

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 ENCANA OIL & GAS
(USA), INC. FOR APPROVAL OF THE
PONDEROSA UNIT, CREATION OF A NEW
POOL FOR HORIZONTAL DEVELOPMENT
WITHIN THE UNIT AREA, AND FOR
ALLOWANCE OF 330-FOOT SETBACKS
FROM THE EXTERIOR OF THE PROPOSED
UNIT, SAN JUAN COUNTY, NEW MEXICO.

CASE NO. 15471

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

June 9, 2016

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
MICHAEL McMILLAN, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Scott Dawson,
Chief Examiner, Michael McMillan, Technical Examiner,
and David K. Brooks, Legal Examiner, on Thursday, June
9, 2016, at the New Mexico Energy, Minerals and Natural
Resources Department, Wendell Chino Building, 1220 South
St. Francis Drive, Porter Hall, Room 102, Santa Fe,
New Mexico.

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1 (9:38 a.m.)

2 EXAMINER DAWSON: Back on the record now,
3 and we will continue with Case Number 15471. And this
4 is an application of Encana Oil & Gas (USA),
5 Incorporated for approval of the Ponderosa Unit,
6 creation of a new pool for horizontal development within
7 the unit area and for allowance of 330-foot setbacks
8 from the exterior of the proposed unit, San Juan County,
9 New Mexico.

10 Call for appearances, please.

11 MS. KESSLER: Mr. Examiner, Jordan Kessler
12 from the Santa Fe office of Holland & Hart, on behalf of
13 the Applicant.

14 EXAMINER DAWSON: And, Ms. Kessler, do you
15 have any witnesses?

16 MS. KESSLER: Mr. Examiner, I have two
17 witnesses today.

18 And I'd like to let the Division know the
19 allottees are present. I don't know if they are
20 entering an appearance.

21 EXAMINER DAWSON: Would you like to enter
22 an appearance for the record, the allottees?

23 MS. TISCARENO: My mom. Yes, I would like
24 to for Lita Mae Sandoval.

25 EXAMINER DAWSON: Could you please spell

1 your name, Ms. Sandoval?

2 MS. TISCARENO: My name is Delilah
3 Tiscareno, D-E-L-I-L-A-H, T, as in Tom, I-S, as in Sam,
4 C-A-R-E-N-O, here for my mother, Lita Mae Sandoval,
5 L-I-T-A, M-A-E, S-A-N-D-O-V-A-L.

6 MR. McMILLAN: Is your mother an allottee?

7 MS. TISCARENO: Yes.

8 EXAMINER McMILLAN: She's an affected
9 party?

10 MS. TISCARENO: Yes.

11 MR. McMILLAN: Thank you.

12 EXAMINER DAWSON: Okay. Well, thank you.

13 Ms. Kessler, can we please swear in your
14 witnesses?

15 (Ms. Binion and Mr. Graven sworn.)

16 EXAMINER DAWSON: You may call your first
17 witness, Ms. Kessler.

18 MS. KESSLER: Thank you.

19 MONA BINION,
20 after having been first duly sworn under oath, was
21 questioned and testified as follows:

22 DIRECT EXAMINATION

23 BY MS. KESSLER:

24 Q. Can you please state your name for the record
25 and tell the Examiners by whom you're employed and in

1 what capacity?

2 A. My name is Mona Binion. I am employed by
3 Encana Oil & Gas (USA), Inc., and my capacity for
4 employment is the land negotiator responsible for the
5 land functions in the San Juan Basin, New Mexico.

6 Q. Have you previously testified before the
7 Division?

8 A. I have.

9 Q. Were your credentials as an expert in petroleum
10 land matters accepted and made a matter of record?

11 A. Yes, they have.

12 Q. And are you familiar with the application filed
13 in this case?

14 A. Yes.

15 Q. Are you familiar with the status of the lands
16 in the subject area?

17 A. I am.

18 MS. KESSLER: I would tender Ms. Binion as
19 an expert in petroleum land matters.

20 EXAMINER DAWSON: Ms. Binion is so
21 admitted.

22 Q. (BY MS. KESSLER) Ms. Binion, can you please
23 turn to Exhibit 1? Identify this exhibit and explain
24 what Encana seeks under this application.

25 A. Exhibit 1 is a map which depicts the

1 application area in bold, black outline, which is the
2 outline for the proposed Encana Ponderosa Unit.

3 In the colored areas are the existing
4 Gallup-Mancos Oil Pool, and the white area is undefined
5 for an oil pool. It's under the Basin Mancos Gas Pool.

6 Encana seeks the approval of the Division
7 for the formation of the Ponderosa Unit. It requests
8 the establishment of a new horizontal pool for the
9 Mancos Formation, which extends across the Ponderosa
10 Unit area, with a rule of 330-foot setbacks from the
11 outer boundaries of the unit.

12 Q. Is the acreage approximately 19,839 acres?

13 A. It is.

14 Q. Is it comprised of federal, state and Indian
15 allotted lands?

16 A. It is.

17 Q. And why do you seek a new pool for the proposed
18 unit area?

19 A. We seek a new pool for the proposed unit area
20 because currently the pools that are encompassed within
21 the unit area have different rules, and reporting
22 production on multiple pools within an undivided area is
23 administratively a problem.

24 Q. Please turn to Exhibit 2 and identify this
25 exhibit.

1 A. Exhibit 2 is the form of federal undivided unit
2 agreement that is proposed for use for Ponderosa Unit.
3 It has been accepted by the BLM and the State Land
4 Office.. The form is on generally the undivided federal.
5 unit form with some modifications to limit the unit to a
6 single interval and to limit it to horizontal drilling
7 only. It also contains some more recently done edits to
8 accommodate compensatory royalty that is required to be
9 paid on unleased federal lands.

10 Q. Is Exhibit 3 -- let me step back. I'm sorry.

11 This unit agreement also has, as Exhibit A
12 and Exhibit B, first the plat which identifies all of
13 the leases; is that correct?

14 A. Correct.

15 Q. It identifies which are federal, state and
16 allotted leases?

17 A. Yes.

18 Q. Identifies the percentages for each of those
19 entities?

20 A. Exhibit A just identifies visually the tracts
21 and identifies whether they're state, federal and fee
22 and assigns a tract number. And then Exhibit B includes
23 the percentages and the owners.

