

3 IN THE MATTER OF THE HEARING CALLED
4 BY THE OIL CONSERVATION DIVISION FOR
5 THE PURPOSE OF CONSIDERING:

5 APPLICATION OF COG OPERATING, LLC CASE NOS. 15029 and
6 FOR DESIGNATION OF A NONSTANDARD 15030
7 SPACING UNIT AND FOR COMPULSORY
8 POOLING, LEA COUNTY, NEW MEXICO.

COPY

9 REPORTER'S TRANSCRIPT OF PROCEEDINGS

10 EXAMINER HEARING

11 July 25, 2013

12 Santa Fe, New Mexico

13
14 BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
15 RICHARD EZEANYIM, TECHNICAL EXAMINER

16
17
18 This matter came on for hearing before the
19 New Mexico Oil Conservation Division, Phillip Goetze,
20 Chief Examiner, and Richard Ezeanyim, Technical
21 Examiner, on Thursday, July 25, 2013, at the New Mexico
22 Energy, Minerals and Natural Resources Department, 1220
23 South St. Francis Drive, Porter Hall, Room 102,
24 Santa Fe, New Mexico.

25
26 REPORTED BY: Mary C. Hankins, CCR, RPR
27 New Mexico CCR #20
28 Paul Baca Professional Court Reporters
29 500 4th Street, Northwest, Suite 105
30 Albuquerque, New Mexico 87102

APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

J. SCOTT HALL, ESQ.
MONTGOMERY & ANDREWS
325 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 670-7362
shall@montand.com

FOR CML EXPLORATION:

JAMES G. BRUCE, ESQ.
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

INDEX

PAGE

Case Numbers 15029 and 15030 Called

4

COG Operating, LLC's Case-in-Chief:

Witnesses:

Sean Johnson

Direct Examination by Mr. Hall
Cross-Examination by Examiner Goetze
Cross-Examination by Examiner Ezeanyim

6
23
24

Kelli A. Snidow:

Direct Examination by Mr. Hall
Cross-Examination by Examiner Goetze
Cross-Examination by Examiner Ezeanyim

32
38
39

Proceedings Conclude

46

Certificate of Court Reporter

47

EXHIBITS OFFERED AND ADMITTED

	PAGE
1	
2	
3	COG Operating, LLC Exhibit Numbers 1 through 7, Cases 15029 and 15030, and 2A, Case 15030
4	23
5	COG Operating, LLC Exhibit Number 8 through 11, Cases 15029 and 15030
6	38
7	COG Operating, LLC Exhibit Numbers 12 and 13, Cases 15029 and 15030
8	32
9	
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

(8:21 a.m.)

EXAMINER GOETZE: So let's go ahead and call Case 15029, application of COG Operating, LLC for designation of a nonstandard spacing unit and compulsory pooling, Lea County, New Mexico.

Call for appearances.

MR. HALL: Mr. Examiner, Scott Hall with Montgomery & Andrews law firm, Santa Fe, appearing on behalf of the Applicant, COG Operating. I have two witnesses this morning, which I'd ask to be sworn. And also I ask that Case Number 15030 also be called and both cases heard simultaneously for entry of separate orders. They involve the same section of land and similar testimony.

MR. BRUCE: Mr. Examiner, Jim Bruce. I'm entering an appearance on behalf of CML Exploration. I have no witnesses.

EXAMINER GOETZE: Very good. At the request of the Applicant, we will consolidate Case Number 15029 with Case 15030. Case Number 15030 is application of COG Operating, LLC for designation of a nonstandard spacing unit for compulsory pooling, Lea County, New Mexico.

Could you have your witnesses stand and

1 identify themselves for the clerk [sic] and the clerk
2 [sic] shall swear you.

3 MR. HALL: State your names for the record.

4 MR. JOHNSON: Sean Johnson, S-E-A-N.

5 MS. SNIDOW: Kelli Snidow.

6 (Mr. Johnson and Ms. Snidow sworn.)

7 EXAMINER GOETZE: Proceed, Mr. Hall.

8 MR. HALL: At this time, Mr. Examiner, I'd
9 call Mr. Sean Johnson to the witness stand, please.

10 Mr. Examiner, we've placed before you two
11 sets of exhibits. One is for Case 15029, which are the
12 exhibits for the well designated Flat Head Federal Com
13 #8H, and the other set for the Pan Head Fee #4H. The
14 exhibits are highly similar. They differ with respect
15 to actual acreage, but both spacing units are within
16 Section 9. Ownership differs somewhat. We'll try to
17 point out those differences. The geology exhibits are
18 basically the same. Both applications ask for 200-acre
19 spacing and proration units for the project areas for
20 the wells.

21 What I'll try to do is have the witnesses
22 go back and forth between the same set of exhibits for
23 each case for the same questions, and where there are
24 differences, we'll try to catch those for you, point
25 those out to you.

1 EXAMINER GOETZE: Very good.

2 MR. HALL: Hope that's not too cumbersome
3 for us. We'll give that a try.

4 SEAN JOHNSON,
5 after having been previously sworn under oath, was
6 questioned and testified as follows:

7 DIRECT EXAMINATION

8 BY MR. HALL:

9 Q. Mr. Johnson, for the record, state your name
10 and tell us where you live.

11 A. Sean Johnson, Midland, Texas.

12 Q. Mr. Johnson, by whom are you employed and in
13 what capacity?

14 A. COG Operating, LLC, as a landman.

15 Q. And have you previously testified before the
16 Division Examiners and had your credentials as an expert
17 petroleum landman established as a matter of record?

18 A. Yes, I have.

19 Q. You're familiar with the well and the lands
20 that are subject to the application of this case?

21 A. I am.

22 MR. HALL: At this time, Mr. Examiner, we
23 would re-offer Mr. Johnson as a qualified expert
24 petroleum landman.

25 EXAMINER GOETZE: So qualified.

1 MR. HALL: That would be for both cases.

2 Q. (BY MR. HALL) Mr. Johnson, tell the Examiners
3 in each case what COG is asking the Division to do.

4 A. For each case, one being our Flat Head Fed Com
5 #8 located in Township 17 South, Range 32 East, Section
6 11, in the east half-east half of Section 11 and the
7 northeast-northeast quarter of Section 14. And for the
8 Pan Head Fee #4H located in Township 17 South, Range 32
9 East, Section 11, the east half-west half of that
10 section.

