

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION

NOV 24 2003

IN THE MATTER OF THE HEARING CALLED BY )  
 THE OIL CONSERVATION DIVISION FOR THE )  
 PURPOSE OF CONSIDERING: )  
 )  
 APPLICATION OF APPLICATION OF CROSSLAND )  
 OPERATING, LLC, FOR COMPULSORY POOLING, )  
 EDDY COUNTY, NEW MEXICO )  
 )

Oil Conservation Division

CASE NO. 13,177

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

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

November 7th, 2003

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, WILLIAM V. JONES, JR., Hearing Examiner, on Friday, November 7th, 2003, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

\* \* \*

## I N D E X

November 7th, 2003  
 Examiner Hearing  
 CASE NO. 13,177

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\* \* \*

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\* \* \*

## A P P E A R A N C E S

## FOR THE DIVISION:

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

## FOR THE APPLICANT:

MONTGOMERY & ANDREWS, P.A.  
Attorneys at Law  
325 Paseo de Peralta  
P.O. Box 2307  
Santa Fe, New Mexico 87504-2307  
By: PAUL R. OWEN

\* \* \*

1           WHEREUPON, the following proceedings were had at  
2   8:34 a.m.:

3           EXAMINER JONES: Okay, we'll call Case 13,177,  
4   Application of Crossland Operating, LLC, for compulsory  
5   pooling, Eddy County, New Mexico.

6           Call for appearances.

7           MR. OWEN: Paul Owen of the Santa Fe law firm of  
8   Montgomery and Andrews appearing on behalf of the  
9   Applicant, Crossland, LLC. I have one witness in this  
10   matter.

11           EXAMINER JONES: Any other appearances? There  
12   being none, will the witness please stand to be sworn?

13           (Thereupon, the witness was sworn.)

14                       BARRY L. BRADFORD,  
15   the witness herein, after having been first duly sworn upon  
16   his oath, was examined and testified as follows:

17                       DIRECT EXAMINATION

18   BY MR. OWEN:

19           Q.    Would you please tell us your full name?

20           A.    Barry Lee Bradford.

21           Q.    And where do you live?

22           A.    Dallas, Texas.

23           Q.    Who do you work for?

24           A.    Crossland Oil and Gas.

25           Q.    And what do you do for Crossland Oil and Gas?

1           A.    I am the president of the company and project  
2 manager, putting projects together.

3           Q.    What's Crossland Oil and Gas's association with  
4 Crossland Operating, LLC?

5           A.    Crossland Operating will be the operator of the  
6 project. Crossland Oil and Gas is the holding company of  
7 the interest.

8           Q.    Have you previously testified before this  
9 Division?

10          A.    No.

11          Q.    Why don't you go over your education and  
12 experience in the oil and gas industry for the Examiner?

13          A.    Ten years' experience in putting projects  
14 together from acquisitions to -- somewhere \$50 million in  
15 acquisitions, and also putting drilling projects together  
16 in the last five years.

17          Q.    Are you familiar with the Application filed in  
18 this case?

19          A.    Yes.

20          Q.    Are you familiar with the status of the lands in  
21 the subject area, and the geologic and engineering  
22 conditions of the proposed well?

23          A.    Yes.

24                MR. OWEN: Mr. Examiner, I'd tender Mr. Bradford  
25 as a practical oilman.

1 EXAMINER JONES: Mr. Bradford is tendered as a  
2 practical oilman.

3 Q. (By Mr. Owen) Mr. Bradford, why don't you tell  
4 us what Crossland seeks with this Application?

5 A. I'm looking to pool the east-half standup unit in  
6 Section 27, 18 South, 29 East in the Morrow section and 100  
7 feet below.

8 Q. Okay, and what well do you propose to dedicate  
9 that acreage to?

10 A. The re-entry of the Federal Well Number 2, Empire  
11 Federal A Number 2 well, that is 1650 off the north line  
12 and 660 off the east line.

