather than twice. I believe the length is --
8 total horizontal length per 320 is the same in each case,
9 but it just reduces waste.

10 Q. Look at Exhibits 11, 12 and 13. It shows
11 proposals and what's possible now under the rules?

12 A. Yes. In each case the currently allowed
13 scenario, which would provide us to drill to sidetrack
14 recomplete each of the vertical wells versus our proposed
15 scenario on the bottom, which is where we would just
16 sidetrack one of those wells across the entire 320.

17 Q. For each of the proposed sidetracks, will each
18 of the sidetracks penetrate the coal and then terminate
19 within the current setbacks allowed?

20 A. Yes.

21 Q. Are correlative rights an issue here?

22 A. I believe not, since we are staying within the
23 establish setbacks.

24 Q. Were Exhibits 6, 7, 8, 9, 10, 11, 12 and 13
25 prepared by you?

1 A. Yes.

2 MR. HALL: At this point we move the
3 admission of Exhibits 6 through 13. That concludes our
4 direct of Mr. Benson.

5 EXAMINER WARNELL: Exhibits 6 through 13
6 are admitted.

7 Mr. Brooks?

8 (Exhibits 6 through 13 admitted.)

9 EXAMINER BROOKS: No questions.

10 EXAMINATION

11 BY EXAMINER WARNELL:

12 Q. Mr. Benson, do you know if the vertical
13 wells -- if their logs are on file with OCD?

14 A. Whatever logs we have on those should be on
15 file, to the best of my knowledge. In many cases, the
16 initial vertical well was drilled and cavitated. So what
17 we typically did was drill and set a casing above the
18 coal and then just run a mud log to ascertain the
19 position of the coal seams.

20 EXAMINER WARNELL: No further questions.

21 Thank you.

22 MR. HALL: Mr. Examiner, we'd call Rounak
23 Collier to the stand.

24

25

1 ROUNAK COLLIER

2 Having been first duly sworn, testified as follows:

3 DIRECT EXAMINATION

4 BY MR. HALL:

5 Q. For the record, please state your name.

6 A. Rounak Collier.

7 Q. Ms. Collier, where do you live and whom are
8 you employed?

9 A. Birmingham, Alabama. I'm employed by Energen
10 Resources.

11 Q. In what capacity are employed?

12 A. I'm a reservoir engineer.

13 Q. You've never testified before the Division and
14 had your credentials established, have you?

15 A. No, sir.

16 Q. Would you give the Hearing Examiner a brief
17 summary of your educational background and work
18 experience?

19 A. I graduated from Kansas State University with
20 a chemical engineering degree. I worked with
21 Schlumberger as a field engineer. Also, I worked for XTO
22 as a reservoir engineer. And I've been working for
23 Energen Resources for about six years as a reservoir
24 engineer.

25 Q. And how long have you been working in the San

1 Juan Basin?

2 A. About six.

3 Q. You've testified before other state regulatory
4 agencies?

5 A. In Colorado.

6 Q. You're familiar with the lands that are the
7 subject of this application?

8 A. Yes, sir.

9 MR. HALL: At this point, Mr. Examiner, we
10 offer Ms. Collier as an expert petroleum engineer.

11 EXAMINER WARNELL: Ms. Collier is so
12 recognized.

13 Q. (By Mr. Hall) In the course of your
14 involvement with this project, have you undertaken an
15 examination to determine whether the increased
16 flexibility for drilling sidetracks in a lateral will
17 lead to the more efficient economic recovery of coalbed
18 methane resources?

19 A. Yes.

20 Q. What did you conclude?

21 A. Increased the production and it helped with --
22 produce as much possible the gas in place.

23 Q. If you would turn to your Exhibits 14, 15 and
24 16, explain to the Examiner what those are showing us.

25 A. As Mr. Benson spoke earlier about Exhibits 11,

1 12 and 13, my Exhibits 14, 15 and 16 gives you the
2 economic background for these two scenarios.

3 Exhibit 14 shows the San Juan 32-5 105. We
4 drilled two sidetracks versus one sidetrack. It gives
5 you the initial length and combined two sidetracks versus
6 one. It gives you the amount of capital being spent and
7 what are original gas and place and how much we estimate
8 to recover with these two scenarios.

9 Also, it presents what is our regular return
10 net present value and the payout discount value.

11 Q. Have you looked at the line item for the EURs?
12 They're roughly the same. They're not adding much by way
13 of additional reserves here.