11 And also in 17 South, Range 32 East,
12 Section 14, the northeast-northwest quarter, we are
13 seeking an approved order for our nonstandard spacing
14 unit for both wells and also seeking to pool all the
15 mineral interests located within the proposed
16 nonstandard spacing unit as to the Yeso Formation
17 located within the west Maljamar-Yeso pool.

18 Q. Are you also asking the Division to approve the
19 cost of the drilling and completing the wells, the
20 allocation of those costs, along with actual operating
21 costs and charges for supervision among the owners, as
22 well as designation of COG, its operator, in imposing a
23 charge for the risk of drilling the wells?

24 A. Yes, we are.

25 Q. And you've prepared certain exhibits for

1 introduction of both of these cases. Let's try to do
2 these at the same time. If you would turn to Exhibit 1
3 in each stack of exhibits. Let's start with Exhibit 1
4 for the Flat Head Federal Com 8H, and tell us what this
5 shows us.

6 A. Okay. In front of you, Exhibit 1 is just a
7 land plat depicting COG's proposed nonstandard spacing
8 unit for the Flat Head Fed Com #8H located in Township
9 17 South, Range 32 East, Section 11, east half-east half
10 of that section, and then also same township section,
11 but -- same township and range but Section 14, the
12 northeast-northeast quarter, being a 200-acre proposed
13 nonstandard spacing unit. As you'll see in front of
14 you, the proposed unit is comprised of three tracts.
15 The first tract being 80 acres, with COG owning the
16 majority interest; the second tract, COG owning 100
17 percent; and Tract 3 in the northeast-northeast of
18 Section 13 with COG owning the majority interest, a
19 little over 53 percent.

20 Q. And for the Pan Head Fee 4H well?

21 A. It's similar as to the Flat Head Fed Com, but
22 we'll move over to the west half of the section. So in
23 front of you in Exhibit 1 for the Pan Head Fee 4H, the
24 same thing. It's a land plat depicting our proposed
25 nonstandard spacing unit comprised of four tracts, still

1 being a 200-acre proposed unit; Tract 1 being in the
2 east half-northwest of Section 11, with COG owning a
3 little over 96 percent of that tract; Tract 2 being in
4 the northeast-southwest of Section 11, COG owning a
5 majority with a little over 92 percent; Tract 3 being in
6 the southeast-southwest of Section 11, and COG owning
7 the majority with 62-and-a-half percent. And Tract 4
8 moves down into the northeast-northwest of Section 14,
9 COG owning 100 percent.

10 Q. So for each well on a unit basis, could you
11 tell the Examiner what is Concho's working interest
12 control? How much working interest is committed?

13 A. If you flip to the next page on the same
14 exhibit, at the bottom -- on the top is just a tract
15 breakdown, kind of what I just explained, but below that
16 is a unit recap of the entire unit and the percentage
17 that each party contributes.

18 So for the Flat Head, COG's majority
19 interest is 77.0428281 percent of a 200-acre proposed
20 unit. And moving over to the Pan Head Fee #4H, COG is
21 majority interest owner, owning 89.710656 percent in the
22 200-acre proposed unit.

23 Q. Let's identify the owners you seek to pool
24 starting with the Flat Head well first. It's a little
25 easier.

1 A. Yeah. In the Flat Head Fed Com #8H, the only
2 interest owner we are seeking to pool is Golden Triangle
3 Royalty, Inc.

4 Q. And we look at the stack of exhibits for the
5 Pan Head Fee 4H, we have an Exhibit 2A there. Could you
6 identify that for us? Tell us what that shows.

7 A. Yeah. Exhibit 2A was just AFE notices to
8 parties, so all the interest owners that were located
9 within the proposed unit. And as you can see indicated
10 beside each one of the -- each one of the owners have
11 indicated what COG is trying to do. So as you can see,
12 there are quite a few interest owners that are needing
13 to be force pooled. So all the interest owners that you
14 see located on Exhibit 2A, COG is seeking to pool.

15 Q. And where we see highlighted in parentheses,
16 "forced pool unleased," those are the interest owners
17 not in the well currently?

18 A. Correct.

19 Q. Against those two unleased interest owners,
20 does COG seek the imposition of a 200-percent risk
21 penalty?

22 A. Yes, we do.

23 Q. And let's look at the following exhibits,
24 Exhibit 3 in each case. Is Exhibit 3 a compilation of
25 letters -- sample letters to lease owners and unleased

1 mineral owners attempting to obtain their participation
2 in the well?

3 A. Yes, it is.

4 Q. Let's start with the Flat Head Fed Com H. If
5 you would just briefly explain what those letters show
6 to the Hearing Examiner, and give us a summary of your
7 efforts to try to obtain participation of those claims.

8 A. Starting with the Flat Head Fed Com #8H, the
9 first letter that you'll see is our AFE proposal letter
10 that we would send to our unleased mineral interest
11 owners basically stating the well that we're proposing,
12 the specific location of the well, the AFE costs, the
13 operating agreement which we're proposing the well
14 under, and then also lease terms; if they do not wish to
15 participate in the well, that COG seeks to acquire their
16 interest through an oil and gas lease. So that's the
17 first one.

18 The second letter that you see is basically
19 the exact same cover letter, AFE that we would send to
20 partners. Excuse me. This one is for leasehold owners.
21 It's the same thing: The proposal, the well, cost. The
22 only difference is it's offering term assignment terms
23 to acquire their interest if they did not elect to
24 participate in the well.

25 Q. And were these letters accompanied by an AFE?

1 A. Yes, they were.

2 Q. And that's shown to be part of that exhibit; is
3 that correct?

4 A. Correct.

5 MR. HALL: And, Mr. Examiner, we have a
6 blown-up version of the AFE as a separate exhibit. I
7 couldn't read this one at all.

8 Q. (BY MR. HALL) Now let's turn to the Pan Head
9 Fee 4H, if you would summarize your efforts to obtain
10 the interest owners in that well.

11 A. Yes. We've sent out AFEs to all the parties
12 that have been locatable at this time.

13 And for the parties that have been
14 unlocatable, we have had and currently have field
15 landmen that are brokers, working for COG Operating,
16 LLC, that are currently checking county records, and at
17 this time, we're unable to locate some of the parties.
18 They're also checking courthouse records, pending the
19 same steps. We have contacted some of the possible
20 heirs located on that list and are filtering through and
21 trying to figure out correct parties and who we need to
22 establish and try to acquire their interest through an
23 oil and gas lease.

