

NEW MEXICO OIL CONSERVATION DIVISION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date MARCH 22, 2001 Time 8:15 A.M.

NAME	REPRESENTING	LOCATION
Steve Burleson	Lewis B Burleson, Inc.	Midland, TX
F. Andrew Grooms	Primero Operating Inc.	Roswell N.M.
Phelps White	Primero Operating Inc.	Roswell, N.M.
L B Burleson	L B B, Inc	Midland, TX
SCOTT HALL	MILNER LAW FIRM	SF
Mike Feldner +	Holland + Hart and Campbell	SF
W. Kelch	Kelch + Kelch ^{CO}	Santa Fe
James Bruce		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. 12,617

APPLICATION OF LEWIS B. BURLESON, INC.,)
TO RESCIND ORDER NO. R-676, FOR A)
PLUGGING ORDER AND FOR APPROVAL OF A)
160-ACRE NONSTANDARD GAS PRORATION AND)
SPACING UNIT, LEA COUNTY, NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

March 22nd, 2001

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, March 22nd, 2001, 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.

* * *

STEVEN T. BRENNER, CCR
(505) 989-9317

OIL CONSERVATION DIV.
01 APR -5 AM 11:08

I N D E X

March 22nd, 2001
Examiner Hearing
CASE NO. 12,617

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A P P E A R A N C E S

FOR THE APPLICANT:

KELLAHIN & KELLAHIN
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 By: W. THOMAS KELLAHIN

* * *

STEVEN T. BRENNER, CCR
 (505) 989-9317

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

3
4
5
6 EXAMINER STOGNER: This hearing will come to
7 order. Please note today's date, Thursday, March 22nd,
8 2001. This is Docket Number 9-01. I'm Michael Stogner,
9 appointed Hearing Examiner for today's cases.

10 At this time I will call Case Number 12,617,
11 which is the Application of Lewis B. Burleson, Inc., to
12 rescind Division Order Number R-676, and they're requesting
13 a plugging order and for approval of a 160-acre nonstandard
14 gas proration unit in Lea County, New Mexico.

15 At this time I'll call for appearances.

16 MR. KELLAHIN: Mr. Examiner, I'm Tom Kellahin of
17 the Santa Fe law firm of Kellahin and Kellahin, appearing
18 on behalf of the Applicant, and I have one witness to be
19 sworn.

20 EXAMINER STOGNER: Any other appearances?

21 Okay, will the witness please stand to be sworn
22 at this time?

23 (Thereupon, the witness was sworn.)

24 EXAMINER STOGNER: Mr. Kellahin?

25 MR. KELLAHIN: Thank you, Mr. Examiner.

1 STEVEN L. BURLESON,
2 the witness herein, after having been first duly sworn upon
3 his oath, was examined and testified as follows:

4 DIRECT EXAMINATION

5 BY MR. KELLAHIN:

6 Q. Mr. Burleson, for the record, sir, would you
7 please state your name and occupation?

8 A. My name is Steven L. Burleson, and I am a
9 geologist.

10 Q. Mr. Burleson, where do you reside?

11 A. I reside in Midland, Texas.

12 Q. In addition to your geologic responsibilities,
13 are you one of the principals in what we have identified as
14 the Lewis B. Burleson, Inc.?

15 A. Yes, I'm vice president and chief landman,
16 geologist and engineer.

17 Q. All right, sir. Among all those duties, have you
18 made yourself familiar with the facts and circumstances
19 surrounding your company's Application in this case?

20 A. Yes, I have.

21 Q. In addition to the subject well, you also operate
22 and have other interests in other Jalmat Gas Pool wells, do
23 you not?

24 A. Yes, we do.

25 Q. The matters at issue here are matters for which

1 you have personal knowledge and experience?

2 A. That is correct.

3 MR. KELLAHIN: Mr. Examiner, we tender Mr.
4 Burleson as an expert witness.

5 EXAMINER STOGNER: Mr. Burleson is so qualified.

6 Q. (By Mr. Kellahin) Let's take a moment, Mr.
7 Burleson, and if you'll turn to the exhibit package, let's
8 start with Exhibit 1 and identify what you have indicated
9 by the red arrow. What is that?