24 Q. And then is Exhibit 3 also the type log which
25 was attached to the unit agreement as Exhibit C?

1 A. Yes.

2 Q. And that's the same type log that's referenced
3 throughout the unit agreement, correct?

4 A. Yes.

5 Q. Have you visited with the BLM, FIMO, the State
6 Land Office and the Oil Conservation Division about this
7 unit?

8 A. Yes.

9 Q. Is Exhibit 4 an approval letter from the State
10 Land Office --

11 A. Yes, it is.

12 Q. -- approving this unit with approximately
13 19,000 acres?

14 A. It doesn't -- it doesn't list specifically the
15 number of acres in the proposal that we made to them,
16 but it just gives preliminary approval to the plan.

17 Q. And Exhibit 5 is the BLM's approval letter,
18 correct?

19 A. Correct. And it does inform the Federal Indian
20 Minerals Office of their preliminary approval of the
21 unit time.

22 Q. Was FIMO cc'd on this preliminary approval
23 letter?

24 A. Yes, it was.

25 Q. And FIMO will sign the letter --

1 A. They will issue a certificate of approval.

2 Q. Okay. How many working interest owners are
3 there within this unit?

4 A. We have a total of 11, including Encana.

5 Q. And they're aware of this unit?

6 A. They are aware of the unit.

7 Q. Have any of them objected?

8 A. No.

9 Q. And do you have a sufficient percentage
10 approval to give you control of the unit?

11 A. We have -- yes. We expect sufficient
12 percentage approval from the tracts that need to be
13 committed, yes.

14 Q. If you can flip back to Exhibit 1, which is the
15 pool map, it looks like the unit acreage is currently
16 within the Basin Mancos Gas Pool and the South Bisti
17 Pool, correct?

18 A. Correct.

19 Q. What are the setback requirements for each of
20 those pools?

21 A. The setback requirements for the South Bisti
22 Gallup Pool is 303 feet from the outer boundary of a
23 spacing unit or a unit or an uncommitted tract.

24 Q. Do you seek creation of a horizontal pool to
25 allow your wells to be located and oriented anywhere

1 within this unit?

2 A. Yes.

3 Q. And that would be so long as the completed
4 interval is 330 feet off from the outer boundary,
5 correct?

6 A. Correct.

7 Q. And will this allow for efficient horizontal
8 well development patterns?

9 A. Yes.

10 Q. And for more efficient administrative reporting
11 under the pool rules, correct?

12 A. Correct.

13 Q. Did Encana identify and provide notice to the
14 offsetting acreage in the Basin Mancos Gas Pool which is
15 subject to a 660-foot setback?

16 A. Yes, we did.

17 Q. Is any of the Ponderosa Unit within the
18 boundary for the proposed Lybrook; Mancos Oil Pool?

19 A. Some of it is. Not all of it.

20 Q. Can you explain that, please?

21 A. The boundary of the proposed new oil pool
22 called the Lybrook; Mancos-Gallup Oil Pool, it
23 encompasses all of Township 24 North, 10 West, a portion
24 of Township 23 North, 11 West, and a portion of Township
25 23-10. The portion of the unit that is not included in

1 the lands that are described in the proposed new pool
2 are Sections 17, 18, 19, 20, 14, and the north half of
3 13.

4 Q. So as I understand it, a portion would be . .
5 within the Lybrook; Mancos-Gallup pool; a portion would
6 be within the South Bisti Gallup Pool? Is that correct,
7 or no?

8 A. Correct, the South Bisti Gallup Pool under the
9 new Lybrook; Mancos-Gallup Pool draft that I have
10 reviewed. The South Bisti Gallup Pool will exist in a
11 different outline, but it will still exist within the
12 boundaries of the Ponderosa.

13 Q. So there will still be multiple pools under the
14 proposed application for the Lybrook; Mancos-Gallup
15 Pool?

16 A. Including the Basin Mancos, because in the
17 draft of the Lybrook; Mancos-Gallup Pool, the Basin
18 Mancos Pool is contracted. So most of the Lybrook;
19 Gallup Pool will take away the Basin Mancos Pool out of
20 our Ponderosa Unit with the exception of the lands that
21 are in 24-11. Basin Mancos pool will be still
22 maintained in that township.

23 Q. So looking at this map, Basin Mancos Gas Pool
24 will still be within Section 36?

25 A. Correct. And South Bisti Gallup Pool would

1 still exist within portions of the Ponderosa up in the
2 northern part and then the Lybrook; Mancos-Gallup Pool.
3 So we'll have three pools still existing in the unit.

4 Q. So based on the proposed adjustments under the
5 draft order for the Lybrook; Mancos-Gallup Pool, there
6 would be conditions under the Ponderosa Unit with
7 multiple oil pools with differing rules, such as issues
8 with production and reporting, which were previously
9 addressed by the State Land Office?

10 A. In addition to the setbacks. The setbacks in
11 the Basin Mancos would be against what we're asking for
12 today.

13 Q. Okay. So asking for one pool within the unit
14 for the purposes of an efficient development pattern and
15 to only operate under one set of pool rules is why
16 Encana is asking for a new horizontal pool in this area?

17 A. Correct. Yes.

18 Q. Did Encana also identify and provide notice of
19 this hearing to the working interests within the unit,
20 the Indian allottees within the unit and the overriding
21 royalty owners within the unit?

22 A. Yes, we did.

23 Q. Did they also receive, with that notice letter,
24 a copy of the application and the copy of the unit
25 agreement?

1 A. Yes, they did.

2 Q. And is Exhibit 6 an affidavit with attached
3 letters providing notice of application and hearings to
4 those parties?

5 A. Yes, it is.

6 Q. And did Encana also publish notice, which is
7 included as Exhibit 7, directed to unlocatable parties?

8 A. Yes.

9 Q. Were Exhibits 1 through 5 prepared by you or
10 compiled under your direction and supervision?

11 A. Yes, they were.

12 MS. KESSLER: Mr. Examiners, I move
13 admission of Exhibits 1 through 7, which includes the
14 two affidavits.

15 EXAMINER DAWSON: Exhibits 1 through 7,
16 including the two affidavits, will be admitted to the
17 record.

18 (Encana Oil & Gas Exhibit Numbers 1 through
19 7 are offered and admitted into evidence.)

