

ILLEGIBLE

Page 1

NEW MEXICO OIL CONSERVATION DIVISION

EXAMINER HEARING

SANTA FE, NEW MEXICO

Hearing Date FEBRUARY 17, 2000 Time 8:15 A.M.

NAME	REPRESENTING	LOCATION
Joe Cox	Falcon Creek Res.	Denver, CO
DENNY LEMAR	FALLON CREEK RES.	DENVER CO
LYNN BECKER	"	"
VERNON D. DYER	Harvey S. Yates Co	Denver, N.M.
RAMON REYES	"	"
CHARIE T. BROWN	OCD	AZTEC
William J. Carr	Employment Security Council	South TX
Robert J. Carr	Employment Security Council	South TX
G.D. Brown	Ute Mt. Nat. Forest	Albuquerque
James B. Carr	-	SF

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:)

CASE NO. 12-324

APPLICATION OF HARVEY E. YATES COMPANY)
 FOR COMPULSORY POOLING, LEA COUNTY,)
 NEW MEXICO)

ORIGINAL

OIL CONSERVATION DIV.
 00 MAR -22 PM 1:38

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

February 17th, 2000

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, February 17th, 2000, at the New Mexico Energy, Minerals and Natural Resources Department, Porter Hall, 2040 South Pacheco, Santa Fe, New Mexico, Steven T. Brenner, Certified Court Reporter No. 7 for the State of New Mexico.

* * *

I N D E X

February 17th, 2000
Examiner Hearing
CASE NO. 12,324

	PAGE
EXHIBITS	3
APPEARANCES	3
APPLICANT'S WITNESSES:	
<u>VERNON D. DYER</u> (Landman)	
Direct Examination by Mr. Bruce	5
Examination by Examiner Stogner	10
<u>RAMON REYES</u> (Geologist)	
Direct Examination by Mr. Bruce	18
Examination by Examiner Stogner	22
REPORTER'S CERTIFICATE	26

* * *

E X H I B I T S

Applicant's	Identified	Admitted
Exhibit 1	6	17
Exhibit 2	7	17
Exhibit 3	8	17
Exhibit 4	9	17
Exhibit 5	10	17
Exhibit 6	10	17
Exhibit 7	19	21
Exhibit 8	19	21
Exhibit 9	20	21

* * *

A P P E A R A N C E S

FOR THE DIVISION:

LYN S. HEBERT
 Deputy General Counsel
 Energy, Minerals and Natural Resources Department
 2040 South Pacheco
 Santa Fe, New Mexico 87505

FOR THE APPLICANT:

JAMES G. BRUCE, Attorney at Law
 3304 Camino Lisa
 Santa Fe, New Mexico 87501
 P.O. Box 1056
 Santa Fe, New Mexico 87504

* * *

1 WHEREUPON, the following proceedings were had at
2 8:20 a.m.:

3 EXAMINER STOGNER: This hearing will come to
4 order, Docket Number 05-00, today's date February 17th,
5 2000. I'm Michael Stogner, appointed Hearing Examiner for
6 today's cases.

7 At this time I will call first case, Number
8 12,324.

9 MS. HEBERT: Application of Harvey E. Yates
10 Company for compulsory pooling, Lea County, New Mexico.

11 EXAMINER STOGNER: Call for appearances.

12 MR. BRUCE: Mr. Examiner, Jim Bruce from Santa
13 Fe, representing the Applicant. I have two witnesses to be
14 sworn.

15 EXAMINER STOGNER: Please let the record show
16 that Mr. Bruce did not stand to make his presentation.

17 Any other appearances?

18 Will the witnesses please stand and be sworn in
19 at this time?

20 (Thereupon, the witnesses were sworn.)

21 EXAMINER STOGNER: Mr. Bruce?

22 MR. BRUCE: Mr. Examiner, before we begin I want
23 to note one small matter. The advertisement for this case
24 states that the well is 2310 from the north line, the
25 Application actually states 2130 from the north line. As a

1 result, because of the pool rules in this area, this
2 location is orthodox, and I would like to note that for the
3 record.

4 EXAMINER STOGNER: Okay, so that was a typo.

5 MR. BRUCE: Yes.

6 EXAMINER STOGNER: So the well location in the
7 advertisement is unorthodox, but your actual well location
8 is orthodox?