13 Q. And is that a standard location?

14 A. Yes.

15 Q. And you're proposing a standard 320-acre  
16 proration unit for the Morrow?

17 A. Yes.

18 Q. Okay, Mr. Bradford, let's turn to your first  
19 exhibit. Will you review that for the Examiner, please?

20 A. Okay. The first exhibit here, 18 South, 29 East,  
21 Section 27, the east half of that section is HBP'd by two  
22 wells operated by Gruy Operating. One is in the north half  
23 and one is in the east -- north-half laydown and a south-  
24 half laydown, both --

25 Q. Are those both in the west half of the 640?

1 A. Yes.

2 Q. Okay.

3 A. And they are producing currently out of the  
4 Atoka.

5 Q. Okay. And you've got -- What's on the second  
6 page of that exhibit?

7 A. I have contacted and received term assignments  
8 from the Trigg Family Trust, which has interest in the  
9 northeast quarter. They own 80 net acres. And then in the  
10 west half of the southeast quarter they have 40 net acres,  
11 for a total of 120 acres.

12 The Sivley Trust, which has interest in the  
13 northeast quarter, 60 acres, and 30 acres in the west half  
14 of the southeast, for a total of 90 acres, I have received  
15 a term assignment.

16 The Wynn Living Trust, which has 13.20 net  
17 mineral acres in the northeast quarter, and in the west  
18 half of the southeast quarter the Wynn Living Trust has 5  
19 net acres, for a total of 18.20 net acres.

20 Dominion in the southeast quarter of the  
21 southeast quarter has 40 net acres, for a total of 40 net  
22 acres. I've received a term assignment.

23 And then the two -- the acreage that I've not  
24 received term assignments, which is Magnum-Hunter, has 6.80  
25 acres in the northeast quarter and 5 acres in the west half

1 of the southeast quarter.

2 Q. Okay, so out of the east-half 320 in the Morrow  
3 there, what percentage of the working interest is  
4 voluntarily committed to the well?

5 A. Okay, voluntarily committed, I have 83.825  
6 percent.

7 Q. And who do you have -- what percentage is not  
8 voluntarily committed to the well, and which companies are  
9 represented?

10 A. EOG, 6.25 percent; Magnum-Hunter Resources, 9.937  
11 percent.

12 Q. And are those the only interest owners subject to  
13 this pooling Application?

14 A. Yes.

15 Q. Okay. Let's go to your Exhibit Number 2, some  
16 letters to EOG Resources. Can you review those for the  
17 Examiner, please?

18 A. August 10th, I sent them a letter certified mail  
19 in regards to a term offer for their acreage for a one-year  
20 term, \$100 an acre, with a 75 percent lease, with no  
21 response.

22 September 30th, sent them a letter, still  
23 considering my offer of \$100 per net acre for a one-year  
24 lease with a 25-percent burden, with also the right to  
25 participate with an AFE with their interest of their

1 working interest of 6.25, with a total of \$36,360 for their  
2 total share, with a land plat showing the location for the  
3 re-entry.

4 Q. And have you -- What's the status of your  
5 negotiations with EOG?

6 A. EOG has responded back with a term assignment  
7 that was unacceptable.

8 Q. All right. And let's turn to Exhibit Number 3,  
9 your letters to Magnum-Hunter. Can you review those for  
10 the Examiner, please?

11 A. I sent them a letter August 7th, certified mail,  
12 which they received August 8th, in regards to a term  
13 assignment for their acreage position in Section 27 for  
14 \$100 an acre for a one-year term, and a 25-percent burden.

15 With no response, I sent them a letter on August  
16 19th, stating that I've sent them a letter for a term  
17 assignment, with the opportunity to participate.

18 October 1st I sent them a certified letter, which  
19 they received October 2nd, stating that I offered them a  
20 term assignment under the same conditions as before, and  
21 with the right to participate with an AFE of their interest  
22 of 9.9375, for a total cost of \$58,113, with a land plat  
23 showing the location of the re-entry.

24 Q. And what's the status of your negotiations with  
25 Magnum-Hunter?

1           A.    Magnum-Hunter has offered a term assignment with  
2 the wellbore only, which is unacceptable.

3           Q.    Okay. Looking back at the AFE that's contained  
4 in Exhibit Number 3, is that the same AFE that you sent to  
5 EOG?