20 MS. KESSLER: That concludes my
21 examination.

22 EXAMINER DAWSON: All right.

23 CROSS-EXAMINATION

24 BY EXAMINER DAWSON:

25 Q. So you did meet with the State Land Office

1 covering the 19,000 proposed expansion?

2 A. Yes, sir, we did.

3 Q. It's not in their letter, but you did have a
4 preliminary meeting?

5 A. Yes. And initially they were a bit concerned
6 for the size of the unit, but we did give them
7 additional explanation of the reason for the outline
8 where it was and the size, and they did accept it.

9 Q. Can you elaborate on that, on the --

10 A. We gave them, basically, a general explanation
11 of the reason we made the area larger. It was to
12 identify the area that we'd like to develop together and
13 we were able to put centralized locations for our
14 facilities. We were able to facilitate access to and
15 from locations in the larger area. The smaller areas
16 create more difficulty putting transverse well patterns
17 together with sufficient, you know, location of surface
18 pads to access the whole area.

19 Q. So I assume that you initially met with the BLM
20 and then covered a lot of those surface facility
21 locations prior to meeting with the Land Office?

22 A. We did meet with the BLM prior to the Land
23 Office. However, we did not discuss specific surface
24 locations, no.

25 Q. Okay. So you've already drilled two wells in

1 the unit? How many wells have you drilled?

2 A. We have three.

3 Q. Three wells.

4 A. Three wells in the unit.

5 Q. Did you -- have you submitted any paying-well
6 determinations to --

7 A. No, we have not.

8 Q. -- either the BLM or SLO?

9 Those wells have been completed?

10 A. Yes, sir, they have.

11 Q. Do you know when the first date of production
12 was on those wells?

13 A. It was -- no. I don't know the exact date of
14 first production, but the wells were commenced in the
15 month of July of 2013. That was the first well. I
16 don't actually have the completion date.

17 Q. Okay. And in your discussions with the State
18 Land Office, are they okay with you -- I assume you're
19 going to predate this unit --

20 A. Yes, sir.

21 Q. -- to the completion of the initial well within
22 the unit?

23 A. Correct.

24 Q. And did the State Land Office have any comment
25 on you predating his unit?

1 A. No.

2 Q. It was the initial well in Venado Canyon, Unit
3 Number 102H?

4 A. No. The initial well is the -- I think it's
5 the Escrito [phonetic]. Just a second. Good Times C06
6 230901H is the initial well.

7 Q. The unit agreement that you provided in your
8 exhibits, under Exhibit Number 2, is this -- is this the
9 same, exact agreement as the original agreement proposed
10 within this unit, or has it changed?

11 MS. KESSLER: Mr. Examiner, this is not one
12 of the expansion units.

13 THE WITNESS: This is the --

14 MS. KESSLER: This is the first.

15 THE WITNESS: First presentation, correct.

16 EXAMINER DAWSON: Okay. I have no further
17 questions.

18 Michael?

19 CROSS-EXAMINATION

20 BY EXAMINER McMILLAN:

21 Q. The first question I have, for the creation of
22 the pool, is it the entire Mancos interval?

23 A. Yes, sir.

24 Q. And does the -- likewise, does the unitized
25 interval represent the entire Mancos?

1 A. Yes. They're identical.

2 Q. Okay. Now, my next question is -- I was
3 absolutely confused about your discussion of the pool.
4 You're creating the pool to conform to the boundaries of
5 the unit, right?

6 A. Yes.

7 Q. Okay. I'm trying to understand how this new
8 pool will relate to the new Lybrook; Mancos Pool. I
9 didn't understand that at all.

10 A. The draft application that we've been provided
11 to review and give comments on --

12 Q. Uh-huh.

13 A. -- for the new Lybrook; Gallup-Mancos Oil Pool
14 contains language that contracts and expands the South
15 Bisti Gallup Pool. It also abolishes what we will be
16 forming as the new Ponderosa Pool. So with the
17 implementation of that pool, what we're creating today
18 will go away in favor of the new pool.

19 However, the outer boundaries of that pool
20 does not fill the entire outline of our unit that we're
21 forming, so it will not be the only pool in existence.
22 We will have, still, the Basin Mancos Pool, because it's
23 not -- not all of this area is contracted out of the
24 Basin Mancos Pool.

25 The South Bisti Gallup Pool is still in

1 effect, and the Lybrook; Gallup-Mancos Pool, the new
2 one, will also be there, and then part of it has no
3 pool.

4 Q. So then -- so, in essence, what you're saying,
5 with the new pool -- the new Lybrook in this area,
6 you're going to have two -- but this is a horizontal
7 well. But this is for horizontal wells, right?

8 A. Correct.

9 Q. So wouldn't there only be two?

10 A. Basin Mancos still applies to horizontal wells.
11 South Bisti Gallup applies to horizontal wells.
12 Lybrook; Gallup-Mancos Pool applies to horizontal wells,
13 and then part of the unit has no pool.

14 Q. But then -- okay. So what I'm -- but doesn't
15 the new pool for the Ponderosa exist only for horizontal
16 wells, and wouldn't it get -- correct?

17 A. Yes.

18 Q. Okay. I'm trying to understand. I apologize.

19 A. No, no, no. That's okay. It's confusing.

20 Q. So if we're -- but we're getting rid of the
21 South Bisti in this area, right, for horizontal wells?

22 A. What we're requesting today, yes.

23 Q. Okay. So then -- so we're going -- the new
24 Lybrook didn't go this far south, right?

25 A. Yes. It covers three-quarters of the Ponderosa

1 area.

2 Q. So then you're going to have down -- you're
3 going to have future downhole commingle issues. Is that
4 a correct statement?

5 A. Well, I think that pool approves downhole
6 commingling. So we may have approval to downhole
7 commingle, but we're still going to have to report
8 multiple pools, which we were told was a problem for
9 ONGARD.

10 Q. Why don't you just extend that -- extend it in
11 the new -- the Lybrook; Mancos to extend to the
12 boundaries of this pool?

13 A. We still have the South Bisti Gallup Pool
14 because the Lybrook; Mancos-Gallup order -- or
15 application leaves that pool in effect. It does not
16 abolish that pool. It also leaves the Mancos in the
17 24-11. So we still have three pools inside this unit
18 based on the order if the order is issued from the draft
19 application. The way it's written right now, once it's
20 in place, Ponderosa will be abolished because Ponderosa
21 Unit order will probably say it will be abolished in
22 favor of any new pools if it's put in place.