9 MR. BRUCE: Correct.

10 EXAMINER STOGNER: Okay, then that would be all
11 right, there will be no need of advertising the same.

12 VERNON D. DYER,

13 the witness herein, after having been first duly sworn upon
14 his oath, was examined and testified as follows:

15 DIRECT EXAMINATION

16 BY MR. BRUCE:

17 Q. Would you please state your name for the record?

18 A. It's Vernon Dyer.

19 Q. And where do you reside?

20 A. Roswell, New Mexico.

21 Q. Who do you work for and in what capacity?

22 A. Harvey E. Yates Company, and I'm the land
23 manager.

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

1 A. Yes.

2 Q. And were your credentials as a landman?

3 A. Yes.

4 Q. And were your credentials as a landman, expert
5 petroleum landman, accepted as a matter of record?

6 A. Yes, it was.

7 Q. And are you familiar with the land matters
8 involved in this Application?

9 A. Yes, I am.

10 MR. BRUCE: Mr. Examiner, I tender Mr. Dyer as an
11 expert petroleum landman.

12 EXAMINER STOGNER: Mr. Dyer is so qualified.

13 Q. (By Mr. Bruce) Mr. Dyer, could you identify
14 Exhibit 1 for the Examiner and describe what Heyco seeks in
15 this case?

16 A. This is the land plat of the area shown in 17
17 South, 38 East, and what we've outlined on it is the 80-
18 acre proration unit, the south half of the northwest
19 quarter of Section 8.

20 Q. What pool is this well in?

21 A. We are going for the Strawn.

22 Q. Okay, and that is the South Humble City-Strawn
23 Pool?

24 A. That's the closest one, yes.

25 Q. Okay. And that is spaced on 80 acres?

1 A. That is correct.

2 Q. And wells are to be within 150 feet of the center
3 of the quarter-quarter section, I believe, under those
4 special pool rules?

5 A. I think that is correct.

6 Q. Okay. Moving on to Exhibit 2, could you identify
7 the leasehold or working interest ownership in the well?

8 A. This is the worksheet or a spreadsheet showing
9 the working interest of all the parties in the well.

10 Q. Of these parties, which are the ones that you
11 seek to force pool?

12 A. It's the last four, James T. Smith, Ray F.
13 Tissue, Dorothy Jane Tissue and Evelyn Stinnett.

14 Q. Okay. Now, are these lessees, or are they
15 unleased mineral owners?

16 A. They're unleased mineral owners.

17 Q. Now, I see up at the top of that you've got
18 southwest quarter, northwest quarter, and then the south
19 half, northwest. But isn't mineral interest ownership
20 common throughout this well unit?

21 A. Yes, it's common throughout the whole thing.

22 Q. Okay. Now, these unleased mineral owners, why is
23 it that you haven't come to terms with these persons?

24 A. Because we were unable to locate them, although
25 we've tried.

1 Q. Could you identify your Exhibit 3 and describe
2 Heyco's efforts to locate these mineral owners?

3 A. Exhibit 3 is the -- First off, it's a list of the
4 things that we have done to try to contact the people. And
5 then attached to it is letters that we have sent certified
6 to the people, that have been sent back to us and never
7 picked up.

8 Q. Okay. And under each mineral owner it identifies
9 the steps you took in addition to mailing letters to locate
10 these persons?

11 A. That is correct, people we've talked to, the
12 directory assistance we've gone through, the relatives that
13 we've spoken with.

14 Q. In your opinion, has Heyco made a reasonable
15 good-faith effort to locate these four unleased mineral
16 interest owners?

17 A. Yes, sir, I believe we have.

18 Q. Now, with respect to these letters that you sent
19 out, were they all returned to you?

20 A. Yes, they were returned.

21 Q. Okay.

22 A. Returned to sender, all of them, except the last
23 one, we haven't received back yet. But it's --

24 Q. Okay.

25 A. -- again sent out certified mail, and we haven't

1 received anything on it.

2 Q. Could you refer to Exhibit 4 and discuss the cost
3 of the proposed well?

4 A. Number 4 is the AFE, Exhibit 4 is the AFE we
5 prepared for it. It shows a dryhole cost of \$563,000,
6 completion cost of \$1,060,000.