24 Q. So while we're on the Pan Head, let's turn to
25 Exhibit 4. Tell us what that shows.

1 A. Exhibit 4 is the AFE notices of the parties to
2 whom which we sent AFEs or are unleased owners within
3 the proposed spacing units, and these are the owners in
4 which COG is seeking to pool. As you can see in the
5 parentheses and the highlighted parentheses, those are
6 indicated as which owners that COG is seeking to pool.

7 Q. If we turn to the third and fourth pages of
8 Exhibit 4 in Case Number 15030, you're identifying a
9 number of royalty -- overriding royalty interest owners;
10 is that correct?

11 A. Yes, that is correct.

12 Q. Are you seeking to pool those interests?

13 A. Yes, we are.

14 Q. Explain why that is.

15 A. The interest owners that you'll see on the
16 third and fourth pages, those are royalty interest
17 owners and overriding royalty interest owners that have
18 been created. The lease that COG has currently obtained
19 its interest from was an earlier lease that did not
20 contain any pooling language, and then all of the
21 subsequent assignments creating overrides for some of
22 the overriding royalty interest parties listed on this
23 exhibit did not contain pooling language as well. So
24 that's why COG is seeking to pool the interest owners
25 that you see located on these two pages.

1 Q. Is COG seeking to recover well costs against
2 these royalty override owners?

3 A. No, we're not.

4 Q. Simply seeking to consolidate the interest in
5 the spacing unit; is that correct?

6 A. Yes, that's correct.

7 Q. Now, let's turn to Exhibit 4 in the other case,
8 15029. I think you've already discussed this exhibit,
9 but tell us again. Is Golden Triangle the only
10 outstanding interest?

11 A. Yes, that is correct.

12 Q. And Devon is participating in this well?

13 A. Yes, they are.

14 Q. Let's look at the next exhibit, your AFE.

15 First let me ask you: For both wells, were
16 there any interest owners you were unable to locate?

17 A. Yes, there were.

18 Q. And was a legal notice placed in the Hobbs
19 newspaper attempting to notify those interest owners?

20 A. Yes, there were.

21 MR. HALL: That will be an upcoming
22 exhibit, Mr. Examiner.

23 EXAMINER GOETZE: Okay.

24 Q. (BY MR. HALL) In your opinion, Mr. Johnson, has
25 COG made a good-faith effort to locate all of the

1 interest owners in both of the wells and made a
2 good-faith effort to obtain their voluntary
3 participation?

4 A. Yes, we have.

5 Q. And has COG acted with diligence in developing
6 this acreage?

7 A. Yes, we have.

8 Q. Let's briefly look at Exhibit 5. We didn't
9 cover that earlier. Are those the AFEs for the wells?

10 A. Yes, they are.

11 Q. And except for the acreage, are the costs
12 identical in each case?

13 A. Yes, they are.

14 Q. Would you tell us what the dry-hole costs and
15 completed-well costs are?

16 A. The dry-hole costs for both wells are
17 1,774,000, and completed well costs for both wells is
18 5,296,000.

19 Q. And are those costs in line with what's being
20 charged by other operators for similar wells in the
21 area?

22 A. Yes, they are.

23 Q. And have you made an estimate of the overhead
24 administrative costs while drilling and producing the
25 well?

1 A. Yes, we have.

2 Q. What are you seeking for that?

3 A. 6,000 a month drilling, 600 a month producing.

4 Q. Are you asking that those rates be incorporated
5 in any order produced from these hearings?

6 A. Yes, we are.

7 Q. Are you also asking that the order provide for
8 an adjustment on the drilling and producing overhead
9 rates in accordance with the current COPAS bulletin?

10 A. Yes, we are.

11 Q. Let's move on to Exhibit 6. You had indicated
12 Devon's participation in this project. Would you tell
13 the Examiner a little bit more about that?

14 And if you would refer back to some cases
15 that were pending on the Division's docket a couple of
16 months ago. Those were Cases 14951, 14952, 14953 and
17 14954. Those were all applications filed by Devon to
18 develop the acreage in Section 14. And then there was
19 an additional case, Case Number 14975, an application
20 that Concho had filed to develop a stand-up well unit on
21 240 acres in Sections 11 and 14. Could you give the
22 Hearing Examiner a brief overview of what that case was
23 all about, the issues involved there?

24 A. Yes. The cases that Scott was referring to,
25 COG had proposed 240-acre spacing units, north-to-south

1 orientation, running all the way through Section 11,
2 into the north half of Section 14. COG currently has a
3 term assignment curving [sic] the northwest quarter of
4 14 that was going to be unable to be developed because
5 of the lack of participation and Devon's willingness to
6 drill that during the time limits that we had to hold
7 that term assignment.

8 As you can see in front of you is a land
9 plat depicting COG's acreage. It's highlighted in
10 yellow, and Devon's acreage is highlighted in 14. We
11 ended up coming to an agreement with Devon where we
12 would trade out of our acreage in the south half of the
13 northwest quarter, that was subject to a term assignment
14 with Marathon that COG was subject to -- and Devon owned
15 the northeast quarter 100 percent -- for Devon's
16 undivided interest in the north half of the northeast
17 quarter of Section 14. So COG would be able to develop
18 its acreage, hold its term assignment and still have
19 operations in the north half-north half of 14, and Devon
20 would be able to still obtain operations in the south
21 half and the north half of 14 and go along with the rest
22 of Section 14 east-to-west lateral development on the
23 sections.

24 Q. Let me ask you a little bit more about the term
25 assignment. Did the term assignment have a continuous

1 development provision in it?

2 A. Yes, it did. It's currently in its continuous
3 development phase right now.

4 Q. And did that provision require Concho to
5 basically drill to earn acreage -- drill to retain
6 acreage?

7 A. Yes, it did.

8 Q. And if the acreage is not drilled, would the
9 acreage be lost?

10 A. There would be a substantial amount of acreage
11 lost underneath that term assignment.

12 Q. And as a result of the agreement that COG
13 reached with Devon, was the loss of acreage associated
14 with the earlier case prevented for the time being?