23 So that new pool will get rid of what we're
24 doing today, and it will now recreate another situation
25 with three pools all over again, just like we have

1 today, which we're trying to get rid of.

2 Q. That sounds to me like something that needs to
3 be worked out before.

4 REDIRECT EXAMINATION

5 BY MS. KESSLER:

6 Q. Ms. Binion, have you been in touch with those
7 Division representatives working on the Lybrook;
8 Mancos-Gallup Oil Pool?

9 A. We have -- we have requested -- you know, we
10 have put the question in front of the people that were
11 drafting the order why the existing oil pools are not
12 being abolished, why they needed to remain there, why
13 they couldn't be abolished in favor of the new pool.
14 And we haven't understood, you know, the reasoning why
15 they need to stay in place.

16 For example, the South Bisti Gallup Pool,
17 if it would go away so that only the Lybrook;
18 Gallup-Mancos Oil Pool would be there, I think
19 everything would probably be fine, because then we'd
20 just have one pool to go by, which is what we've been
21 shooting for.

22

23 CONTINUED CROSS-EXAMINATION

24 BY EXAMINER McMILLAN:

25 Q. Okay. That's something that has to be resolved

1 down the road?

2 A. Correct. Correct.

3 Q. Okay. I am -- I am understanding it a little
4 bit more now. It is confusing.

5 Let's see. Would you object if somebody
6 wanted to drill in the Basin Mancos project area of 330
7 feet from the unit boundary?

8 A. On the outside of the unit?

9 Q. Yes.

10 A. No, we would not.

11 Q. What is the effective date of this?

12 A. The effective date of the unit is July 1st,
13 2013, as we proposed it.

14 MS. KESSLER: But, Ms. Binion, you're not
15 asking an order from the Division to be that date,
16 correct?

17 THE WITNESS: No, sir. We have not
18 requested the order to be retroactive.

19 EXAMINER DAWSON: David, you have
20 questions?

21 EXAMINER BROOKS: Yes, very definitely.

22 CROSS-EXAMINATION

23 BY EXAMINER BROOKS:

24 Q. Mr. McMillan asked you if you had discussed
25 these issues with the people in the Division who were

1 working on the new pool, and I am partially able to
2 answer that question because I'm one of them. And I
3 have not had any discussions with you about this subject
4 yet, correct?

5 A. My answer was is that we sent questions by
6 email. And I may -- I should have probably been
7 clearer. That came through Holly Hill --

8 Q. Okay.

9 A. -- who has been the Encana representative that
10 has, you know, been the most direct contact. I have not
11 personally spoken directly. Holly sent questions in.
12 And I don't know if they came directly from Holly or it
13 came from Chuck, but the question was raised as to, you
14 know -- so we could understand the reason why those
15 existing pools needed to stay in place, because that was
16 the reason they were left there so that we could
17 understand it, because it seemed to us it was going to
18 create an issue in our units because we would now have
19 multiple pools again.

20 Q. Okay. Well, first of all, let me -- since
21 you've had to explain it to Mike, explain it to me. If
22 I had my maps -- I could go get them from my office, but
23 you seem to have this on the tip of your fingers, about
24 where these boundaries are. So if you could explain to
25 me what portion of the proposed pool is not to be

1 included -- of the proposed unit is not to be included
2 in the proposed Lybrook; Mancos-Gallup Pool?

3 A. Yes, sir. I just hand-skipped this from the
4 proposed order. There is a portion of 23 North, 10 West
5 that is in our proposed unit that is not encompassed in
6 the outline that's in the proposed order for the new
7 pool, and those sections are the north half of 13, all
8 of 14, all of 17, 18, 19 and 20.

9 Q. Okay. So everything of south of the boundary
10 of the South Bisti that's in 23-10 is not to be -- is
11 not in the proposed new Lybrook Pool?

12 A. The south half of Sections 7, 8, 9, 10 and
13 southwest of 11, I believe, are not in South Bisti, but
14 they are in the proposed pool, so not absolutely
15 everything south but most of it south, yes.

16 Q. So everything south -- so what you're saying is
17 it's south of the -- the south boundary of the
18 proposed --

19 A. Proposed pool.

20 Q. -- Lybrook Pool --

21 A. Correct.

22 Q. -- is the line between section -- the Sections
23 7 through 12 and Sections 13 through 18 and 23 North, 10
24 West?

25 A. Correct.

1 Also 24-11 -- we have a section in 24-11,
2 and 24-11 -- all of that Township is not included in the
3 Lybrook; Gallup.

4 Q. So six -- but only Section 36 of that section
5 is included --

6 A. Is in our proposed pool, correct.

7 Q. -- in your proposed pool?

8 And what about 23-11?

9 A. 23-11 is okay. The lands that are in the
10 proposed pool, all of the Ponderosa lands, are
11 encompassed in that, so that is okay.

12 Q. Okay. Now, I had talked with Chuck about this
13 because I think nothing in the proposal really brings
14 this out. But the intention of the Division, at least
15 as of now in that respect, the pool rules of the pools
16 that are to be retained -- the Gallup pools that are to
17 be retained are to be amended such that the spacing
18 rules for horizontal wells within those pools will be
19 identical to the spacing provided in the rules for the
20 new pool.

21 A. Okay.

22 Q. That's not a question. That's an explanation,
23 because I'm not sure that anything has been communicated
24 to the -- to the Industry Committee before I talked to
25 Chuck -- to Chuck, which occurred earlier this week,

1 which I clearly articulated that intention -- or Kate
2 articulated. But I think Kate and I are in sync on
3 that.

4 . The new order -- the new rules would
5 eliminate -- would pre-approve all commingling and
6 eliminate the necessity for filing notice of the
7 commingling --

8 A. Okay.

9 Q. This is my understanding, and that draft has
10 been circulated to the industry.

11 -- but would not eliminate the need for
12 double reporting. It just requires you to allocate by
13 acreage -- penetrated acreage what you are producing
14 between one pool and another.