6           A.    Yes, it is.

7           Q.    Why don't you review the totals for dryhole and  
8 completed well cost for the Examiner, please?

9           A.    To a hundred percent would be \$201,000.

10          Q.    Is that for drilling?

11          A.    For drilling, for the re-entry. Completion cost  
12 of \$384,000.

13          Q.    And this is a re-entry, not a new well; is that  
14 right?

15          A.    Yes.

16          Q.    How long has the well been P-and-A'd?

17          A.    Since 1997.

18          Q.    Who was the prior operator?

19          A.    KCS Medallion.

20          Q.    Why was it abandoned?

21          A.    Their objective was the upper Morrow, and at the  
22 time they were not looking for the lower Morrow, and I'm  
23 wanting to re-enter the well for the lower Morrow.

24          Q.    Did that well ever produce?

25          A.    No.

1 Q. Okay. Are the costs that are reflected on the  
2 AFE attached to Exhibit Number 3 in line with what's been  
3 charged by other operators in the area for similar wells?

4 A. Yes.

5 Q. Have you made an estimate of the overhead and  
6 administrative cost while drilling and while producing the  
7 well if it's successful?

8 A. Yes, \$500 a month for overseeing the operations  
9 of the drilling -- \$5000 a month, excuse me, and \$500 a  
10 month, if successful, for operations.

11 Q. And are those costs in line with what's being  
12 charged by other operators in the area?

13 A. Yes.

14 Q. And do you recommend that those figures be  
15 incorporated into any order that results from this hearing?

16 A. Yes.

17 Q. All right. And does Crossland request that those  
18 overhead figures be subject to increase in accordance with  
19 COPAS guidelines applicable to other interest owners in the  
20 area?

21 A. Yes.

22 Q. All right, let's look at Exhibit Number 4. Is  
23 Exhibit Number 4 an affidavit from myself giving notice of  
24 the hearing to EOG and Magnum-Hunter in accordance with  
25 Division Rules?

1 A. Yes.

2 Q. Okay. Does Crossland Operating, LLC, seek to be  
3 the designated operator of the proposed well?

4 A. Yes.

5 Q. How soon do you plan to drill the well?

6 A. We'd like to proceed on or around December 19th,  
7 2003 --

8 Q. Okay --

9 A. -- if possible.

10 Q. -- and do you want to have the order in this case  
11 expedited?

12 A. Yes, it would be nice.

13 Q. Has your company also made a technical study of  
14 the area which is the subject of this Application?

15 A. Yes, we have.

16 Q. And are you prepared to share the results of that  
17 work with the Examiner?

18 A. Yes.

19 Q. Okay, let's look at Exhibit Number 5.

20 A. All right.

21 Q. Can you review that for the Examiner, please?

22 A. We've got a nine-section plat. Section 27 is the  
23 area of interest. Highlighted in the blue, proposed re-  
24 entry. You'll see the red is the Morrow, blue is the Atoka  
25 and green is the Strawn.

1           The objective in here is the Morrow, and the  
2 Morrow that is currently producing out of the lower Morrow  
3 is the well in Section 26 that has produced 3.3 B's. It's  
4 currently producing 500 MCF a day.

5           Other wells in Section 22, which are still active  
6 in the upper Morrow, the 9.8-BCF well is making a million a  
7 day; in Section 35 you have a well that has made 6.1 BCF  
8 and still making a million a day. It's an area where there  
9 is lower Morrow and upper Morrow, and primarily in the area  
10 the upper Morrow is producing, and closest to this  
11 wellbore, the re-entry wellbore that is producing out of  
12 the lower Morrow is the 500-MCF-a-day well in Section 26.

13           Q. Do the wells highlighted in red represent the --  
14 They represent the Morrow production; is that right?

15           A. Yes.

16           Q. Does this exhibit make any distinction between  
17 upper and lower Morrow production?

18           A. Yes, it does. In 27 the two Atoka wells did test  
19 the lower Morrow, and in the lower Morrow the south-half  
20 well did produce .02 BCF. And that well was drilled in May  
21 of 1980 and produced to November, 1980, in the Morrow and  
22 then was recompleted in January of 1981 to the Atoka and  
23 produced till May of 2001, which is currently shut-in now.