7 Q. And are these costs in line with the costs of
8 other wells drilled to this depth in this area of Lea
9 County?

10 A. Yes.

11 Q. And does Heyco request that it be designated
12 operator of the well?

13 A. That is correct, yes, we do.

14 Q. What are your recommendations for the supervision
15 overhead rates which Heyco should be paid?

16 A. We've requested \$6600 a month for the drilling
17 well and \$660 a month for the producing well rate.

18 Q. Now, are these amounts equivalent to those
19 normally charged by Heyco and other operators in this area
20 for wells of this depth?

21 A. Yes, it is.

22 Q. And does Heyco request that these rates be
23 adjusted according to the COPAS accounting procedure?

24 A. Yes, we do.

25 Q. And to the extent possible, were these interest

1 owners notified of the hearing in this case?

2 A. Yes, as best we could. We told relatives as well
3 as --

4 Q. And is Exhibit 5 my affidavit of notice?

5 A. Is it?

6 Q. Yes.

7 A. Yes, I'm sorry, I didn't understand.

8 Q. Now, one thing, if you go to the second page of
9 that exhibit, Mr. Dyer, there is notice to a Florissant
10 Exploration. What happened to that interest?

11 A. Florissant sold their interest to Tamarac
12 Producing Company, Production Company, and we have come to
13 terms with Tamarac, and they're joining the operating.

14 MR. BRUCE: Okay. And Mr. Examiner, Exhibit 6 is
15 a notice that was published in the *Hobbs News-Sun* to these
16 four unlocatable interest owners, giving notice of the
17 original pooling hearing set in this matter.

18 EXAMINATION

19 BY EXAMINER STOGNER:

20 Q. Mr. Dyer --

21 A. Yes, sir.

22 Q. -- let's see, in the advertisement and on Exhibit
23 Number 2 there's mention here again of the southwest
24 quarter, northwest quarter. But I understand from your
25 testimony that the south half, northwest quarter, it's

1 common ownership throughout that whole half -- quarter
2 section?

3 A. Yes, through the northwest quarter and the --
4 Yes, it is through the whole quarter section.

5 Q. Through the whole quarter section?

6 A. Actually, through the northwest quarter and the
7 north half of the southwest quarter is all common
8 ownership.

9 Q. I'm sorry, the north half of the what?

10 A. Of the southwest.

11 Q. Okay.

12 A. That 80-acre tract there, that is all common
13 ownership for that 240 acres.

14 Q. Okay. When I refer to Exhibit Number 1, I show
15 that there's a dry hole up there to the north in Unit C?

16 A. Yes, that is correct.

17 Q. Could you review the records there and see if --
18 Or can you tell me anything about the land ownership in
19 that well? Did they get agreement or anything on that --

20 A. No, they were unable to locate a lot of them
21 also. Yes, AnSon is one of our partners. They are the
22 ones that drilled the well. They're one of our partners,
23 and they furnished us all the information they had on them
24 at the time. And so, using their information, as well as
25 going to the public records and everything, we tried to

1 locate them.

2 But in one of my affidavits, we've even talked to
3 the half-sister and the aunt of one of the people, and they
4 haven't seen them for 30 years and they have no idea where
5 they're located, so...

6 Q. Do you know if that well that I was referring to,
7 if it came under the force-pooling provisions at the --

8 A. No, I do not know that. We were not a partner of
9 it at that time and everything.

10 MR. BRUCE: Mr. Bruce, I'm going to take
11 administrative notice of the well record that we have here
12 at the Division on that particular well.

13 With that, are there any other questions of Mr.
14 Dyer?

15 Oh, one other question, Mr. Dyer.

16 Q. (By Examiner Stogner) In your review of the
17 ownership of this land, when did Smith and the Tissue and
18 Ms. Stinnett -- when did they first acquire that property?

19 A. This is through inheritance. They are -- One of
20 them, Mrs. Stinnett, acquired it through the death of her
21 father. She was the second half of the father. I mean, he
22 had two families. He had married one, and then the sisters
23 went -- Then his first wife died, and the second wife he
24 married, and she was the second half of it. Hence the
25 half-sister that we talked to, that lives in Ruidoso, about

1 her.

2 The other three, the Tissue, they inherited it
3 through the death -- we assume, through the death -- well,
4 no, they inherited through the death, but this inheritance
5 took place 20 years ago or longer, the death of their
6 father. And they are out-of-state residents, they live in
7 Alabama and Georgia, and so we've -- and California.