15 A. Yes, it was.

16 Q. That agreement allowed for the previous cases
17 to be dismissed; is that correct?

18 A. Yes, that is correct.

19 Q. Now, with the agreement with Devon in hand,
20 does the agreement between those two operators allow for
21 the coordinated development of Sections 11 and 14?

22 A. Yes, it does.

23 Q. Let's look at Exhibit Number 6. If you could
24 identify that, and then explain to the Examiner how your
25 agreement will allow for coordinated development for

1 those two sections.

2 A. Scott, are you referring to this exhibit --

3 Q. Yes.

4 A. -- Number 6?

5 Q. Correct.

6 A. Underneath the letter agreement that we have
7 entered into with Devon for coordinated development of
8 Sections 11 and 14, it would still allow COG to drill
9 its mile-and-a-quarter laterals to hold its acreage
10 subject to -- there are two term assignments now that's
11 pending on this. There's one with Marathon, that would
12 allow for the Pan Head to reach into the north half of
13 the northwest quarter. And then also underneath the
14 letter agreement that we had entered into with Devon,
15 the acreage that we traded with Devon put an 18-month
16 term assignment affecting our Flat Head Fed Com well for
17 the north half of the northeast quarter.

18 So it would allow for COG to not only hold
19 its acreage traded into with Devon, but it would also
20 allow for the Pan Head Fee #4H for COG to drill and
21 develop its acreage underneath the rather large
22 substantial term assignment that COG is subject to with
23 Marathon.

24 Q. And if we look at Exhibit 6, what does it show
25 us with respect to the actual number of surface

1 locations that would result under this plan?

2 A. Well, you're looking at less surface
3 disturbance because of the mile-and-a-quarter laterals
4 proposed by COG. So you would have two less surface
5 locations in the north half-north half of 14.

6 Q. Tell us about some of the other steps that COG
7 has done to get ready to drill this acreage. First of
8 all, is this acreage under a Conservation Candidate
9 Agreement?

10 A. It is. The acreage is enrolled in a CCAA.

11 Q. Explain to the Hearing Examiner what that
12 agreement does.

13 A. Basically, the CCAA is a regulatory agency
14 identified by the BLM for, like, potential sand dune
15 lizards, the prairie chickens. And that agreement, when
16 you enroll that acreage, is basically saying that the
17 company, when they enroll that acreage and they get
18 ready to develop and operate that acreage, that we'll
19 go -- the company will take its best efforts in abiding
20 by that -- abiding by that agreement.

21 So there are steps that you have to take
22 once the acreage is enrolled. You also have to get
23 approval through CEHMM, which is a regulatory agency on
24 behalf of the CCAA to even obtain your permits to drill.
25 So in regards to the -- that's basically it on the CCAA.

1 Q. Has COG obtained its clearances from CEHMM?

2 A. Yes, it has.

3 Q. And have either of the locations for these two
4 wells been built?

5 A. Yes. The Pan Head Fee #4H location is built,
6 and we do have an approved APD right now. We also have
7 our surface use agreement in place and landowner paid as
8 well. And I'll also state that that is the next
9 location that we are moving to underneath that term
10 assignment, the only location that we have to move to
11 underneath that term assignment to drill and hold our
12 acreage.

13 Q. Overall, if the Division fails to act on or
14 approve the applications in these two cases, what will
15 be the effect on the settlement agreement between COG
16 and Devon and on COG's acreage under the term
17 assignment?

18 A. Underneath the term assignment with Marathon,
19 we would end up losing over 800-plus net acres
20 underneath the term assignment, which is quite a few
21 horizontal locations for COG to develop.

22 And then also underneath the agreement with
23 Devon, their acreage would revert back to them. We
24 would not be able to develop that acreage. Devon would
25 still have our acreage that we traded them, and that

1 term assignment would expire as well.

2 Q. So you would actually lose title to some of the
3 term assignment acreage; is that correct?

4 A. That is correct.

5 Q. And you would end up with a drilling rig with
6 no place to go?

7 A. That is correct.

8 Q. When does COG plan to commence drilling for
9 these wells?

10 A. Currently, we have an approximate spud date of
11 December 1st for the Pan Head Fee #4H.

12 Q. Let's look at Exhibit Number 7 in each of the
13 cases. Do those exhibits identify the offsetting
14 operators to whom notice of the nonstandard spacing unit
15 and project area was provided?

16 A. Yes, they do.

17 Q. And did COG receive any objections to its
18 applications from those operators?

19 A. No, we did not.

20 Q. Mr. Johnson, in your opinion, would granting
21 COG's application be in the best interest of
22 conservation, the prevention of waste and the protection
23 of correlative rights?

24 A. Yes, it would.

25 Q. Were Exhibits 1 through 7 prepared by you or at

1 your direction?

2 A. Yes, they were.

3 MR. HALL: At this time, Mr. Examiner, we
4 would move the admission of Exhibits 1 through 7, and
5 that concludes our direct examination of this witness.

6 EXAMINER GOETZE: And for Case 15029,
7 Exhibits 1 through 7 are admitted, and for Case 15030,
8 Exhibits 1 through 7 are accepted.

9 (COG Operating Exhibit Numbers 1 through 7
10 for Cases 15029 and 15030 were offered and
11 admitted into evidence.)

12 EXAMINER GOETZE: Mr. Bruce, any questions?

13 MR. BRUCE: No questions.

14 MR. HALL: One additional exhibit I should
15 cover is Exhibit 2A, which we had in Case Number 15030.

16 EXAMINER GOETZE: Exhibit 2A for Case 15030
17 is also admitted.

18 (COG Operating Exhibit Number 2A, Case
19 15030, was offered and admitted into
20 evidence.)