15 I guess that's really all I need to say
16 about this, except this question: The areas that are
17 down here to the south and up here in the north -- this
18 small area in the northwest that you are including in
19 your proposed unit, I am assuming, because the
20 function -- the focus of this is gas -- is oil rather
21 than gas production --

22 A. Yes, sir.

23 Q. -- that your exploration team considers those
24 to be prospective for oil rather than oil and gas?

25 A. Correct.

1 Q. Okay. And if you have studied the rules and if
2 they say what I think they say, would you -- are you
3 aware that the concept is that the Basin Mancos -- I'm
4 sorry -- the Lybrook; Mancos-Gallup Oil Pool would
5 expand, by development, into the Basin Mancos Gas Pool
6 or into wildcat area, by development, if the GOR tests
7 indicate that they are less than 100,000 to 1, which
8 means that -- as the experts tell me, means that if
9 there are any liquids to speak of, you're going to get
10 below 100,000 to 1. Have you studied the proposed new
11 rules and understand that to be the case?

12 A. I have, yes, not in an extreme depth, but I
13 have -- I have read through and made comments and tried
14 to understand what the whole concept is. It's pretty
15 complicated.

16 Q. It is. And I would assume that your comments
17 have been submitted through Mr. Creekmore; is that
18 correct?

19 A. Absolutely. Holly has managed that. I have
20 just communicated my thoughts to Holly, and she has
21 managed that for us.

22 Q. Yeah.

23 And Mr. Creekmore has indicated to me that
24 he is not channelling those comments to us yet because
25 he wants to coordinate the position of the various

1 stakeholders, and I understand that there was some
2 meetings this week on that subject --

3 A. Okay.

4 Q. -- and he has proposed a meeting next week,
5 which I'm not available for probably. So it will have
6 to be week after next.

7 But I just wanted to -- in addition to --
8 well, let's say one more thing. Of the areas you said
9 were not going to be included in the new pool, which of
10 them are in the Basin Mancos -- will be retained in the
11 Basin Mancos, and which of them are to be contracted out
12 of the Basin Mancos?

13 A. The lands in 23-10 are to be contracted out of
14 the Basin Mancos.

15 Q. Okay. Those are going to become wildcat area?

16 A. Correct.

17 Q. And I would assume there are no wells in that
18 area because that's -- I've been told we can't -- once
19 we've got a well, even if it's plugged and abandoned, we
20 can't call it wildcat. Is that --

21 A. I'm unaware of that. I don't know.

22 Q. Did you know if there are any wells?

23 A. I wouldn't be able to tell you that.

24 Q. Okay. Now, the lands in 23-11, are those going
25 to remain in the Basin Mancos?

1 A. Those are indicated to be contracted out of the
2 Basin Mancos.

3 Q. Are those in the new pool, 23 --

4 A. Correct. They're in the new pool. They're
5 also contracted out of the Basin Mancos according to the
6 draft.

7 Q. Well, yeah. Anything that's in the new --
8 anything that's to be in the new pool initially is to be
9 contracted out of the Basin Mancos?

10 A. Okay.

11 Q. But it may be contracted back in -- it may be
12 expanded back in if it approves to be gas, under the
13 rules.

14 Okay. But the areas in 23-10 are not --
15 are to be contracted out of the Basin Mancos even though
16 they're currently in the Basin Mancos; is that correct?

17 A. That's what I understand, yes.

18 Q. Yeah. I know there is some where that's to be
19 done, but I don't have in mind where it is.

20 And 36? What about 36? What's its status?

21 A. That is not included in the new pool boundary,
22 and it also is not contracted out of the Basin Mancos.

23 Q. And same is true of 23-11?

24 A. No. 23-11 is okay. It is contracted out of
25 the Basin Mancos.

1 Q. And it's in the new pool?

2 A. And it is in the new pool, yes, sir.

3 Q. So 36 is the only -- Section 36 and 24-11 --

4 A. Correct.

5 Q. -- is the only area that is to remain in the
6 Basin Mancos --

7 A. Correct.

8 Q. -- under the draft?

9 Okay. Now, where are the wells you have
10 drilled in the unit? You said you drilled three wells.

11 A. We drilled the DO6, which is in 23 North, 9
12 West in the west -- west half of Section 6. It's a
13 north-south lateral, I believe. Is that --

14 MS. KESSLER: You can look at the exhibit.

15 THE WITNESS: Oh. Is it 11?

16 MS. KESSLER: Exhibit 12.

17 THE WITNESS: In Exhibit 12, there is a
18 map. The existing wells are in bold with the symbols on
19 either end of them. There are two in the east half of
20 Section 1, in 23 North, 10 West, and there is the one in
21 the west half of Section 6, in 23 North, 9 West.

22 Q. Okay. So they're in 23 North. And 12, I
23 see -- on Exhibit 12, I see it's shown in the west half
24 of 6. I don't see indications of the others.

25 A. In the east half of Section 1, they're thinner

1 symbols.

2 Q. In 23-10?

3 A. 23-10, correct, immediately adjacent to the one
4 in 6.

5 Q. Okay.

6 A. It's just thinner lines.

7 Q. I see it. Yeah. Okay. Very good.

8 A. There is also a well in Section 6 and 23-10 in
9 the north half. That's been determined as a nonpaying
10 well, so we had asked to have that excluded from the
11 unit agreement, but it still exists and it is producing.

12 Q. That's noncommercial?

13 A. Correct.

14 Q. Okay. Very good.

15 Well, I am sure that these discussions with
16 the new pool -- the new Mancos proposal will be ongoing,
17 and there may be substantial revisions, although
18 basically the outline of the situation is that Kate
19 Pickford is responsible for determining the geologic
20 considerations. I'm responsible for determining how we
21 make them work -- how we make them fit together once
22 she's determined what the geology calls for.

23 EXAMINER DAWSON: Are those all of your
24 questions?

25 EXAMINER BROOKS: That's all my questions.

1 MS. KESSLER: Mr. Examiner, I don't know if
2 the allottees have questions.

3 EXAMINER DAWSON: Allottees, do you have
4 any questions or comments?

5 MS. TISCARENO: I think it's all been
6 covered. I've been trying to explain that. Yes, that's
7 fine. Thank you.

8 MS. KESSLER: I will call our geologist,
9 please.

10 EXAMINER DAWSON: Okay. We'll have the
11 geologist come up on the stand.

12 Thank you, Ms. Binion.

13 ERIK GRAVEN,
14 after having been previously sworn under oath, was
15 questioned and testified as follows:

16 DIRECT EXAMINATION

17 BY MS. KESSLER:

18 Q. Mr. Graven, state your name for the record and
19 tell the Examiner by whom you're employed and in what
20 capacity.