10 A. That arrow is pointing to our Cooper G Number 1
11 Well in the southwest quarter of that section, which is 660
12 from the south and 1980 from the west.

13 Q. All right. That's the well that you're seeking
14 to have dedicated to it the southwest quarter of Section
15 11?

16 A. That is correct.

17 Q. And that would be a 160-acre nonstandard
18 proration unit in the Jalmat Gas Pool?

19 A. That is correct.

20 Q. Within that 160 acres, is there another well also
21 called the Cooper G well?

22 A. Yes, the green dot represents the David Arrington
23 Cooper G Number 1 well, which is a shut-in Jalmat gas well.

24 Q. All right. In order to have control and approval
25 of the Jalmat in the southwest quarter of Section 11, is it

1 necessary for some action to be taken concerning the
2 Arrington well?

3 A. Yes, we feel that just to clear up everything,
4 we'd like to have the well plugged, just because it's on
5 our lease and it's in our productive zone, and we've been
6 able to make no kind of deal with him to take over the
7 well.

8 Q. All right, let's look at the chronology and the
9 facts and circumstances surrounding the current
10 Application, Mr. Burleson. If you'll further look at the
11 Exhibit 1, it is color-coded. Describe the color-coding
12 for me.

13 A. Yes, the colors -- As on the key, the different
14 colors are the ownership, outlining the different ownership
15 of different offset operators, each one having a different
16 color. Our acreage that we own in this area is colored in
17 yellow. And then the active Jalmat proration units are
18 then further highlighted in red with the wells that are
19 dedicated to them also circled in red.

20 Q. If we turn to the second page of Exhibit 1, there
21 is a list of the offsetting active Jalmat gas wells that
22 have been circled in red?

23 A. That is correct.

24 Q. All right. As part of the Application, have you
25 caused notice to be sent of this Application to the offset

1 operators, as indicated in the color code on Exhibit 1?

2 A. Yes, we have.

3 Q. Have you received any objection from any of those
4 offset operators concerning your Application?

5 A. No, we received no objection. In fact, we
6 received two approvals of our waiver from O.H. Berry, which
7 is in the green, and MNA Operating, which is in the pink.

8 Q. All right. Have you examined the Oil
9 Conservation Division files on what is now known as the
10 Arrington Cooper G Well Number 1?

11 A. Yes, we have.

12 Q. As part of that examination, do you have attached
13 to your exhibit package an Exhibit Number 2 that refers to
14 the Arrington well.

15 Q. And what does this describe?

16 A. It is the completion report. The well was
17 drilled originally by R. Olsen Company and completed open
18 hole in the Yates, and this is the original completion
19 report on that well.

20 Q. The Yates interval is the upper portion of the
21 Jalmat Gas Pool, is it not?

22 A. That is correct.

23 Q. And to the best of your knowledge, then, this
24 wellbore is open hole in the Jalmat Gas Pool?

25 A. That is correct.

1 Q. To the best of your knowledge, are there any
2 plugs or other devices in the wellbore that isolate and
3 separate out the Jalmat from any other formation?

4 A. No, as far as my examination of the well file in
5 Hobbs and also driving by and going to this well
6 personally, it still has a pumping unit and rods and tubing
7 in the hole. So it does not look like any temporary
8 abandonment has taken place or any other actions.

9 Q. It's simply an inactive well?

10 A. Right.

11 Q. Let's turn to Exhibit Number 3. Identify and
12 describe what this is.

13 A. This is a copy of the C-104, showing that David
14 H. Arrington is the operator of his said Cooper G Number 1
15 well.

16 Q. Do you have a tabulation of data to show the
17 Examiner as to when this well last produced?

18 A. Yes, on the next exhibit is a report from IHS
19 Energy, which is online production data, showing that the
20 last -- on page 2 -- Go through production. On the second
21 page of that it shows that in -- I believe that would be
22 July of 1996, that well last produced 42 MCF. And it also
23 on the front pages shows that production was under
24 Burlington Resources, who was the owner of the well at the
25 time.

1 So to my knowledge, no gas has ever been produced
2 by David Arrington out of that well.

3 Q. The last production, then, is July of 1996.

4 A. That is correct.

5 Q. And your search of the OCD records as shown on
6 Exhibit 3 reflects that Arrington filed a request for an
7 allowable for the well in October of 1996?