21 EXAMINER GOETZE: One question from me.

22 CROSS-EXAMINATION

23 BY EXAMINER GOETZE:

24 Q. These are both standard sections, 640?

25 A. Yes, sir, that's correct.

1 Q. So there is no internal loss.

2 EXAMINER GOETZE: And most of my questions
3 will be for the next witness.

4 Mr. Ezeanyim?

5 EXAMINER EZEANYIM: Does Mr. Bruce have
6 anything?

7 EXAMINER GOETZE: No.

8 CROSS-EXAMINATION

9 BY EXAMINER EZEANYIM:

10 Q. What is your name?

11 A. Sean Johnson.

12 Q. Where did you get the Flat Head and Pan Head?

13 A. The names (laughter)?

14 Q. Did you get the name, or how did you get that
15 name?

16 A. Usually our geologists, our engineers pick the
17 name. And one of our engineers who picked this name,
18 he's a -- he likes to ride Harleys and motorcycles, and
19 it has to do with -- associated with that. I'm not too
20 familiar with --

21 Q. So most of these names you choose whatever you
22 want?

23 A. Yes, sir (laughter).

24 Q. You know, it's kind of funny. Well, that's
25 good. I mean, he must be a laugh.

1 Before we go to some of the AFEs, I want to
2 see what you have here. If you look at those -- maybe
3 I'll start with this, because I think what I get from --
4 these two (indicating). I was trying to take notes, but
5 I didn't understand you. In both cases, I see -- what
6 is happening with these? Are these proposed and agreed
7 to between both parties?

8 A. Yes, they are. And this exhibit just shows you
9 the overall section development of both parties; COG
10 being indicated in the yellow, with our
11 mile-and-a-quarter laterals proposed, and then Devon's
12 acreage in blue.

13 Q. And that's a continuing settlement agreement
14 between both parties?

15 A. Yes, sir. There is a letter agreement in place
16 that shows coordinated development of how both sections
17 will be developed.

18 Q. Okay. That's good.

19 And I know who COG is, and Devon is coming
20 out now. And you agree -- how many ways are you going
21 to drill? Are you going to drill from one pad or two?
22 How many pads are you going to have?

23 A. There will not be -- they will not all be from
24 one pad.

25 Q. Maybe two? Three?

1 A. Per spacing unit, approximately -- I'm going to
2 say two pads.

3 Q. How many laterals?

4 A. Eight laterals.

5 Q. Eight laterals. You are going to drill 240?

6 A. Correct.

7 Q. And Devon is going to drill about six laterals
8 east-west?

9 A. Correct.

10 Q. And the agreement in the book now is that those
11 two sections will be developed on that agreement?

12 A. That is correct.

13 Q. Okay. Now, the parties you are pooling, they
14 are not working interest; they are just royalty
15 interests? Who are you pooling here?

16 A. In the Flat Head Fed Com, there were -- in the
17 Flat Head and the Pan Head, there were unleased owners
18 that at this time are unlocatable, and we currently have
19 our field brokers, working for COG, searching the county
20 records, the courthouse records trying to establish who
21 these parties or their heirs may be. And I, personally,
22 in-house have established contact with some of the
23 parties, and I am currently negotiating oil and gas
24 leases to try to secure their interest.

25 Q. So what you're saying is that the parties you

1 are pooling, you didn't locate them? Anybody that's
2 been located is participating in these wells?

3 A. Correct.

4 Q. Oh, man. They should be here. You know, I
5 love this, because that's why I ask all those questions.
6 And Mr. Bruce always gets frustrated with me, but I've
7 got to do my job. But when I see these, I'm just
8 delighted in how this is happening, because those two
9 sections are taken care of with this coordinated
10 development. I understand that where an operator has
11 the lease, they have the right to develop it. They have
12 the right. I mean, I understand that. But when they
13 want to develop that lease and then leave a stranded
14 party, then it becomes my job, not yours, to determine
15 how do we develop that stranded acreage without inducing
16 waste or without, you know, impairing correlative
17 rights. If I'm working for COG or Devon, I don't care
18 about those, but on the other side of the desk, you care
19 about that because that's what the Commission tells us
20 to do. And that's why when I talk about it, people get
21 mad at me, but we are trying to do a job and help you do
22 it.

23 Operators must develop acreage they own;
24 you have the right to do that, but the manner of doing
25 it is the question. If everybody understands that, then

1 I think we'll be in, you know, business here.

2 If I'm COG -- what COG did in trying to go
3 to Devon and get this agreement, it's very, very
4 helpful, but if you leave acreage scattered around, then
5 I'm wondering, how am I going to do that? And they're
6 asking as well, This acreage, what am I going to do with
7 this? What do I answer? I don't know, but here is the
8 answer to those questions (indicating). Those two
9 sections can be developed with this horizontal well
10 assuming that in that pool we have the Yeso -- is this
11 Yeso or --

12 MR. HALL: Yes. It's the common source of
13 the supply.

14 Q. (BY EXAMINER EZEANYIM) In Section 11, you drill
15 north-south. In Section 14, you drill east-west.
16 Again, that's where I have to look and see if it is
17 really the most efficient manner of developing those two
18 acreages. Those are the questions.

19 But the land issue that you've presented is
20 very comforting. I mean, this agreement is now in place
21 for what I see here. I'm very much encouraged by that.
22 You know, it's when I see one -- you know, a 40-acre
23 between two horizontal wells, I don't know what to do.
24 And none of you want to drill vertical wells anymore.
25 Then it becomes my job to see what are we going to do

1 with the stranded acre. So before you can appear here,
2 you can do the -- very, very carefully. And that's why
3 I always say, if you have an agreement, I mean, you
4 don't have to come here and waste everybody's time. Go
5 ahead and do whatever you need to do. However, we still
6 need to ask some questions.

7 Now that I have this (indicating), it
8 answers one of these questions.

9 And in your good-faith effort -- how do you
10 call it? Good-faith effort, you couldn't find those,
11 and you don't know what happened to them? The people
12 you are pooling today, you can't find them?

13 A. Correct.

14 Q. To locate them?

15 A. Correct. As of right now, we have not located
16 some of the parties, but we have our field broker,
17 landman contractor working on behalf of COG currently,
18 still searching the courthouses and the county records.

19 Q. Okay. Very good.

20 Now, I might ask this question now. Using
21 this (indicating), Case Numbers 14951 through 14975,
22 that were continued, we dismissed them because of this?

23 A. Correct.

24 Q. That's why we dismissed those cases?

25 A. (Indicating.)

1 Q. Excellent.

2 So you already have an APD?

3 A. We do.

4 Q. Is this federal acreage?

5 A. The Pan Head Fee 4H, that's all fee. The Flat
6 Head Fed Com, it's fee acreage going down into the
7 northeast-northeast of 14, which is federal.

8 Q. And you've gotten an APD for both?

9 A. We've submitted for our APD for the Flat Head,
10 but the Pan Head, we currently have an approved APD for
11 that.

12 Q. Okay. Very good.

13 And, therefore, you should have an API
14 number, then?

15 A. We do. And if you refer back to -- for the Pan
16 Head Fee #4H, Exhibit Number 1, under the heading, I've
17 provided the API number.

