

NEW MEXICO OIL CONSERVATION COMMISSION

EXAMINER HEARINGSANTA FE, NEW MEXICOHearing Date DECEMBER 7, 1995 Time: 8:15 A.M.

NAME	REPRESENTING	LOCATION
Bruce Stubbs	Armstrong Energy	Roswell
M. Peary	Oryx	Dallas
Ray Wynn	Oryx	DALLAS
Jerry Phillips	Hill Country Farm	ST
William J. Taylor	Oryx Energy	Dallas
Bruce May	Oryx Energy	Fort Worth
Michael H. Hester	Oryx	Fort Worth

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. 11,394

APPLICATION OF HARVEY E. YATES COMPANY)
 FOR A UNIT AGREEMENT, OTERO COUNTY,)
 NEW MEXICO)

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER Hearing Examiner

RECEIVED

December 7th, 1995

DEC 21 1995

Santa Fe, New Mexico Oil Conservation Division

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, December 7th, 1995, 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.

* * *

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

I N D E X

December 7th, 1995
Examiner Hearing
CASE NO. 11,394

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
 Attorney at Law
 Legal Counsel to the Division
 2040 South Pacheco
 Santa Fe, New Mexico 87505

FOR THE APPLICANT:

HINKLE, COX, EATON, COFFIELD & HENSLEY
 218 Montezuma
 P.O. Box 2068
 Santa Fe, New Mexico 87504-2068
 By: JAMES G. BRUCE

* * *

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

3 EXAMINER STOGNER: This hearing will come to
4 order. I'm Michael E. Stogner, appointed Hearing Examiner
5 for today's cases. Please note today's date, December 7th,
6 1995, Docket Number 35-95.

7 And at this time I will call the first case,
8 11,394.

9 MR. CARROLL: Application of Harvey E. Yates
10 Company for a unit agreement, Otero County, New Mexico.

11 EXAMINER STOGNER: Call for appearances.

12 MR. BRUCE: Mr. Examiner, Jim Bruce representing
13 the Applicant.

14 I have two witnesses to be sworn.

15 EXAMINER STOGNER: Any other appearances in this
16 matter?

17 Will the two witnesses please stand to be sworn?

18 (Thereupon, the witnesses were sworn.)

19 MR. BRUCE: Mr. Examiner, one little thing before
20 we begin.

21 The name of the unit had originally been the
22 Bennett Ranch Federal Unit. Because there is state land
23 involved, the word "Federal" was dropped and we'd just like
24 it to be called the Bennett Ranch Unit.

25 EXAMINER STOGNER: Okay, so noted.

1 Is everything else still the same? 8856.9 acres,
2 more or less?

3 MR. BRUCE: Yes.

4 EXAMINER STOGNER: Okay.

5 MELISSA RANDLE,
6 the witness herein, after having been first duly sworn upon
7 her oath, was examined and testified as follows:

8 DIRECT EXAMINATION

9 BY MR. BRUCE:

10 Q. Will you please state your name for the record?

11 A. Yes, Melissa Randle.

12 Q. And where do you reside?

13 A. Roswell, New Mexico.

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

15 A. I am employed as a landman for Harvey Yates
16 Company.

17 Q. And have you previously testified before the
18 Division?

19 A. No, I have not.

20 Q. Would you please outline your educational and
21 employment background?

22 A. I have attended college, but for the past 14 1/2
23 years I have been employed in the land department at Harvey
24 Yates Company, the past six working as a landman.

25 Q. And does your area of responsibility include

1 southeast New Mexico?

2 A. Yes, it does.

3 Q. And are you familiar with the land matters
4 involved in this Application?

5 A. Yes.

6 MR. BRUCE: Mr. Examiner, I would tender Ms.
7 Randle as an expert petroleum landman.

8 EXAMINER STOGNER: So qualified.

9 Q. (By Mr. Bruce) Briefly, what does Heyco seek in
10 this case?

11 A. Approval of its Bennett Ranch Unit, which is an
12 exploratory unit covering 8856.9 acres of federal and state
13 land in Otero County.

14 Q. And what lands are in the unit? And I refer you
15 to your Exhibit 1.

16 A. Exhibit 1 is a land plat of the unit outline. It
17 does also indicate the tract numbers for each lease in that
18 unit.