8 A. That is correct.

9 Q. Let's look at some further documentation
10 concerning the well and the spacing unit. If you'll turn
11 to Exhibit 5, it's a copy of Division Order R-368, dealing
12 with the Jalco Gas Pool, correct?

13 A. Yes.

14 Q. This well would have been managed initially under
15 that set of rules, would it not?

16 A. That is my understanding.

17 Q. Let's turn through that order and find subsequent
18 orders. If you'll look at what is marked Exhibit Number 6,
19 it's Order R-676. Do you find that, Mr. Burleson?

20 A. Yes.

21 Q. All right. This is the Division order that deals
22 directly with what is now the Arrington Cooper G Well
23 Number 1?

24 A. That is correct.

25 Q. And back in 1995 it established a west-half

1 spacing unit for the well in Section 11?

2 A. Yes, 1955.

3 Q. Yeah. You're seeking to have this order vacated
4 so that you can then dedicate the southwest quarter of
5 Section 11 to your well?

6 A. That is correct.

7 Q. Let's turn past that order, and let's leave the
8 Arrington Cooper G Well Number 1 and talk about the
9 Burleson well.

10 A. Okay.

11 Q. Did you obtain appropriate leases for the west-
12 southwest quarter of Section 11?

13 A. Yes, we did.

14 Q. What is Exhibit 7?

15 A. Exhibit 7 is the breakdown of the mineral owners
16 in the southwest quarter of Section 11, showing their net
17 mineral acre participation and showing the date of the
18 leases we obtained from them.

19 Q. What are the statuses of the old leases by which
20 the Arrington Cooper G Well Number 1 was allowed to be in
21 the southwest quarter of 11?

22 A. The old leases expired after 90 days past the
23 last date of production, which would be October.

24 Q. So by the end of October of 1997, the Arrington
25 leases, if you will, in the Jalmat, would have expired?

1 A. That is correct.

2 Q. So to the best of your knowledge and
3 understanding, there is no opportunity or right afforded to
4 Arrington to produce his well in the Jalmat?

5 A. That is correct.

6 Q. Those interests are now controlled by Burleson?

7 A. That is correct.

8 Q. All right, sir. Let's turn to the permitting and
9 processing of the Burleson well. If you'll look at Exhibit
10 8, what is this?

11 A. This is a copy of application to plug back. Our
12 Cooper G Number 1 was originally drilled as a Langlie-
13 Mattix test, and we tested the Langlie-Mattix as being
14 noncommercial. So then we came back and applied for a
15 permit and plugged back to the Jalmat with this southwest
16 quarter spacing unit.

17 Q. All right, so Exhibit 8 is your signature of
18 Division Form C-101 --

19 A. That is correct.

20 Q. -- to put the wellbore in the Jalmat, and then
21 attached to that is the C-102 that shows the spacing units
22 you propose to dedicate?

23 A. That is correct.

24 Q. Following that, let's talk about your contacts
25 and efforts to have Arrington take some action with regards

1 to plugging or abandoning their wellbore.

2 A. Yes.

3 Q. If you'll look at Exhibit 9, identify and
4 describe what this is.

5 A. This is a letter that we wrote -- After several
6 phone calls we decided to just write a letter to Mr.
7 Arrington. This is a letter we wrote to him kind of
8 detailing the history of our well, that we had gone in
9 there and leased all these open leases, that we would be
10 willing to take over this well for its plugging liability.
11 And he actually wanted to take an interest in our deal, and
12 we said we'd already placed all our interest, and just get
13 back to me with what he wanted to do.

14 Q. This is in November of last year?

15 A. That is correct, November of 2000.

16 Q. What, if anything, happened following your
17 letter?

18 A. Well, they called us back a couple times and we
19 tried to get him, and we never could -- We had a hard time
20 getting in touch with him or getting the calls back.

21 And finally, as the next exhibit shows, in
22 February his engineer -- we finally got with his engineer,
23 Mr. Jeff Bane. And he said, Send us a letter by e-mail
24 that we can print on our letterhead to the Commission, and
25 we'll sign it, stating that we would be willing to -- you

1 know, that we in fact -- these leases have expired, we
2 would transfer the Jalmat rights to you. And they wanted
3 to retain this well in temporarily abandonment status. So
4 that's what that letter indicates.