8 And so we've advertised every place we could in
9 those states. And when we called to check on them, not
10 only did we check in the state of -- or in the City of
11 Birmingham, but we got the state listing, and we called
12 everybody that was listed under that name in the State of
13 Alabama, looking for them, and --

14 Q. You called every James Smith in Alabama?

15 A. Every one with a T. in the middle initial.

16 Q. And how many was that?

17 A. There wasn't that many. It narrowed it down
18 considerably when you start putting the middle initials in
19 there.

20 Q. Okay.

21 A. It was quite intense, the search that we did. We
22 had a broker working on it full-time.

23 Q. Now, you mentioned something about some
24 advertisements in these out of states. How was that done?

25 A. Well, the advertisement was done -- not so much

1 the advertisement as it was going through the directory
2 assistance for the states and going on the Internet and
3 going on the disc search, telephone disc search that you
4 can acquire from companies to use on the computer, and
5 we've used all of those methods.

6 Q. You know, this is somewhat of a new thing that's
7 come up. Of course, it makes it very helpful. On your
8 Internet search on something like this, could you explain a
9 little more in detail, because this -- I want it for the
10 record, too, and like I said, this is a new thing for -- a
11 new tool for landmen to use, trying to find parties. I'm
12 trying to make a record, too, to establish what the
13 procedures -- Where would you go in the Internet, what
14 would you key into, did you have a Social Security number
15 by chance?

16 A. No. No, we didn't have a Social Security number,
17 because all the records we've seen didn't have one in the
18 public records. What we did was run on the Internet, and
19 most of them was put on by telephone companies or something
20 like that.

21 So you're searching their records, and you use it
22 by state, usually, when you go to the search area for
23 missing persons, is what it's called under, or unlocatable
24 persons. And you go in and you pick the state and the
25 city, and then you put the name in, last name, first name,

1 middle initial.

2 And then they go up and they pull everybody in
3 that city with that last name, first name and middle
4 initial, or with that last name and two initials the same.
5 If, you know, it's Jim Bruce Brown, if it's J.B. Brown, it
6 will pull it up too.

7 So we did that. And then when we couldn't find
8 anything in Birmingham, then we went to the state and just
9 opened it up and said, you know, like anybody in the state.
10 And I think we ended up with 13 in the state with J.T.
11 initials.

12 Q. And you would have what? An address and a phone
13 number?

14 A. Have an address and a phone number to contact
15 them.

16 Q. And when you call them, how would you -- What
17 would you do?

18 A. Well, what we would do is, because we knew who
19 the father was and knew who they inherited from, like James
20 T., we asked them -- we told them that we were looking for
21 a certain Smith, and his father's name was Ray, is your
22 father alive? And we -- not have to do anything, just kind
23 of have to talk to them, tell them we're looking for a
24 James T. Smith whose father's name was Ray Smith and lived
25 in Birmingham, Alabama. And that eliminated a lot of them

1 just right off the hand, you know. They would tell you no.

2 So a lot of times if you get there -- Very seldom
3 is the father's name the same as the ones that we're
4 looking for. But then if we found that they said the
5 father's name was the same, then we'd ask them what the
6 mother's name was, and let them tell us the mother's name,
7 to make sure that we had the right one, instead of
8 volunteering a lot of information and they just say, Yeah,
9 yeah, yeah, that's me, you know. Yeah, send me the money,
10 that's me, you know.

11 Q. That's the reason I'm asking, because if I ever
12 got one of these phone calls I would say, Yeah, yeah,
13 that's me.

14 A. So first you establish the father's name, and if
15 that's the same then you ask them to give you the mother's
16 name, and you ask them for the date of the death of the
17 father.

18 Q. Well, I appreciate your patience on this. Like I
19 said, I wanted to get it into the record since this is a
20 new procedure, a new tool, that I'm sure we're going to see
21 more and more of later on. In fact, maybe the attorneys
22 someday may want to come up with some sort of a procedural
23 policy, applicable.

24 A. It's becoming very common. That's the way we're
25 finding a lot of people now.

1 Q. Do you belong to a landman's association or a
2 landman's group?

3 A. Yes, I'm AAPL, and the president of the New
4 Mexico Landmans Association.

5 Q. Has the landman association nationally addressed
6 this issue on finding missing persons through the Internet?

7 A. Yes, they have. They've had a lot of articles in
8 our technical magazine, they've had a couple articles in
9 it, and also we've -- at some of our seminars they tell us
10 that's one way to locate -- It's become very common in the
11 land business to use it.