18 Q. API number is there?

19 A. Correct.

20 Q. So your drilling starts in December. Are you
21 going to drill them concurrently, or how are you going
22 to drill them?

23 A. The way that our letter agreement reads with
24 Devon, we've drilled our last location underneath our
25 Marathon term assignment that we had approved location

1 ready to go.

2 Underneath the letter agreement with Devon,
3 our next location was specifically stated as the Pan
4 Head Fee #4H, which was in Case 15030. And then after
5 that, that'll allow Devon to develop their acreage that
6 they traded into in the south half of the northwest
7 quarter of 14. And then after that, we'll move to our
8 Flat head Fed Com to earn the acreage underneath the
9 letter agreement.

10 Q. And those horizontal wells in Section 14 by
11 Devon, they have not been drilled, right?

12 A. Correct, they have not.

13 Q. Okay. That'll be interesting.

14 Okay. That's all I have for you.

15 A. Thank you.

16 Q. Good job.

17 EXAMINER GOETZE: One quick question.
18 Pooling. We just want the Yeso Formation?

19 MR. HALL: The geologist will address that.
20 But, right, we had asked for the entire vertical extent
21 of the pool, the West Maljamar-Yeso. I have the pool
22 number.

23 EXAMINER GOETZE: Okay. That's fine.

24 MR. HALL: Mr. Examiner, I also point
25 out -- Mr. Ezeanyim, you asked about the unlocatable.

1 If you would go to Exhibit 13 in each of the cases,
2 that's the Affidavit of Publication in each of the cases
3 from the Hobbs newspaper, and you can look at that. And
4 we have identified the last known interest owners of
5 record who we cannot currently locate. It's not --
6 ownership has not been identified, but the individuals
7 can't be located.

8 EXAMINER GOETZE: Would you like to put
9 Number 13 in the record?

10 MR. HALL: Sure. I'll move the admission
11 of Exhibits 12 and 13 in each case. 12 is my affidavit
12 in the cases, and 13 is the advertisement in the
13 newspaper.

14 EXAMINER GOETZE: Both are admitted for
15 both cases, Exhibits 12 and 13.

16 (COG Operating Exhibit Numbers 12 and 13,
17 Cases 15029 and 15030, were offered and
18 admitted into evidence.)

19 MR. HALL: If there is nothing further of
20 this witness, I'd call Kelli Snidow to the stand.

21 KELLI A. SNIDOW,
22 after having been previously sworn under oath, was
23 questioned and testified as follows:

24 DIRECT EXAMINATION

25 BY MR. HALL:

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

2 A. Kelli Snidow.

3 Q. Ms. Snidow, where do you live, and by whom are
4 you employed?

5 A. I live in Midland, Texas, and I'm employed by
6 COG Operating.

7 Q. In what capacity?

8 A. As a geologist.

9 Q. You've previously testified before the Division
10 and had your credentials as an expert petroleum
11 geologist accepted as a matter of record; is that
12 correct?

13 A. Yes, I have.

14 Q. And you're familiar with the lands and the
15 wells that are the subject of the two applications
16 today?

17 A. Yes.

18 MR. HALL: Mr. Examiner, we would re-offer
19 Ms. Snidow as an expert petroleum geologist.

20 EXAMINER GOETZE: So qualified.

21 Q. (BY MR. HALL) Ms. Snidow, if you would turn to
22 Exhibit 8 in each case. Would you identify those for
23 the Examiner and just explain what we're showing here?

24 A. Sure. So both Exhibits 8, they both represent
25 a wellbore schematic for each of the representative

1 wells, as well as the completion schematic. The red
2 line is the wellbore diagram, essentially, for both of
3 these wells. And you'll notice a south to north on
4 either side of the schematic, indicating the direction
5 that the well will be drilled. The surface-hole
6 location is also located on this exhibit.

7 Q. And the exhibits are the same except for the
8 pooling location shown; is that correct?

9 A. That is correct.

10 Q. Now, in the case of each of the wells, is the
11 completed interval shown?

12 A. It is shown, that's correct. Uh-huh.

13 Q. And can you identify that for the Hearing
14 Examiner. Where would that be?

15 A. Sure. On the Pan Head 4H completion, on the
16 right-hand side, there is a light-blue dash line. The
17 completion would extend no further past that and would
18 extend all the way to the TD on that well, on the left
19 side of that wellbore diagram.

20 For the Flat Head Fed Com 8H, on the
21 left-hand side, down on the red wellbore diagram, there
22 is a dark-blue line indicating that the openhole packer
23 would be set no further than 990 from the north line of
24 Section 14, and then the completions would extend all
25 the way to the end of that wellbore at TD.

1 Q. So from the pitch [sic] of each well, can the
2 completed interval be located entirely within the
3 producing area -- or the project area for the wells?

4 A. Yes.

5 Q. And can the completed interval be produced in
6 conformity with the setbacks for this pool?

7 A. Yes.

8 Q. Let's turn to your geology exhibits, Exhibits
9 9, 10 and 11. By referring to these, can you give the
10 Hearing Examiner an overview of the geology in the Yeso,
11 Paddock and the Blinebry in the area of these two
12 spacing units?

13 A. Yes. For both of these maps, highlighted in
14 yellow is the COG acreage that we are referencing today.
15 On the Pan Head 4H map, there is a red line indicating a
16 wellbore. This is a structure map on the top of the
17 Paddock Formation, a 50-foot contour interval. And
18 these maps, they also have on them coloring -- red and
19 blue coloring for Paddock producers and Blinebry
20 producers in the area.

21 Both of these maps indicate that the
22 structure is dipping to the east, and both of these maps
23 indicate that there is no faulting or pinch-outs or
24 other geologic impediments developing in this area with
25 horizontal wells.

1 Q. Let's turn to Exhibit 10.

2 A. So Exhibit 10 for both of these is essentially
3 the same. It is the cross-section line that is shown in
4 the next exhibit, 11. So this is A to A prime. So A in
5 the northwest, and A prime in the southeast. That is to
6 locate yourself on the cross section.