24           The north-half well is currently producing out of  
25 the Atoka, 50 MCF a day.

1 Q. And the well in the west half of 26, you show 3.3  
2 BCF cum production. Is all of that out of the lower  
3 Morrow?

4 A. No, out of the lower Morrow that well has only  
5 produced -- It's produced 3.3 out of the upper Morrow.  
6 Currently out of the lower Morrow -- It was recompleted in  
7 January of '03 and is currently producing 500 a day, so it  
8 was a recent completion of January of '03.

9 Q. Okay. And are they producing simultaneously out  
10 of the upper and lower Morrow?

11 A. No, they squeezed off the upper Morrow.

12 Q. Okay.

13 A. So it is only producing out of the lower Morrow.

14 Q. Okay. Let's move on to your Exhibit Number 6.  
15 Would you please review that for the Examiner?

16 A. This is a nine-section area of interest, Section  
17 27, proposed re-entry. This is a lower Morrow sand net  
18 isopach. Our proposed re-entry has 15 feet of sand. The  
19 offset in Section 26 has 12 feet, which is currently  
20 producing, and in the south half you have 10 feet which is  
21 not producing.

22 In Section 34, has 14 feet which is not  
23 producing. Section 23 has zero, Section 22 has zero in the  
24 east half.

25 Now, there's a separate -- possibly separate

1 stringer in Section 22 and 27, which has tested wet,  
2 there's a wet channel, and in 21 and 28 a wet channel as  
3 well.

4 Q. Based on your company's study, are you positive  
5 that you are in the same stringer as the well in Section  
6 26?

7 A. We would assume we were, but we will not know  
8 until we test.

9 Q. Okay. Let's move on to your Exhibit Number 7.  
10 Would you please review that for the Examiner?

11 A. This is a structure map of the area of interest,  
12 of the lower Morrow. In Section 26 the producing well is  
13 negative 7781 feet, which our well in Section 27 is 7814,  
14 which is lower to the producing well. And in the east half  
15 of 27 -- I mean the -- excuse me, the west half of 27, the  
16 north well is negative 7841 feet, which is lower to our  
17 well.

18 Q. And is that well in the north half of 27  
19 producing from the lower Morrow?

20 A. No.

21 Q. Why not?

22 A. Because it is wet.

23 Q. Okay. And the well in the west half, the  
24 southwest quarter of 27, can you repeat its status as far  
25 as the lower Morrow is concerned?

1           A.    That well is negative 7848 feet, which did  
2 produce .02 BCF of gas, which is inactive. Produced, like  
3 I said, from May to November of 1980.

4           Q.    And why was production stopped from that zone?

5           A.    It watered out, it was wet.

6           Q.    Okay. Looking back to Exhibit Number 5, you've  
7 got a line between the proposed well on -- The well on the  
8 west half of 26, is that for the cross-section?

9           A.    Yes, it is.

10          Q.    Okay. Well, let's go ahead and turn to your  
11 cross-section, Exhibit Number 8. Why don't you review that  
12 for the Examiner, please?

13          A.    This cross-section is from the west, which is the  
14 proposed re-entry well, to the east, which is the producing  
15 MYCO well in Section 26, showing the upper Morrow and the  
16 lower Morrow. In the proposed re-entry the middle Morrow  
17 was on the edge, and in the MYCO well was productive. They  
18 hit the channel.

19                   And in the lower Morrow, Yates tested the lower  
20 Morrow for 3.7 million a day and produced -- tested it and  
21 put a bridge plug and went back up to the middle Morrow and  
22 produced. Due to the -- There were other wellbores in the  
23 reservoir, so there was a reserves, people were producing  
24 for reserves, competing for reserves.

25          Q.    And you're talking about the well in the west

1 half of 26, right?

2 A. Yes.

3 Q. Okay.

4 A. This well produced 3.3 B's and watered out.

5 Q. Is that from the middle Morrow?

6 A. From the middle Morrow.

7 Q. All right.

8 A. And in January of 2003, Yates recompleted back  
9 into the lower Morrow, squeezing off the upper Morrow. And  
10 at that time is when I pursued taking leases in Section 27,  
11 the east half, for proposed re-entry. And my proposal is  
12 to go and produce the lower Morrow, is my objective.