12 You can even use it nationwide. I have one that
13 I was looking for and I couldn't find any state, so I just
14 put nationwide. Boom, I hit 13 nationwide of people with
15 the same name.

16 EXAMINER STOGNER: I'm glad to hear that, that
17 the landman association and everything has addressed this
18 and it's becoming common knowledge and everything. Good,
19 I'll keep that in mind.

20 Okay, I have no other questions of Mr. Dyer.

21 MR. BRUCE: I do need to move the admission of
22 Exhibits 1 through 6, Mr. Examiner.

23 EXAMINER STOGNER: Why yes, you do. Exhibits 1
24 through 6 will be admitted into evidence at this time.

25 Thank you, Mr. Dyer.

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

RAMON REYES,

the witness herein, after having been first duly sworn upon
his oath, was examined and testified as follows:

DIRECT EXAMINATION

BY MR. BRUCE:

Q. Would you please state your name and city of
residence?

A. Ramon Reyes, Roswell, New Mexico.

Q. And who do you work for?

A. I work for Harvey E. Yates Company.

Q. What's your job with Heyco?

A. I'm a geologist.

Q. Have you previously testified before the
Division?

A. Yes, I have.

Q. And were your credentials as an expert petroleum
geologist accepted as a matter of record?

A. Yes.

Q. And are you familiar with the geology involved in
this Application?

A. Yes, I am.

MR. BRUCE: Mr. Examiner, I would tender Mr.
Reyes as an expert petroleum geologist.

EXAMINER STOGNER: Mr. Reyes is so qualified.

Q. (By Mr. Bruce) Could you please refer to your

1 Exhibit 7, Mr. Reyes, and discuss the primary zone of
2 interest for this well?

3 A. The primary zone of interest in this well is the
4 Strawn. Secondary zones include probably the Wolfcamp and
5 San Andres.

6 Q. What is shown on Exhibit 7?

7 A. This shows a -- It's a production map of existing
8 wells that produce out of the Strawn formation.

9 Q. This map shows -- When you're looking at your
10 proposed location and the wells to the northwest --
11 immediate northwest and southeast of those, they have a
12 little bit of green in them. Were they productive, or did
13 they just have shows of oil in those --

14 A. Right, yes. This is a bubble map of production.
15 The bigger the green dot, the better the production
16 history. Those numbers indicate -- The top number
17 indicates cumulative oil, and the bottom is the cumulative
18 gas.

19 Q. Okay. And so really, the nearest commercial well
20 is, oh, a little more than a mile away from your location?

21 A. Correct.

22 Q. Okay. Let's move on to your Exhibit 8, the
23 isopach, and could you identify what you hope to locate in
24 this zone?

25 A. Yes, this is a porosity isopach in the Strawn

1 section. It was derived by a little bit of well control
2 that we have, 2-D and 3-D information that we have
3 available to us.

4 Q. Now, this map shows what? You're hoping to hit a
5 little porosity pod that stretches across the boundary of
6 Sections 7 and 8?

7 A. Right. With the 2-D and the 3-D seismic
8 information that we have, we were able to define a small
9 anomaly roughly the size of what you see there, kind of a
10 little oyster-looking...

11 Q. Will your proposed location hit what you hope is
12 the high in the structure?

13 A. Correct.

14 Q. Let's move on to your final exhibit, Exhibit
15 Number 9, and discuss the contents of that for the
16 Examiner, please.

17 A. Okay, this is a structure map, and it's hung on a
18 datum at 7000 feet, so it's roughly from the bottom of the
19 lower Wolfcamp down to the Atoka shale.

20 It primarily goes from west to east, in order to
21 be showing production of the wells that are identified on
22 that production map, namely showing the Nearburg wells
23 there in Section 8, I believe -- I'm sorry, Section 12, the
24 Wright Number 1 and Wright Number 2, which have been
25 productive in these zones that we're projecting to find

1 with respectable reserves of 650,000 to 360,000 apiece.

2 We are -- That's about it.

3 Q. Does this fault -- I notice there's a fault near
4 your location. Does that have any effect on the well
5 location?

6 A. Kind of hard to define where that fault -- Well,
7 the fault is far enough to the west that I think it's
8 creating another little zone here, separating the two
9 zones. Hopefully we'll be able to tap into virgin
10 reservoirs and find the new fields.

11 Q. Based on your study of this area, should the
12 maximum cost-plus-200-percent penalty be assessed against
13 any nonconsenting interest owner?