21 A. Yes. I'm Erik Graven, and I'm a senior
22 geologist working for the Encana Oil & Gas in the San
23 Juan Basin, New Mexico.

24 Q. Have you previously testified before the
25 Division?

1 A. Yes, I have.

2 Q. Were your credentials as a petroleum geologist
3 accepted and made a matter of record?

4 A. Yes.

5 Q. Are you familiar with the application that's
6 been filed in this case?

7 A. Yes, I am.

8 Q. Have you conducted a geologic study of the
9 lands that are the subject of this application?

10 A. Yes, I have.

11 MS. KESSLER: I would tender Mr. Graven as
12 an expert petroleum geologist.

13 EXAMINER DAWSON: He is so qualified.

14 Q. (BY MS. KESSLER) Mr. Graven, if you would
15 please turn to what I've marked as Exhibit 10. Are you
16 familiar with the horizon that's been unitized for the
17 proposed unit?

18 A. I'm sorry. I'm seeing different exhibits.

19 Q. I'm sorry. I think it's Exhibit 8.

20 A. Yes. Yes, I am. Exhibit 8 shows the unitized
21 depth, which are bracketed on this type log, of the
22 Kinbeto R G-Federal #1 well located near the center of
23 the unit. Those bracketed depths extend from 100 feet
24 below the top of the Mancos Silt down to the base of the
25 Greenhorn Limestone or the top of the Graneros Shale.

1 Q. In your opinion, does the proposed unitized
2 interval extend into the proposed unit area?

3 A. Yes, it does.

4 Q. Can you turn to Exhibit 9 and identify this
5 exhibit for the Examiners?

6 A. Exhibit 9 is the structured contour map on top
7 of the Mancos Shale. It has contour intervals of 20
8 feet showing gentle downward dips of approximately two
9 degrees to the -- down to the north -- north, northeast.
10 It shows the proposed unit outline in red.
11 It also shows the type log shown in the previous exhibit
12 with a yellow star in the center of the unit there. And
13 it also shows two cross sections, A, A prime extending
14 from west to east, and B, B prime extending from north
15 to south, across the proposed unit.

16 Q. Those are the cross sections that were used in
17 the following exhibits?

18 A. Yes.

19 Q.. If you could turn to Exhibit 10, what is this
20 exhibit?

21 A. Exhibit 10 is a cross section. It's a cross
22 section A, A prime, shown on the previous map. It shows
23 five wells, and each well shows three different sets of
24 logs. The left-hand track in each of these wells show
25 the gamma-ray log with increasing sand content

1 represented by deflection to the left or lighter colors.

2 The track just to the right of the depth
3 track is a resistivity track. This shows increasing
4 hydrocarbon content or lower porosity indicated by
5 deflections to the right or green and yellow colors.
6 And the third track furthest to the right is a porosity
7 log. That's showing increased porosity with deflections
8 to the left highlighted by red colors.

9 This cross section does show good
10 continuity of the proposed unitized interval across the
11 unit and across the entire cross section. It also shows
12 relatively consistent thickness of the unitized interval
13 across the cross section.

14 Q. And Exhibit 11?

15 A. Exhibit 11 is another cross section, cross
16 section B, B prime extending from north to south. This
17 was also shown on the previous map and has the same log
18 tracks as the previous cross section. It also shows
19 good correlation across the cross section and good
20 continuity of the unitized interval across -- the cross
21 section across the unitized area.

22 Q. Are you familiar with the technical and
23 reservoir characteristics of the hydrocarbons that you
24 expect to produce with the formation of the unitized
25 area?

1 A. Yes, I am.

2 Q. In your opinion, are the pressure gradients
3 generally the same?

4 A. Yes. They're very consistent close to the
5 unitized area.

6 Q. Do you believe the fluids are compatible?

7 A. Yes, they are.

8 Q. Is the AP [phonetic] graft of the area
9 relatively consistent?

10 A. Consistent 40 to 42 degrees.

11 Q. Based on your analysis of this area, do you
12 believe there are any faults or pinch-outs or any
13 geologic impediments that would prevent the acreage from
14 being efficiently developed during the unit plan for
15 horizontal wells?

16 A. No.

17 Q. And in your opinion, will the application be in
18 the best interest of conservation, for the prevention of
19 waste and the protection of correlative rights?

20 A. Yes.

21 Q. Is Exhibit 12 the current development plan for
22 the area?

23 A. Yes, it is. This is a very preliminary
24 development plan. We are in the early stages of doing
25 reconnaissance on potential pad sites and facility

1 sites. So, again, this is likely to change in the
2 future.

3 Q. But this has been provided to the BLM and the
4 State Land Office, correct?

5 A. Yes, it has.

6 Q. And this IDs the current development wells?

7 A. Yes, it does.

8 And I guess you've already covered this in
9 the previous testimony, so I won't go over the
10 individual wells unless there are questions.

11 Q. Were Exhibits 8 through 12 prepared by you or
12 compiled under your direction and supervision?

13 A. Yes, they were.

14 MS. KESSLER: Mr. Examiner, I'd move the
15 admission of Exhibits 8 through 12.

16 EXAMINER DAWSON: 8 through 12 will be
17 admitted to the record.

18 (Encana Oil & Gas Exhibit Numbers 8 through
19 12 are offered and admitted into evidence.)

20 MS. KESSLER: That concludes my
21 examination.

22 EXAMINER DAWSON: Okay.

23 CROSS-EXAMINATION

24 BY EXAMINER DAWSON:

25 Q. Mr. Graven, on the wells drilled within the

1 unitized area, are those great producing wells?

2 A. The three wells, the DOC 6 drilled in Section 6
3 from north to south, as well as the two P flex wells,
4 the wells located in Section 1, those are all good
5 wells.

6 The well drilled in Section 6 of 23-10 that
7 was drilled from east to west, that was not a very good
8 well. That was one of the first wells we drilled in the
9 play. We were still trying to optimize our completion
10 techniques that. We also targeted the Lower Gallup,
11 which is thinner in this area and may not be as
12 prospective. Whereas, the wells in Section 6, Section 1
13 targeted the Upper Gallup, and those are more
14 successful.

