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STATE OF NEW MEXICO
DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES
OIL CONSERVATION DIVISION

APPLICATION OF CAMBRIAN MANAGEMENT, LTD.
FOR APPROVAL OF WATERFLOOD PROJECT AND TO
QUALIFY THE PROJECT FOR THE RECOVERED OIL TAX
RATE, CHAVES COUNTY, NEW MEXICO

CASE NO. 14068

FEBRUARY 21, 2008

1220 South St. Francis Drive
Santa Fe, New Mexico

EXAMINER: WILLIAM L. JONES
LEGAL ADVISOR: David Brooks

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ATTORNEY FOR APPLICANT:
JAMES BRUCE, ESQ.
P O Box 1056
Santa Fe, New Mexico 87545

EXHIBITS 15

REPORTED BY: JOYCE D. CALVERT, P-03
Paul Baca Court Reporters
500 Fourth Street, NW, Suite 105
Albuquerque, New Mexico 87102

1 EXAMINER JONES: Let's call Case No. 14068. I
2 believe this one was heard by Mr. Brooks. But application of
3 Cambrian Management, Ltd. for approval of a waterflood project
4 and to qualify the project for the recovered oil tax rate,
5 Chaves County, New Mexico. Call for appearances.

6 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe
7 representing the applicant. I just have an Affidavit of Notice
8 to submit.

9 MR. BROOKS: Okay. I have forgotten why we put this
10 off. Did we discover, or did you discover, somebody who hadn't
11 been notified?

12 MR. BRUCE: No, Mr. Examiner, I did send out two sets
13 of notice. The first one I had termed the application simply
14 Approval of a Waterflood Project. And then I amended the
15 application to include the recovered oil tax rate.

16 MR. BROOKS: Oh, okay.

17 MR. BRUCE: So I sent out a subsequent notice. And
18 Exhibit 15 -- there were 14 exhibits originally submitted -- is
19 my Affidavit of Notice. The only two offsets are the Bureau of
20 Land -- and that is reflected on Exhibit 14 -- the land plat.
21 The only two offsets are Dwight Tipton, in the east half,
22 northeast quarter of adjoining Section 13 and the BLM which is
23 the unleased mineral owner in the south half of adjoining
24 Section 13. The rest of the wells in the area of review are on
25 a lease owned and operated by Cambrian Management. And I hope

1 you got the letter. But you asked about whether the
2 one-half-mile area of review included any land in Section 12,
3 and I sent you a letter about that.

4 MR. BROOKS: Yes. I received that. You said it did
5 not.

6 MR. BRUCE: It did not.

7 MR. BROOKS: Yeah. I recall receiving that. Okay.
8 Exhibit 15 then will be admitted.

9 MR. BRUCE: And I have nothing further.

10 MR. BROOKS: And Exhibit 14 was one of the --

11 MR. BRUCE: It was originally submitted.

12 MR. BROOKS: Yes. I see it right here. Exhibit 15
13 is admitted in Case No. 14068 and will be taken under
14 advisement.

15 [Hearing concluded.]

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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

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REPORTER'S CERTIFICATE

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

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

Joyce Calvert

JOYCE D. CALVERT
New Mexico P-03
License Expires: 7/31/08

1 STATE OF NEW MEXICO)
2 COUNTY OF BERNALILLO)

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I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of Paul Baca, New Mexico CCR License Number 112, hereby certify that I reported the attached proceedings; that pages numbered 1-3 inclusive, are a true and correct transcript of my stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03.

Dated at Albuquerque, New Mexico, this 27th day of February, 2008.



Joyce D. Calvert
Provisional License #P-03
License Expires: 7/31/08



Paul Baca, RPR
Certified Court Reporter #112
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