19 The second page to Exhibit 1 is a typed-up
20 description of that unit boundary.

21 Q. And on the first page of that exhibit, the land
22 is all federal except for the hachmarked land, and that's
23 state land?

24 A. Yes, that's correct.

25 Q. What is Exhibit 2?

1 A. Exhibit 2 is the proposed unit agreement. It is
2 the standard form used by the Bureau of Land Management and
3 the Commissioner of Public Lands.

4 Q. Who are the working interest owners in the unit?
5 And I'd refer you to your Exhibit 3.

6 A. Okay, the current working interest owners are
7 Harvey E. Yates Company; Yates Energy Corporation; Spiral,
8 Inc.: Explorers Petroleum Corporation; Heyco Employees,
9 Ltd.; and Jalapeno Corporation.

10 Q. And Heyco is obviously the largest interest owner
11 in the unit?

12 A. Yes, with over 82 percent.

13 Q. Which of these interest owners have ratified or
14 have agreed to ratify the unit?

15 A. Each one of them except Jalapeno Corporation, who
16 I think just hasn't had time to answer our proposal.

17 Q. Okay. So as of right now, what is the percentage
18 interest committed?

19 A. 95.079819 percent.

20 Q. And that's of the working interest?

21 A. Of the working interest, yes.

22 Q. Has the Commissioner of Public Lands
23 preliminarily approved the unit?

24 A. Yes, they have.

25 Q. And is Exhibit 4 his letter of preliminary

1 approval?

2 A. Yes.

3 Q. And what is Exhibit 5?

4 A. That is the approval by the Bureau of Land
5 Management for our designation of unit outline.

6 Q. And so assuming both the Commissioner and the BLM
7 approve, after this hearing a hundred percent of the
8 royalty interest will be committed; is that correct?

9 A. Yes, that's correct.

10 Q. What is Exhibit 6?

11 A. That is our standard form AAPL 1982 operating
12 agreement, and it does designate Harvey Yates Company as
13 operator.

14 Q. Okay. And finally, what is Exhibit 7?

15 A. Exhibit 7 is our authority for expenditure for
16 the initial well. It does cover our objective of an
17 Ellenburger test, and the completed cost will be \$478,178.

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

20 A. Yes, it is.

21 Q. And were Exhibits 1 through 7 prepared by you or
22 under your direction, or compiled from company business
23 records?

24 A. Yes, they were.

25 MR. BRUCE: Mr. Examiner, I would move the

1 admission of Exhibits 1 through 7.

2 EXAMINER STOGNER: Exhibits 1 through 7 will be
3 admitted into evidence.

4 EXAMINATION

5 BY EXAMINER STOGNER:

6 Q. You said 95 percent of the mineral interests have
7 signed on. What party has not?

8 A. Jalapeno Corporation.

9 Q. And they have one point --

10 A. Let's see. Yes, Jalapeno has 1.588721. If they
11 are the only ones lacking, we do have 98.4112.

12 Q. Oh, 98, okay.

13 A. Yes.

14 Q. I heard 95, I'm sorry.

15 A. I did say 95. Actually, those are -- Most of the
16 Heyco in-house entities total that amount.

17 Q. Where is Jalapeno Corporation located?

18 A. I believe their mailing address is in Roswell.

19 Q. But it's not one of the Yates entities?

20 A. Actually, it's Mrs. Yates. Harvey E. Yates, Jr.,
21 handles that interest for her.

22 Q. And they have not agreed. Okay.

23 A. Yeah, it's just a matter of, I think, taking the
24 time to --

25 Q. Okay.

1 A. -- go through the work.

2 Q. Where is this unit physically located outside of
3 Alamogordo? I'm assuming Alamogordo is the nearest,
4 biggest town.

5 A. Yes, I believe --

6 Q. I'm trying to get some kind of -- maybe your
7 geologist, maybe --

8 MR. BRUCE: Yeah, we've got a locator map.

9 THE WITNESS: He's probably a little better at
10 that.

11 Q. (By Examiner Stogner) Okay, I just -- As far as
12 any of the land matters, let's see, you've got your state
13 acreage and you do have the preliminary from the state
14 office?