7 Q. All right. Let's look at the cross section,
8 Exhibit 11. Would you elaborate on that, please?

9 A. Yes. So both of these are the same as well
10 because it is the same area. So what we have here is
11 the A to A prime. Up in the top, you can identify
12 those. And then we have highlighted the Yeso Formation.
13 The Glorieta is highlighted in yellow. The Paddock is
14 highlighted in green, and the Blinberry is highlighted in
15 red. And these indicate the uniform thickness of these
16 formations throughout the area based on this A to A
17 prime cross section.

18 Q. We've given the Hearing Examiner a blown-up
19 version of the cross sections of these?

20 A. Yes.

21 Q. I can't read mine, but does the cross section
22 show the West Maljamar-Yeso pools on the well logs?

23 A. Yes, it does. It shows, again, the uniform
24 thickness of the Yeso Formations throughout the area.

25 Q. And COG is seeking to pool the entire vertical

1 of the Yeso Formation; is that right?

2 A. Yes.

3 Q. Let's talk about stand-up versus lay-down.

4 Does the north-south line conflict with any established
5 pattern in this area?

6 A. No, it does not. If you note the previous
7 exhibits, there is no other horizontal development yet
8 in this area.

9 Q. It's mostly been drilled by vertical?

10 A. That's correct, vertical production
11 historically.

12 Q. Doesn't matter whether the horizontals are done
13 by lay-downs or stand-ups?

14 A. No.

15 Q. In your opinion, do you consider the
16 development that COG and Devon are proposing to be
17 exploration drilling or developmental drilling?

18 A. I believe these will be developmental drilling
19 based on the historical vertical Yeso production in the
20 area.

21 Q. Do you have an opinion about the value of the
22 loss of reserves or title attributable to the northwest
23 quarter of Section 14 that might result if the
24 applications are not approved and the term assignment
25 expires?

1 A. Yes. In my opinion, and without divulging
2 proprietary information, I believe it would be a
3 substantial loss, as indicated by our desire to drill
4 two \$5 million wells.

5 Q. In your opinion, would granting COG's
6 application be in the best interest of conservation, the
7 prevention of waste and the protection of correlative
8 rights?

9 A. Yes.

10 Q. Were Exhibits 8 through 11 prepared by you?

11 A. Yes.

12 MR. HALL: That concludes my direct
13 examination of this witness. I'd move the admission of
14 Exhibits 8, 9, 10 and 11.

15 EXAMINER GOETZE: Exhibits 8, 9, 10 and 11
16 are admitted for both cases.

17 (COG Operating Exhibit Numbers 8 through
18 11, Cases 15029 and 15030, were offered and
19 admitted into evidence.)

20 EXAMINER GOETZE: Any questions, Mr. Bruce.

21 MR. BRUCE: No questions.

22 CROSS-EXAMINATION

23 BY EXAMINER GOETZE:

24 Q. I have a question regarding -- we're going
25 south to north on one, and then we're going south to

1 north and north to south. Is there a reason for the
2 altering of drilling patterns?

3 A. Yes. I do believe that is in reference to the
4 land situation.

5 Q. And this is -- surface restrictions are
6 basically in the agreement?

7 A. Yes.

8 Q. And where exactly -- which formation are you
9 going to be drilling into per se?

10 A. We will be drilling into the Blinebry.

11 Q. And then you're going to be reaching up to the
12 Paddock, hopefully?

13 A. No, sir. This will be a --

14 Q. Natural?

15 A. Yes. It's a horizontal, lateral -- a flat
16 horizontal in the Blinebry Formation.

17 Q. Other than that, the only thing I have to say,
18 it's probably the first time I've seen a straight cross.
19 Congratulations.

20 A. Oh, thank you.

21 EXAMINER GOETZE: Mr. Ezeanyim?

22 CROSS-EXAMINATION

23 BY EXAMINER EZEANYIM:

24 Q. I need to have more information on that unit.
25 I know it might be -- if I can have an offset [sic] on

1 that, that would really help me on that. But you don't
2 have to do that.

3 What I would really ask you to do here is
4 say the proposing [sic] party will draft an order in
5 this case. So in each case, you're going to mention
6 those certain agreements between COG and Devon, because
7 it's mentioned here in the record that you have an
8 agreement between Devon to develop this acreage that
9 way, and I need to have some information on that. So
10 instead of giving me your testimony only, I wanted to
11 see something on how you reached an agreement. So I'm
12 going to tell you to draft those two orders in each
13 case.

14 And I'm going to make sure there are
15 separate agreements, right?

16 MR. HALL: Yes, be glad to.

17 EXAMINER EZEANYIM: So that's what I need,
18 unless you want to give me -- I don't know how, but I
19 need to see that.

20 MR. HALL: I don't know, sitting here,
21 whether or not that's -- we'll give you all the
22 information that we can on that with respect to the
23 agreement between Devon and Concho. There is also a
24 term agreement.

25 EXAMINER EZEANYIM: I would really

1 appreciate that.

2 MR. HALL: We have a term assignment as
3 well. I can get that to you right away.

4 EXAMINER EZEANYIM: You know, I don't want
5 to keep you here today, until -- if it's really
6 necessary, if we require, then we go through the process
7 of keeping things conventional.

8 MR. HALL: Sure.

9 EXAMINER EZEANYIM: But in this case,
10 whatever you can give me, I can look at, you know. I
11 can look at it. However, I would like you to really
12 draft me something, and as soon as possible because I
13 want to look at this as presented today.

14 MR. HALL: I'll give you as much paper as
15 you want.

16 EXAMINER EZEANYIM: I don't need those
17 papers, but you know I like to streamline things. If
18 it's too voluminous, I don't want to read it because of
19 time.

20 Okay. Now, let's go back to the --

21 Q. (BY EXAMINER EZEANYIM) Did you have any net
22 isopach maps for this drilling program? I see the
23 gross. Do you have any isopach maps?

24 A. I do not have any with me.

25 Q. You know why I'm asking that question now? I'm

1 going to have to go back to this. Maybe you guys made
2 my day. I have to go back to this and look at whether
3 you're going north-south on this one, north-south side
4 or south-north, whatever, you know. Always bring that
5 net isopach map with you because what we normally put in
6 our order is that all quarter-quarter sections
7 contribute equally to the production of that well. So I
8 need to -- and I always make that point, that I want to
9 see that net isopach map to see whether or not you are
10 drilling into the pinch-out, you know, to see whether or
11 not all the quarter-quarter sections will contribute
12 equally, you are saying it right and not just guessing
13 or something. Then are you going to drill east-west? I
14 wanted to see how it contrasted with being east-west in
15 the same pool. But, you know, you don't have it, but
16 that's not a big problem.