13 Q. Okay. Are you prepared to make a recommendation  
14 to the Examiner as to the risk penalty that should be  
15 assessed against the nonconsenting interest owners?

16 A. Yes.

17 Q. What's that recommendation?

18 A. 200 percent.

19 Q. Is that cost plus 200 percent?

20 A. Yes.

21 Q. And upon what do you base that 200-percent  
22 recommendation?

23 A. On the fact that I am re-entering a wellbore that  
24 a previous company has drilled, there is risk involved in  
25 the aspect of a company did walk away from the well and I

1 am looking to re-enter it, and the possibility of problems  
2 downhole, junk being thrown in the hole when they plugged  
3 the well, being able to drill out the plugs to get down to  
4 the producing, possibly producing, zone, and then,  
5 referring back to the structure map, I am downdip to the  
6 current producing well.

7 And also the wet channel in the net isopach lower  
8 Morrow sand in Exhibit 6, the wet channel that is running  
9 through the section in the east half could propose a  
10 possibility of frac'ing off into that reservoir as well, or  
11 it could be possibly wet as well.

12 Q. And the well in the west half of 26 is producing  
13 from the lower Morrow; is that right?

14 A. Yes.

15 Q. Is it possible that the reserves from the  
16 proposed well are in communication with those reserves  
17 being produced from the Section 26 well?

18 A. Yes, there is that reserve risk that you are  
19 getting depleted.

20 Q. Okay. Do you think there's a chance you could  
21 drill a well at this proposed location that could not be a  
22 commercial success?

23 A. It could, yes, possibly be, in regards to they  
24 have walked away from a well that has been drilled.

25 Q. And in fact, wasn't there already a well drilled

1 there that was not a commercial success?

2 A. Yes, there was.

3 Q. Okay. And Mr. Bradford, in your opinion will  
4 granting this Application be in the best interests of  
5 conservation, the prevention of waste and the protection of  
6 correlative rights?

7 A. Yes.

8 Q. How soon do you want to -- I want to re-  
9 emphasize, how soon do you plan to spud the well?

10 A. I would like to do it before year end, which  
11 would be in December, 19th, tentatively.

12 Q. Okay. Were Exhibits 1 through 8 prepared by you  
13 or under your direction or supervision?

14 A. Yes.

15 MR. OWEN: Mr. Examiner, I move the admission of  
16 Exhibits 1 through 8.

17 EXAMINER JONES: Exhibits 1 through 8 will be  
18 admitted to evidence.

19 MR. OWEN: And that's all the questions I have at  
20 this time.

21 EXAMINATION

22 BY EXAMINER JONES:

23 Q. Okay, Mr. Bradford, is the well name going to  
24 remain the same as it was before --

25 A. Yes, it is.

1 Q. -- change the name?

2 A. Yes, it is, it will stay the same.

3 Q. Exactly the same, okay.

4 A. The proration unit will stay the same as well.

5 I'm not looking to change -- disorient -- orient the  
6 proration unit any differently than it was when the well  
7 was previously drilled.

8 Q. Okay. And these contours on this lower -- these  
9 isopach contours --

10 A. Yes.

11 Q. -- is that consistent with -- this north-south  
12 contouring, is that consistent with the regional geologic  
13 interpretation of the area?

14 A. Yes. Yes, it's not cantered in any way.

15 Q. Okay, the water saturation you calculate on your  
16 lower Morrow is --

17 A. The re-entry water saturation is 33 percent, 70  
18 ohms, and 40 ohms, 38 percent, and 80 ohms, 34 percent on  
19 the re-entry well.

20 Q. Did you have access to the mudlog?

21 A. No, I did not, it was not released.

22 Q. The mudlog was not released?

23 A. No.

24 Q. And is the mudlog not required to be reported to  
25 the --

1 A. No, not to my knowledge.

2 Q. The mudlog would have helped you in this  
3 instance?

4 A. Yes, it would have.

5 Q. Okay, we've got the same name, and as far as EOG  
6 and Magnum-Hunter, did you say what the reasons were? They  
7 came back with a little bit higher participation than you  
8 were willing to go, is that right, on one of them? Is it  
9 EOG that did that?