15 A. Yes, we do.

16 Q. Is that included here?

17 MR. BRUCE: It's Exhibit 4.

18 THE WITNESS: Correct.

19 Q. (By Examiner Stogner) And this is -- The BLM
20 preliminary approval is out of Roswell; is that correct?

21 A. Yes, that's correct.

22 Q. Is that their normal jurisdiction or --

23 A. I believe so. We did meet with a representative
24 from the Las Cruces office at the time that we showed our
25 exhibits and asked for a preliminary approval, so they have

1 worked together to some degree.

2 But at present my understanding is, the Roswell
3 office is the office to approve this.

4 EXAMINER STOGNER: Okay, I have no other
5 questions of this witness. You may be excused.

6 MR. BRUCE: Call Mr. Underwood to the stand.

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

10 DIRECT EXAMINATION

11 BY MR. BRUCE:

12 Q. Will you please state your name and city of
13 residence for the record?

14 A. I am John Underwood. I reside in Roswell, New
15 Mexico.

16 Q. And what is your occupation?

17 A. I am employed by Yates Company International as
18 chief geophysicist. I also act in the capacity of
19 exploration manager for the Harvey E. Yates Company.

20 Q. Have you previously testified before the OCD as a
21 geophysicist?

22 A. No, I have not.

23 Q. Would you please outline your educational and
24 employment background?

25 A. I have a bachelor of science degree from the

1 Colorado School of Mines and over 20 years of oil and gas
2 exploration experience, with the past four years being in
3 Roswell, with primary responsibility in the Delaware and
4 Midland Basins.

5 Q. And are you familiar with the geophysical matters
6 pertaining to this Application?

7 A. Yes, I am.

8 MR. BRUCE: Mr. Examiner, I would tender Mr.
9 Underwood as an expert petroleum geophysicist.

10 EXAMINER STOGNER: Mr. Underwood is so qualified.

11 Q. (By Mr. Bruce) First, Mr. Underwood, what is the
12 primary zone of interest for this unit?

13 A. Our primary objective in the unit is the
14 Fusselman formation. The initial well is proposed to test
15 the Ellenburger, which is a secondary objective.

16 Q. Would you move on to your -- it's marked Geology
17 Exhibit 1 -- and describe its contents briefly for the
18 Examiner?

19 A. The Geology Exhibit 1 is a regional map which has
20 been included primarily to indicate where in the world the
21 proposed unit is.

22 It also does indicate regional physiographic data
23 and all of the subsurface and seismic data that was
24 available to us.

25 Q. And all of the wells in this area are marked on

1 the map; is that correct?

2 A. All existing wells for which we could find any
3 data are indicated on the map.

4 Q. Okay. What is Geology Exhibit Number 2?

5 A. Exhibit Number 2 is a generalized stratigraphic
6 column for the area and includes a type log of the nearest
7 well penetration to the prospect.

8 Q. And once again, its primary purpose is just to
9 show what zones of interest are in the area?

10 A. Yes, we are out where exploration has been rather
11 limited, and these are just to indicate the type column we
12 are expecting to see in the proposed well.

13 Q. Okay. Why don't you move on to your Geology
14 Exhibit 3 and discuss its contents for the Examiner?

15 A. Exhibit 3 is a depth structure map at the top of
16 the Fusselman formation. It was made using all available
17 well control and seismic data. It does also indicate the
18 location of the first wellbore.

19 Q. And that first well is in the northeast quarter
20 of Section 14, approximately in the middle of the unit; is
21 that correct?

22 A. The proposed location is 990 from the north, 1980
23 from the east of Section 14.

24 Q. Now, is this the map that was used to fix the
25 unit outline?

1 A. Yes. The outline designation was derived by
2 taking the minus-1500-foot contour and including those
3 proration units which half or more of the proration unit
4 fell within that contour.

5 Q. Finally, what does your Geology Exhibit 4 show?

6 A. Geology Exhibit 4 is a cross-section. It
7 includes data from the seismic line because of the limited
8 well control in the area, and it is included to indicate
9 why we chose the 1500-foot contour.

10 That is the level at which the throw across the
11 east-bounding fault would allow any hydrocarbons to leak
12 across the fault.

13 Q. In your opinion, will the granting of this
14 Application facilitate the orderly development of the
15 Fusselman formation in this interval?

16 A. Yes, it will.

17 Q. And were Geology Exhibits 1 through 4 prepared by
18 you or under your direction?

19 A. Yes, they were.

20 Q. And in your opinion, is the granting of this
21 Application in the interest of conservation and the
22 prevention of waste?