5 Q. As part of Mr. Bane's representations to you, did
6 he agree that they would place a bridge plug above the
7 Jalmat interval so that this wellbore would be isolated --

8 A. Well, his indication to me was, that was the
9 problem that -- why Mr. Arrington didn't want to sign this
10 letter was, he didn't like the language in there about
11 placing a bridge plug above the Jalmat interval. And we
12 have not had any other correspondence with him since then,
13 except by phone.

14 Q. What's the potential risk to Burleson of having
15 this wellbore in its current status?

16 A. Well, when we first started doing our due
17 diligence on this deal we went by this well, and the back
18 side valve was open to the atmosphere. And you know, it
19 wasn't leaking a lot of gas but it was venting some gas.

20 So we'd just like to have control of our
21 leasehold where, you know, we get this well taken care of
22 where, one, it can't vent gas or, number two, if something
23 happens to the surface pipe, we can put water down in our
24 very low pressure gas zone, we don't want that to happen
25 either. So that's why we want to get this taken care of.

1 Q. This wellbore, then, represents, in your opinion,
2 an active risk to you and your operations with regards to
3 your well?

4 A. Yes, it does.

5 Q. Describe for me what Exhibit 11 is, Mr. Burleson.

6 A. Exhibit 11 is a copy of our e-mail from Mr. Bane
7 showing that they receive this letter.

8 Q. Following 11, Exhibit 12, identify and describe
9 what this is.

10 A. About this same period when we started firing off
11 these letters, we decided we -- after discussions with Mr.
12 Stogner, we decided we would file for administrative
13 approval for this proration unit. That's when we sent out
14 all the waivers to all the offset operators, which we have
15 received two back in.

16 Q. In order to have the Division address your
17 concerns about the Arrington well, you've had this matter
18 docketed for hearing this morning?

19 A. Yes, we decided that since -- the availability of
20 frac crews being what they are, for CO₂ frac, we'd better
21 get this settled. So that's why we wanted to get on the
22 docket, so someone wouldn't put us off till next month, and
23 then that just puts another delay on it.

24 Q. All right. Following Exhibit 12, then, is
25 certification from my office, Exhibit 13, of notice of

1 hearing, which includes all the offsetting operators and
2 includes Arrington Oil and Gas, correct?

3 A. That is correct.

4 Q. Summarize for us what you would like Mr. Stogner
5 to do with this order, Mr. Burleson.

6 A. Well, we just want to be able to get out there
7 and complete that well in the Jalmat and either have Mr.
8 Arrington plug that well or temporary abandonment to the
9 satisfaction of the state just to protect ourselves.

10 He has indicated he wants to keep that wellbore
11 for some reason, I don't know why. But we just want to get
12 out there and get our well on production and would like to
13 be protected. And like I said, either plugging would be
14 the ultimate protection, or temporary abandonment where we
15 can go witness the test would be another alternative.

16 MR. KELLAHIN: Mr. Examiner, that concludes my
17 examination of Mr. Burleson.

18 We move the introduction of his Exhibits 1
19 through 13.

20 EXAMINER STOGNER: Exhibits 1 through 13 will be
21 admitted into evidence.

22 EXAMINATION

23 BY EXAMINER STOGNER:

24 Q. Let's see, part of this is to rescind Order
25 Number -- what is that, -676?

1 MR. KELLAHIN: 676, Mr. Stogner.

2 Q. (By Examiner Stogner) Mr. Burleson, what is
3 Order R-676? What did that allow?

4 A. That, I believe, was the order that created a
5 Jalmat Gas Proration Unit, which consisted of the west half
6 of this Section 11, which is the current -- under the files
7 in Hobbs, is the current order that this well is under.

8 But having said that, even in the interim, this
9 Myers Number 5 well, which is up here in the purple box
10 there -- it would be unit F -- Sun completed that well in
11 the 1980s as a Jalmat oil well in the middle of this
12 proration unit. So I don't know, that, I guess, just
13 slipped through there.

14 But since this lease expired and we came in there
15 and leased it, we don't have any common interest. I
16 believe back then they did it for an allowable purpose so
17 they could produce enough gas in there. But since that's
18 no longer a problem, we'd like to just keep this proration
19 unit to our leasehold.