15 Q. Those wells to the north, in Township 23, North
16 range -- I'm sorry. It's 24 North, 10 West, I believe.

17 A. Yes.

18 Q. The horizontal wells in 32, 34 and 36 of 24
19 North, 10 West, how are those performing?

20 A. The wells in Section 32, again, those were
21 drilled early in our development on the play or
22 delineation of the play, and those were better than the
23 wells drilled in Section 6, but still weren't -- they
24 weren't as productive as other wells drilled in the
25 play. They came out 100 barrels of oil per day, and I

1 believe they're currently making around 20 barrels of
2 oil per day.

3 The well in Section 34 that was targeting
4 the Upper Gallup, that was a very good well. I believe
5 initial 30-day rates were approximately 360 barrels of
6 oil per day.

7 The wells in Section -- south half of
8 Section 36 are also good wells. I believe they had
9 similar rates to the well in Section 34.

10 Q. But you feel that those lay-down, east-west or
11 west-east wells will not perform as good as the wells
12 that are transversely drilled?

13 A. Correct.

14 Q. And there has been some testimony in previous
15 hearings regarding the transverse direction of the wells
16 as being better producers because I guess the testimony
17 stated was that perpendicular to the fracture pattern?

18 A. Correct. It's perpendicular to the orientation
19 to maximum stress.

20 Q. So we asked for an explanation as to why those
21 transverse directions are better for Encana. Are you
22 guys going to provide that to us?

23 A. We could try. I have talked to our rock
24 mechanics expert about industry findings on why that
25 occurs, and he says there is a lot of controversy

1 surrounding why it occurs. It does appear to occur in
2 other basins consistently, but we don't have a good
3 explanation as far as I know in the industry as to why
4 it's occurring.

5 Q. But would you agree that your feelings on it
6 are that transversely wells are intersecting more
7 fractures, and, therefore, that's why that direction is
8 preferable?

9 A. We don't see a lot of natural fractures
10 existing within this section of rock in this play. All
11 the fractures that were producing from our fractures
12 that were creating hydraulic fracturing completions.

13 Q. Okay.

14 EXAMINER DAWSON: All right. Those are all
15 the questions I have. Thank you.

16 CROSS-EXAMINATION

17 BY EXAMINER McMILLAN:

18 Q. My question goes back to Exhibit 11. Where is
19 the target interval? Is it the Gallup, or is it -- or
20 is it lower?

21 A. No. It is the Gallup.

22 Q. Upper and lower?

23 A. We see both upper and lower as being
24 prospective. The upper wells to date have been more
25 successful.

1 Q. What about the Juana Lopez and the Carlile; do
2 you see any potential in those?

3 A. We do think there is potential in those. There
4 have not been any isolated vertical tests that I've been
5 able to find of those formations. So it's -- it's
6 really unknown. But yes, we think there is potential in
7 those as well.

8 Q. Are the vertical wells producing at the Gallup?

9 A. Yes. For the most -- well, they're commingled
10 Upper and Lower Gallup, yes.

11 EXAMINER McMILLAN: Go ahead David.

12 CROSS-EXAMINATION

13 BY EXAMINER BROOKS:

14 Q. I want to understand this play as much as
15 possible because I've been working with -- and I'm not a
16 geologist. Again, I do not have my paperwork on the
17 Gallup here, and I do not remember exactly the wording
18 with which we have proposed to define the Mancos
19 interval in the proposed new rules, but I do believe the
20 stop of the interval is the -- defined as the Basin
21 Point Lookout. Is that the correct definition for the
22 top of the Mancos interval?

23 A. Yes, I believe it is.

24 Q. Okay. Now, the base -- I can't -- that's where
25 I get vague. I don't remember if they defined it as at

1 base of the Greenhorn or the top of the Dakota, and I
2 see here you show the Graneros as being in between those
3 two.

4 A. Right.

5 Q. So would the best definition be of the base of
6 the Mancos interval with the top of the Dakota, or is
7 there some better way to define it?

8 A. I'm not sure what the best definition of that
9 would be. That's a good question. I don't know.

10 Q. Okay. Now, there is a lot of controversy about
11 the nomenclature in the Mancos; is there not? Not
12 necessarily controversy about the rocks but controversy
13 about what to call them?

14 A. Uh-huh.

15 Q. And the zone that we have historically called
16 Gallup and you call Gallup in these documents, what is
17 it that the people who denied -- Gallup deniers call
18 that?

19 A. I'm not sure. I've often heard it referred to
20 as the Gallup member of the Mancos Shale.

21 Q. Well, now we have --

22 A. Oh.

23 Q. We had a district geologist up in Aztec, now
24 deceased, who swore there was no Gallup in the San Juan
25 Basin. And I think he was not disagreeing with what's

1 down there but simply what to call it. So I was just
2 curious about what it ought to be called.

3 A. Alternatively, I believe people call the
4 Tocito -- referred to the Lower Gallup and El Vado, or
5 El Vado, refers to the Upper Gallup.

6 Q. I've heard both those terms.

7 A. And do away with the Gallup terminology
8 altogether. That's another interpretation.

9 Q. Yeah.

10 I've also heard the opinion expressed that
11 the Gallup is present in stringers within the shale. Is
12 that consistent with your understanding of the geology?

13 A. Again, it goes back to exactly what we're
14 referring to as the Gallup. There are stringers of
15 Tocito and El Vado within the shale, and the industry
16 typically refers to that interval that contains the
17 El Vado and Tocito as Gallup.

18 Q. Yes. Well, the productive characteristics of
19 those -- those stringers would be rather different than
20 the productive characteristics of the shale; would they
21 not?

22 A. The oil gravity is fairly consistent.

23 Q. Right. Okay.

24 A. The GORs do vary in different parts of the play
25 in the Basin.

1 Q. Of course, if you go in there and drill
2 horizontal wells, you're going to break it all up, and
3 you're going to get out whatever comes from --
4 whatever's within the scope of the depth that your
5 horizontal well penetrates.

6 A. Right.

7 Q. So if we could distinguish in the past between
8 what's in the Gallup Pool and what's in the Mancos Pool,
9 we won't be able to distinguish in the future, I would
10 assume.