14 A. Yes, I do.

15 Q. And were Exhibits 7 through 9 prepared by you or
16 under your supervision?

17 A. Yes, they were.

18 Q. And in your opinion is the granting of this
19 Application in the interests of conservation and the
20 prevention of waste?

21 A. Yes, I do.

22 MR. BRUCE: Mr. Examiner, I'd move the admission
23 of Exhibits 7 through 9.

24 EXAMINER STOGNER: Exhibits 7 through 9 will be
25 admitted into evidence.

EXAMINATION

BY EXAMINER STOGNER:

Q. Mr. Reyes, in looking at Exhibit Number 8 -- and let's take the well immediately to the north of the proposed proration unit, what exactly is the information that you're showing here?

A. Are you referring to the Gipson well in Section 8?

Q. That is the one in Unit Letter C of Section 8.

A. Unit Letter C. Yes, sir, the well was drilled, I believe, by Nearburg. We just believe that they were just structurally high, just totally missed the pod itself, the anomaly itself, and I think we're better able to identify with our 3-D that it was a little bit smaller than they first anticipated. I think they thought it was a little bigger than that.

So with that well control, I think we have more confidence that it's a little bit farther south and a little more -- smaller defined.

Q. Okay. With the information shown on this exhibit, I'm assuming this was drilled to a total depth of 11,530 feet -- that's the number down at the bottom --

A. Right.

Q. -- a Strawn test?

A. Correct.

1 Q. And what? The perforated interval was 7474 to
2 7710? What are those numbers? 7474, then you have a zero
3 and a minus 7710.

4 A. Oh, the numbers -- Okay, those are just referring
5 to the horizons that were picked, the Strawn and the
6 Wolfcamp, so that we could better define it on the
7 structure to where -- you know, a structure map on the
8 Strawn.

9 Q. And what is the zero indicating?

10 A. Zero indicating there was no pay, no porosity,
11 nothing to explore.

12 Q. Okay. And the number above, 189 and (HEY) in
13 parentheses?

14 A. 189 is, I believe, is the top of the Wolfcamp,
15 and the 189 is -- I'm not real sure what that was about.

16 Q. What would the HEY stand for?

17 A. HEY is our pick, Heyco. We use different vendors
18 to help us with our picks, and then we pick our own as
19 well.

20 Q. Okay. The pods shown as indicated on Exhibit
21 Number 8, this is your interpretation of 3-D -- I'm sorry,
22 did you say 2-D seismic or 3-D seismic?

23 A. Both.

24 Q. Both. And when was that seismic information run
25 in this particular -- or has it had several runs in this

1 area?

2 A. Sir, I believe that 3-D was shot back in 1997 by
3 Western, and it was shot for AnSon Operating, I believe.
4 That's the company name, who were able to purchase part of
5 that.

6 Q. Was there any other, older seismic data that you
7 utilized?

8 A. As far as 3-D or 2-D?

9 Q. Both.

10 A. Both. We had some 2-D seismic in that area. We
11 have a couple of lines in there.

12 Q. Now, this is an area that's been -- had many,
13 many survey shots, has it not?

14 A. Right.

15 Q. I imagine when you go up to a door wanting to run
16 a survey, they know what you're there for?

17 A. Yes, sir, exactly.

18 EXAMINER STOGNER: Any other questions of Mr.
19 Reyes? He may be excused.

20 Mr. Bruce, I've got one other problem here. The
21 overhead charge is \$6600 and \$660, was that right?

22 MR. BRUCE: That was right.

23 EXAMINER STOGNER: Could you provide me a most
24 update, current -- not Pratt and Whitney. Who am I
25 thinking of?

1 MR. BRUCE: Ernst and --

2 EXAMINER STOGNER: Ernst and Young, yeah.

3 MR. BRUCE: Yes, I will fax that over later
4 today.

5 EXAMINER STOGNER: I do appreciate it.

6 Anything further in Case Number 12,324? Then
7 this matter will be taken under advisement.

8 Thank you, sir.

9 (Thereupon, these proceedings were concluded at
10 8:47 a.m.)

11 * * *

12
13
14
15 I do hereby certify that the foregoing is
16 a complete record of the proceedings in
17 the Examiner hearing of Case No. 12324
18 heard by me on 17 February 2000
19 *Michael D. Elph*
20 Of Conservation Division, Examiner
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 February 18th, 2000.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002