20 Q. Okay, in referring to Exhibit Number 1, you show
21 the north half belonging to Gruy. Now, is that north half,
22 is that currently under a nonstandard Jalmat proration
23 unit?

24 A. The current -- Yes, it is, the northeast quarter
25 is currently -- under where the red box is, that is the

1 current active unit, and it is simultaneously dedicated to
2 the two wells also circled in red, which are the Number 4
3 and 6 Myers B.

4 Q. Okay. Now, what about the northwest quarter?
5 Does it currently have any Jalmat assignment to any of its
6 properties?

7 A. No.

8 Q. That's considered open acreage?

9 A. Well, I think it's part of this -- My
10 understanding is that this -- that Gruy has subsequently
11 become the owner in there also, of that 40-acre tract.

12 But like I said, the west half was dedicated to
13 the well on the green dot.

14 Q. Okay. When I look at just the northwest quarter,
15 it appears to be two leases involved. The northwest-
16 northwest appears to be a different lease than the
17 remaining acreage in that northwest quarter. Is that what
18 you're seeing?

19 A. Yes. Well, it's part -- yeah, it's -- I think
20 the distinction is, they -- back in federal permits they
21 had an A portion of the lease and a B portion of the same
22 lease that had different sliding-scale royalties, but
23 that's my understanding of why that's a different
24 distinction.

25 Q. Okay. Now, is it my understanding that those two

1 leases involving the northwest quarter, that's 100-percent
2 working interest Gruy?

3 A. That's my understanding.

4 Q. And Gruy was notified?

5 A. Yes.

6 Q. Okay. Now, what can you tell me about the
7 southeast quarter of this section?

8 A. Okay, we are the operator of the southeast
9 quarter of the section, and the prior operator had formed
10 this 120-acre -- which is outlined in red -- Jalmat gas
11 unit, which is dedicated to our Eunice Cooper Number 1
12 well, which is also circled in red --

13 Q. Okay --

14 A. -- in Unit P.

15 Q. -- what about the southwest quarter of the
16 southeast quarter?

17 A. The southwest quarter of the southeast quarter is
18 -- They originally re-entered that well, they were going to
19 try to make a Jalmat oil well out of it, so that's my
20 understanding of why that's not included in any other
21 proration units in here, and they couldn't get past the
22 surface pipe on their attempted re-entry, so --

23 Q. Okay, who's "they"?

24 A. Well, it was our prior successor. We own that
25 acreage, it's just not included in the proration unit.

1 It's the same base lease, but it just never was included in
2 this Jalmat gas proration unit.

3 Q. Okay. Now, how many leases are in the south half
4 of the section?

5 A. The -- kind of the northeast 120 acres there that
6 has a separate box around it, that acreage is acreage we
7 are currently leasing and have some commitments to lease
8 from various operators.

9 And you'll see kind of in light dotted -- There
10 was a 160-acre proration unit in here at one time. That
11 was communitized between -- back then it was Conoco and
12 Sun. But that well, the Number 2 Cooper B, which has kind
13 of a light, faint red circle around it, that was plugged.
14 So that proration unit is inactive.

15 But we own the leases colored in yellow. MNA
16 owns the leases colored in pink.

17 Q. Okay.

18 A. That was a com unit, but it's been plugged out.

19 Q. Okay, I'm just referring to the south half of
20 Section 11.

21 A. Oh, I'm sorry --

22 Q. Okay, south half of Section 11 --

23 A. -- I skipped down to 14 --

24 Q. -- as I understand from your testimony, that's
25 100 percent working interest in two or three leases?

1 A. That's correct, the southeast quarter are
2 separate leases operated by us. The southwest quarter are
3 separate leases operated by us.

4 Q. Okay, "that is correct" is not an answer for an
5 "or" question.

6 A. Okay.

7 Q. Let me rephrase it. I'm looking at just the
8 south half of Section 11. How many leases are involved in
9 just the south half of Section 11? Two or three leases?

10 A. Two.

11 Q. Two, okay. And so they are split up, 160 being
12 the southeast, 160 being the southwest?

13 A. That is correct.

14 Q. Okay. And of these two leases, Burleson is the
15 working interest -- 100-percent working interest in both
16 leases?