17 MR. HALL: Make sure I understand. Do you
18 want us to follow up and provide you with one?

19 EXAMINER EZEANYIM: No, don't do that.
20 It's okay, because sometimes -- you know, most of these
21 isopach maps have something that -- I know how it is
22 because you don't want Devon to change their mind if
23 they want to go north-south. But that's okay. I mean,
24 that's really why I'm asking you that, to make sure you
25 guys agree it's right. Right?

1 MR. HALL: I want to make sure you're
2 satisfied that we have presented enough evidence
3 establishing that each of the 40-acre tracts is
4 contributing equally to the well.

5 EXAMINER EZEANYIM: I was asking you to
6 give me an isopach map, and I was sure that was
7 conditional information. They're really helpful. And I
8 think with all these -- I would be asking for them, but
9 in this case, I see that. I don't think really I need
10 it. If it's not given between -- if there is nobody to
11 pool -- although we wouldn't have seen it at all. There
12 is nobody to pool, right? If there is nobody to pool
13 and both of you have reached agreement, then you
14 shouldn't could have come here, and we wouldn't be
15 talking, right?

16 MR. HALL: Just one operator and a bunch of
17 folks with bad addresses.

18 EXAMINER EZEANYIM: Who is that operator?
19 Who is that operator?

20 MR. HALL: Golden Triangle.

21 EXAMINER EZEANYIM: You located them, and
22 they didn't want to participate?

23 MR. HALL: We didn't get a written
24 agreement back from them.

25 EXAMINER EZEANYIM: What is the nature of

1 the interest in this deal; do you know?

2 MR. HALL: It's in the Flat Head.

3 EXAMINER EZEANYIM: Yeah, I will find it.

4 MR. HALL: It's a ten-percent interest in
5 the Flat Head Unit.

6 EXAMINER EZEANYIM: And then how much --

7 MR. HALL: Ten percent.

8 EXAMINER EZEANYIM: In the Pan Head?

9 MR. HALL: No, just in the Flat Head, not
10 in the Pan Head, Case 150218 [sic]. They are not in
11 the --

12 EXAMINER EZEANYIM: Okay. Don't worry
13 about it.

14 Is that under a special pool rule?

15 MR. HALL: I have that.

16 EXAMINER EZEANYIM: I know we did a lot
17 of --

18 MR. HALL: I always put the pool numbers in
19 my applications, and I have that here. I'll leave you a
20 copy of that order.

21 EXAMINER EZEANYIM: Yeah. Is it on that
22 special pool rule, because we do have a special pool
23 rule for those Yeso shelves? Is that under that special
24 pool rule? That's usually what I'm asking, because some
25 of the special pool rules require you -- required by

1 some other --

2 MR. HALL: In terms of spacing and well
3 location, there is nothing unusual. There were some --
4 I believe, some allowable limitations -- increases,
5 actually. It's Order Number R-13382 E.

6 EXAMINER EZEANYIM: What? R-133 --

7 MR. HALL: R-13382 E.

8 EXAMINER EZEANYIM: Oh, okay.

9 MR. HALL: Remember that one?

10 EXAMINER EZEANYIM: Yeah, I remember that
11 one. Okay. I don't need it, because if I take it, you
12 might want to -- I mean, I don't need it. I just wanted
13 to know what it's under.

14 Okay. You may be excused. No further
15 questions.

16 EXAMINER GOETZE: Any other additional
17 presentation?

18 MR. HALL: That's all we have,
19 Mr. Examiner. We ask that the case be taken under
20 advisement.

21 EXAMINER GOETZE: Mr. Bruce?

22 MR. BRUCE: One thing, Mr. Examiner.
23 Examiner Ezeanyim referred to me as opposing counsel.
24 I'm here -- CML Exploration is an offset interest owner,
25 and they are in favor of -- what I want the Division to

1 know is that they are in favor of what COG is proposing
2 for these two wells.

3 And I also represent Devon Energy
4 Production Company, which has reached an agreement with
5 COG, but Devon doesn't think there is any special magic
6 to a 160-acre horizontal well unit. As things go along,
7 you're going to see more and more different sized
8 proposal units, larger units than 160 acres.

9 EXAMINER GOETZE: Very good. Thank you,
10 Mr. Bruce.

11 EXAMINER EZEANYIM: Well, let me make a
12 point on that. I didn't think you are opposing counsel,
13 but I have to use that word, not being an attorney. I
14 thought you were just entering an appearance on behalf
15 of your client.

16 I think it's important that you mention
17 that you are in support -- your client is in support of
18 this development. So we're going to be taking that into
19 consideration. You make the most important point at the
20 end. I was thinking that -- normally, people come in
21 here and enter an appearance in case they need to
22 appeal. But I didn't know you come here -- you could
23 have said, I'm here to support the program. So in that
24 case, we know where you stand. Now that you say that,
25 that is very, very important.

1 EXAMINER GOETZE: Case Number 15029 and
 2 Case 15030 are taken under advisement.
 3 (Case Numbers 15029 and 15030 conclude,
 4 9:22 a.m.)
 5
 6
 7
 8
 9
 10
 11
 12
 13
 14
 15
 16
 17
 18
 19
 20
 21
 22
 23
 24
 25

I hereby certify that the foregoing is
 a complete record of the proceedings in
 the Examiner hearing of Case No. 15029 &
 heard by me on 11/3/13 15030
 [Signature]
 Oil Conservation Division, Examiner

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified
6 Court Reporter No. 20, and Registered Professional
7 Reporter, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that
9 the foregoing pages are a true and correct transcript of
10 those proceedings that were reduced to printed form by
11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's
13 Record of the proceedings truly and accurately reflects
14 the exhibits, if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither
16 employed by nor related to any of the parties or
17 attorneys in this case and that I have no interest in
18 the final disposition of this case.

19

20

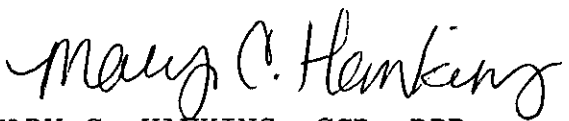
21

22

23

24

25


MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters, Inc.
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2013