14 A. We are not really adding much by drilling one
15 sidetrack versus two. The only thing we are doing is
16 making it more economically viable for this process.

17 Q. Do Exhibits 14, 15 and 16 show us that you're
18 reducing your LOEs for each of the units?

19 A. That is true. As we sidetrack the existing
20 vertical well for 160, we add a portion of extra LOE to
21 maintain the existing vertical plus the horizontal
22 sidetrack. And by doing it one sidetrack, that would
23 help reduce LOE especially.

24 Q. Let's look at the last line item on each of
25 those exhibits, discounted payout. What does that tell

1 us?

2 A. Well, you're spending a lot less to drill the
3 well on the second scenario. Therefore, you pay for the
4 well faster.

5 Q. The payout occurs quicker?

6 A. Yeah.

7 Q. Does a quicker payout allow you to extend the
8 producing life of the well?

9 A. That's very correct.

10 Q. Does that result in more economically
11 efficient recovery?

12 A. Yes.

13 Q. Let's look at Exhibits 17 and 18. If you
14 would identify those and compare them for the Hearing
15 Examiner.

16 A. I would like to state that Energen has several
17 sidetracks drilled in that area, as Mr. Benson showed.
18 What I have done, just to show what we have done and what
19 our production has told us, I've taken the group of the
20 sidetracks, divide them in two groups by length.

21 So the first group is from 900 -- almost 970
22 feet to almost 1,700 feet, with a meeting of 1,300,
23 versus the second group of almost 1,700 to 2,400 feet,
24 with a meeting of 2,000.

25 These graphs were put by time zero production

1 based on when the sidetrack was done. In the upper left
2 hand of the graph, it shows you the average 12-month
3 production of the subject wells before and after the
4 sidetrack. It will give you the difference of how much
5 increase in production we have gained. It's very clear,
6 the longer sidetracks, it gives us a bigger difference in
7 production.

8 Q. If we look at the center, at the bottom of
9 each Exhibit 17 and 18, it shows us median what?

10 A. Median length.

11 Q. So we are gaining some lateral length with
12 Energen's proposal here?

13 A. Yes.

14 Q. So Energen's hope for results would more
15 closely track what's shown on Exhibit 18?

16 A. Yes.

17 Q. Do drilling the sidetracks allow Energen to
18 avoid the economic waste which would be associated with a
19 new drill?

20 A. That's true.

21 Q. And do you minimize some of your mechanical
22 risks, as well?

23 A. Most definitely.

24 Q. In your opinion, Ms. Collier, would granting
25 of Energen's application be in the interest of

1 conservation and the prevention of waste and protection
2 of correlative rights?

3 A. Yes.

4 Q. Were Exhibits 14 through 18 prepared by you or
5 at your direction?

6 A. Yes.

7 MR. HALL: We move admission of Exhibits
8 14 through 18. That concludes our direct of Ms. Collier.

9 EXAMINER WARNELL: Exhibits 14 through 18
10 are admitted.

11 (Exhibits 14 through 18 admitted.)

12 MR. HALL: We would also move the
13 admission of Exhibit 19, which is our notice affidavit.
14 The court reporter has the originals of the notice
15 letters.

16 EXAMINER WARNELL: Exhibit 19 is admitted.

17 (Exhibit 19 admitted.)

18 EXAMINER BROOKS: No questions.

19 EXAMINER WARNELL: I have no questions.

20 Thank you.

21 MR. HALL: That concludes our case. Thank
22 you very much.

23 EXAMINER WARNELL: Thank you. With that,
24 Case 14654 will be taken under advisement.

25

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

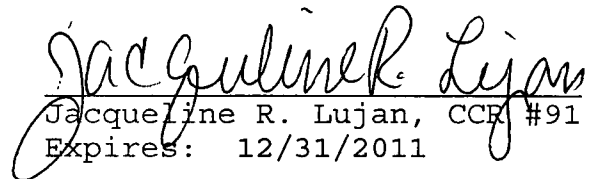
REPORTER'S CERTIFICATE

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I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO
HEREBY CERTIFY that on May 26, 2011, proceedings in the
above captioned case were taken before me and that I did
report in stenographic shorthand the proceedings set
forth herein, and the foregoing pages are a true and
correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by
nor related to nor contracted with any of the parties or
attorneys in this case and that I have no interest
whatsoever in the final disposition of this case in any
court.

WITNESS MY HAND this 8th day of June, 2011.


Jacqueline R. Lujan, CCR #91
Expires: 12/31/2011