17 A. Yes, we are the operator of record for the
18 entities that comprise the south half.

19 Q. Okay. So for the southwest quarter, for
20 prorationing unit purposes, it's got a 120-acre allowable
21 assigned to it under the current rules?

22 A. Yes, the southeast quarter, that is correct, to
23 the -- Lewis Burleson Eunice Cooper Number 1 well.

24 Q. But the whole southwest quarter is one lease,
25 therefore everything shares within the southwest only for

1 prorationing purposes?

2 A. That is correct.

3 Q. Okay. Now, does Arrington -- Are they a working
4 interest, override royalty interest or anything such as
5 that in the southwest quarter of Section 11?

6 A. No, they are an owner of a wellbore.

7 Q. They're owner of a wellbore. Now, does Burleson
8 have only working interest from the surface down or just --

9 A. Surface to 4000 feet.

10 Q. Surface to 4000 feet is what Burleson owns?

11 A. That is correct.

12 Q. And the Jalmat is found at what depth?

13 A. Between 3000 and 3400, approximately. And the
14 Langlie-Mattix is about 3400 to 3800.

15 Q. Okay. Now, how about the interest under the
16 4000-foot interval? Is that David Arrington?

17 A. My understanding is, he had one lease from Exxon
18 Mobil that has now expired. So the deep rights are open,
19 is my understanding, to these various mineral owners
20 that...

21 Q. And what was the depth of the old Arrington well?

22 A. It is TD'd at thirty-one fifty -- No, excuse me,
23 3207.

24 Q. Okay. I'm looking at your Exhibit Number 3. Is
25 this the last document that you have found in the well

1 files of he Division, either in Hobbs or here in Santa Fe?

2 A. Yes, this came from the Hobbs, and to my
3 recollection that was the last file in the file in Hobbs.

4 Q. Okay, let's talk about your well. How old is it?

5 A. We drilled that well in January of this year,
6 2001.

7 Q. And that was a Langlie --

8 A. Yeah, we -- well, because of this -- We filed
9 that as a Langlie-Mattix well to test Langlie-Mattix. We
10 knew we had a Jalmat well. We weren't certain that the
11 Langlie-Mattix would be commercial at that location, and it
12 turned out it wasn't. So then subsequent to our testing of
13 the Langlie-Mattix portion, we applied for this approval to
14 plug that well back to the Jalmat.

15 Q. What's the total depth of that well?

16 A. 3852, I believe, plus or minus.

17 Q. Now, when was your last conversation with the
18 Arrington Oil and Gas people?

19 A. About two weeks ago I ran into -- he and his
20 engineer were coming out of the building and I said, We're
21 having a hearing on that, you'll be getting a notice.
22 Well, probably three weeks ago.

23 Anyway, and he said, Well, we won't stand in your
24 way on whatever you want to do.

25 I said okay. But I said, If you sign that letter

1 than, you know, that gets you and us out of any contention
2 we have in there.

3 He said he would look at it.

4 Q. But to date you haven't received --

5 A. To date we have received no other correspondence
6 from them.

7 Q. Now, if that well was turned over to Burleson,
8 what would you do with it?

9 A. We would plug it.

10 Q. Okay.

11 A. At this point there's -- We don't feel it has any
12 commercial value, since we have that other wellbore right
13 in there, in the same area.

14 EXAMINER STOGNER: Okay. Any other questions of
15 this witness?

16 MR. KELLAHIN: No, sir.

17 EXAMINER STOGNER: Okay, Mr. Burleson, you may be
18 excused.

19 Anything further?

20 MR. KELLAHIN: No, sir.

21 EXAMINER STOGNER: With that, Case Number 12,617
22 will be taken under advisement. Thank you, sir.

23 (Thereupon, these proceedings were concluded at
24 8:55 a.m.)

25

* * *

I do hereby certify that the foregoing
is a complete record of the proceedings
of the Examiner hearing of Case No. 12617
heard by me on 22 March 2004

STEVEN T. BRENNER, CER Conservation Division
(505) 989-9317

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 March 23rd, 2001.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 2002

STEVEN T. BRENNER, CCR
(505) 989-9317