11 A. Possibly.

12 Q. Well, see, I'm trying to understand these --
13 what the geologists are telling me. And I'm not a
14 geologist, so it's somewhat of a -- somewhat of an
15 intellectual jump for me.

16 Now, is it your understanding of the
17 geology -- is it consistent with your understanding on
18 the geology that there -- there is definitely a gas zone
19 in the Mancos, and there is definitely an oil zone in
20 the Mancos; we just don't know exactly where the line
21 is?

22 A. Correct.

23 Q. Okay. Now, I would assume that you -- and I
24 asked Ms. Binion this question, but I'll ask you since
25 you're the explorationist. You are supposing that all

1 of the area to be included in this unit is prospective
2 for oil rather than for gas; is that correct?

3 A. That's correct.

4 Q. In the areas that have been identified -- that
5 are to be -- where is the map? Where is the --

6 EXAMINER DAWSON: Pool name?

7 EXAMINER BROOKS: -- pool name?

8 MS. KESSLER: That's the first exhibit,
9 Mr. Examiner.

10 Q. (BY EXAMINER BROOKS) I believe I understood
11 Ms. Binion to say -- and openly correct me -- Section 36
12 is the only portion of the unit under the proposal that
13 has been drawn by the Division for pool revision that
14 will remain in the Basin Mancos Gas Pool. Is that your
15 understanding?

16 A. Yes, it is.

17 Q. This would be in the area where the line
18 between the new pool and the gas pool would be drawn
19 vertically rather than -- north-south rather than --
20 rather than east-west, I assume. I don't have my map in
21 front of me. Is that correct? Have you studied that
22 enough to answer that question?

23 A. I have not studied it enough to know for sure.

24 Q. Maybe --

25 EXAMINER BROOKS: Ms. Binion, could you

1 look at your notes and give me --

2 MS. BINION: 24 North and West, which is
3 immediately adjacent to the east of Section 36 is
4 excluded from the Basin Mancos under the new order, but
5 24-11 is not.

6 EXAMINER BROOKS: So 24-10 is in the new
7 pool?

8 MS. BINION: Correct. And it is excluded
9 from the Basin Mancos.

10 EXAMINER BROOKS: That's what I thought.

11 There is to be no overlap between the Basin
12 Mancos and the new pools, as I understand it.

13 There is to be -- there is a small area of
14 overlap between the new pool and one of the existing
15 pools, but that's a very special situation.

16 Okay. So the line runs between 24-11 and
17 24-10, between the Lybrook and the Basin Mancos?

18 MS. BINION: (Indicating.)

19 Q. (BY EXAMINER BROOKS) Okay. But you see the
20 boundary between gas -- the gas and the oil portions of
21 the pool being -- of the Mancos being farther west than
22 that; is that correct?

23 A. Certainly much further north. I'm not sure
24 about to the west.

25 Q. Okay. So you don't have an opinion as to where

1 the boundary lies on the western --

2 A. No, I do not.

3 Q. Okay. Thank you. I think that's all.

4 RECROSS EXAMINATION

5 BY MR. McMILLAN:

6 Q. Let me ask you: Would you object if we
7 required a GOR test to figure out exactly -- with
8 respect to the relationship to these wells so it could
9 definitively be determined.

10 A. No. That would be fine. I don't believe we
11 have enough control to --

12 Q. But when you drill the well --

13 A. Oh, yes.

14 Q. -- just something in writing that said that?

15 A. No. That would be fine.

16 EXAMINER BROOKS: That would be required in
17 the rules for the new pool. It would be the rules
18 adopted, although there is some controversy about that
19 at this point, I understand.

20 MR. McMILLAN: Okay.

21 EXAMINER DAWSON: Is that all your
22 questions?

23 MR. McMILLAN: That's my questions.

24 EXAMINER DAWSON: I have one more question
25 for you, Mr. Graven.

RECROSS-EXAMINATION

2 BY EXAMINER DAWSON:

3 Q. In looking at your Exhibit Number 11, some of
4 those wells in the cross section show some -- looks like
5 that Yates, Kinbeto R G-Federal #1 -- of your cross
6 section B, B prime --

7 A. Yes.

8 Q. -- looks like it has some really high porosity
9 down there in the Carlile.

10 A. Yes. I believe if you look at the far,
11 left-hand track in that well, it's fairly faint. There
12 is a dotted line. That's the caliber log. It appears
13 there is washout in the well at those depths that is
14 causing erroneously high porosity.

15 Q. And that would be the same instance for your

16 Good Times A06 well to the --

17 A. Correct.

18 Q. -- well -- second well in the cross section?

19 A. Yes.

20 Q. That's due to washout?

21 A. Right.

22 Q. Okay. So you don't -- you don't anticipate
23 that that Carlile will be affected?

24 A. It can be. It would be a high risk at this
25 point.

1 Q. Have you guys ever tested the Carlile?

2 A. No, we have not.

3 Q. All right. That's all the questions I have.

4 Thank you.

5 EXAMINER McMILLAN: Excuse me.

6 Would you like to ask any questions?

7 MS. TISCARENO: We're fine. Thank you.

8 EXAMINER DAWSON: Thank you.

9 Do you have any comments, or do you have
10 anything to say?

11 MS. TISCARENO: Well, I would like -- I was
12 just wondering, on some of these maps or the diagrams,
13 to kind of see it on an actual map.

14 MS. BINION: Larger? If you give me your
15 address, I can send you a larger map. I don't have one
16 with me, but I can get one for you.

17 MS. TISCARENO: Okay. Great.

18 EXAMINER DAWSON: Is that all your
19 questions?

20 MS. TISCARENO: Yeah. That's my main
21 concern.

22 EXAMINER DAWSON: Thank you. Thank you for
23 coming.

24 MS. KESSLER: I'd ask this case be taken
25 under advisement.

1 EXAMINER DAWSON: Okay. Case Number 15471
2 will be taken under advisement.

3 Thank you.

4 (Case Number 15471 concludes, 10:42 a.m.)
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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 _____.

_____, Examiner
Oil Conservation Division

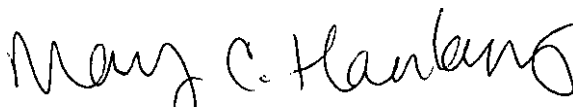
1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
3

4 CERTIFICATE OF COURT REPORTER

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

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

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

20 
21

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24 New Mexico CCR No. 20
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