10 A. EOG sent me a term assignment, and there was one  
11 part of the term assignment that I did not agree to, which  
12 was they wanted 48 hours to decide if they wanted to take  
13 over the wellbore, and I wanted to change that. And when  
14 that was discussed, they came back with the -- a different  
15 term assignment than the one they presented to me, stating  
16 that they wanted to be able to propose a well in this  
17 section if I was successful.

18 And that is -- I want to keep it a 320-acre unit  
19 and not take it -- downspace it, which currently is what  
20 the unit would call for, would be a 320-acre unit spacing.

21 Q. Okay. So there's no unsigned royalty or unsigned  
22 royalty owners of record in this case at all, right?

23 A. Right.

24 Q. It's just working -- two working interest owners  
25 that --

1 A. Yeah.

2 Q. -- are unsigned?

3 A. Yeah, it's a federal lease that's HBP'd by the  
4 production in the section, which would be a Gruy well in  
5 the north half, the Atoka well.

6 EXAMINER JONES: Okay, that's -- Gail, do you  
7 have any questions?

8 MS. MacQUESTEN: I do, I have a question on  
9 notice, and this may be a better question for Mr. Owen.

10 I see in the letters that you've sent, you  
11 notified them that the hearing would be on November 6th,  
12 which would be our normal hearing schedule. We had to  
13 change our date to accommodate the OCD all-hands  
14 conference. Was anything done to notify them that the date  
15 was actually the 7th?

16 MR. OWEN: No, we haven't, and I've discussed  
17 that with Mr. Bradford. What I'd like to do is continue  
18 the case for two weeks, send out a notification letter for  
19 that hearing date and proceed at that time, have the  
20 Examiner take the matter under advisement at that time.

21 MS. MacQUESTEN: All right, just a question for  
22 you, Mr. Hearing Examiner: Are we treating this date as a  
23 continuance of the November 6th date, or is this the  
24 original hearing date for these hearings?

25 EXAMINER JONES: This is the original hearing

1 date that I was told, but -- yeah, because we didn't --  
2 yeah, that's --

3 MS. MacQUESTEN: So I agree that the  
4 renotification may be the best way to proceed.

5 MR. OWEN: I think that's probably the best way  
6 to proceed, yeah. Because of the mixup in the dates, the  
7 letter was sent with the normal Thursday hearing date, and  
8 to cure that, that's my proposal and that's what I've  
9 discussed with Mr. Bradford, unless you have another  
10 suggestion.

11 EXAMINER JONES: That's -- All this will be on  
12 the record, and it can be -- I don't see any reason for him  
13 to have to come back.

14 MR. OWEN: Well, I assume that Magnum-Hunter is  
15 not going to be entering an appearance or preparing to  
16 present testimony. If in fact Magnum-Hunter files a  
17 prehearing statement and/or hires an attorney and indicates  
18 that they would like to cross-examine Mr. Bradford, then we  
19 would make him available at the next hearing. If in fact  
20 that happens, if we have no advance notice of any entry of  
21 appearance or a prehearing statement, then I will simply  
22 appear at that hearing and request that the matter be taken  
23 under advisement.

24 EXAMINER JONES: That sounds good to me.

25 Okay, thank you very much for being so thorough

1 and deliberate with your questions and your testimony, I  
2 really appreciate that.

3 And with that, we'll take -- Case 13,177 will be  
4 continued to the date of -- let's see here, the 20th,  
5 November the 20th.

6 (Thereupon, these proceedings were concluded at  
7 9:08 a.m.)

8 \* \* \*

9  
10  
11  
12  
13 I do hereby certify that the foregoing is  
14 a complete record of the proceedings in  
15 the Examiner hearing of Case No. \_\_\_\_\_  
16 heard by me on \_\_\_\_\_  
17 \_\_\_\_\_, Examiner  
18 Oil Conservation Division  
19  
20  
21  
22  
23  
24  
25

## CERTIFICATE OF REPORTER

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

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

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

WITNESS MY HAND AND SEAL November 8th, 2003.



STEVEN T. BRENNER  
 CCR No. 7

My commission expires: October 16th, 2006