23 A. Yes, it is.

24 MR. BRUCE: Mr. Examiner, I would move the
25 admission of the Geology Exhibits 1 through 4.

1 EXAMINER STOGNER: Geology Exhibits 1 through 4
2 will be admitted into evidence at this time.

3 EXAMINATION

4 BY EXAMINER STOGNER:

5 Q. Mr. Underwood, in looking at your last exhibit,
6 you're showing the Fusselman and the Hueco trough, if you
7 look back to the west of your proposed location.

8 And then I see something I'm not familiar with.
9 You have the Penn marker, the Fusselman and the Bliss.
10 What is the Bliss?

11 A. The Bliss is the Cambrian-age sandstone that sits
12 immediately above the Precambrian basement.

13 Q. And where is the Ellenburger in relation to that?

14 A. Above the Bliss.

15 Q. Now, where would the Precambrian be below the
16 Bliss?

17 A. The Bliss will be about 350 feet thick in this
18 area, so it will be slightly below the Bliss.

19 Q. When you say "in this area", up in the upthrown
20 portion where you're drilling, or throughout the whole
21 interval?

22 A. Pretty much throughout the entire area. Through
23 the Fusselman Formation you have very regular deposition.
24 Your thinning over the structure begins at the end of
25 Siluro-Devonian time.

1 Q. I assume that you're hoping to hit oil as opposed
2 to gas or --

3 A. Yes, all indications from the existing wellbores
4 are that we will have oil and not gas.

5 Q. When I look at your Exhibit Number 1, you have
6 referenced quite a few wells, and I'm going to mainly ask
7 about those ones down in -- These are wells in Otero
8 County, which -- I don't think there are any.

9 Are there any producing -- Are there any wells
10 shown on here producing from the Ellenburger or Fusselman
11 down in Texas?

12 A. No, there are not. The nearest Fusselman
13 production is in the Delaware Basin.

14 Q. Back to the east -- What? About 50 miles?

15 A. Approximately, yes. I don't know exactly.

16 Q. Now, the well that you used for the type log,
17 which is your Exhibit Number 2, when was that well drilled,
18 or could you elaborate a little bit on that well?

19 A. That well was drilled by Texaco in the early
20 1980s. I don't know the exact date off the top of my head.
21 The Fusselman in that well was very tight, developed no
22 porosity at all.

23 Q. And what was their primary -- But they went down
24 to the Precambrian, didn't they?

25 A. Yes, they did. Texaco in the early 1980s drilled

1 two wellbores, the Texaco State 3 FO and the Texaco State
2 27 FP, which is approximately 15 miles to the southeast of
3 the FO. Those were drilled on structural prospects defined
4 by a loose grid of late 1970s seismic data.

5 The Texaco FP, approximately 18 miles south of
6 our location, flowed fresh water but had -- in core
7 recovery had heavy oil in place. Texaco did generate an
8 internal report on the possibility of steam flooding that
9 structure for production. Unfortunately, prices outran
10 their plans.

11 Q. There again, when I refer to Exhibit Number 2
12 yours is a nomenclature I'm not familiar with. I see the
13 Fusselman and the Silurian age, and then below that the
14 Montoya. But that El Paso and Canadian, is that what we're
15 -- known as --

16 A. The section is the -- The geologic section is the
17 same as you're familiar with in the Delaware Basin.
18 Unfortunately, different geologists described the outcrop.

19 The El Paso formation is a time equivalent and a
20 lithologic equivalent to the Ellenburger. It was described
21 by different geologists in the outcrop, so it has a
22 different name.

23 Q. Are there any other potential shallower sources
24 that will be tested in this well?

25 A. The Pennsylvanian section does have the capacity

1 to generate oil. The modeling that we have done would
2 indicate that it is probably not mature for generation of
3 hydrocarbons.

4 However, about 40 miles to the north, there has
5 been noncommercial gas production out of the Pennsylvanian
6 section. We do anticipate the Pennsylvanian to be a
7 secondary objective in this wellbore.

8 Q. Now, doesn't some of these Pennsylvanian
9 formations outcrop in this area?

10 A. Yes, they do. The entire section will outcrop in
11 either the Franklin/Hueco Mountains to the west or the
12 mountains to the east.

13 Q. That's what I was trying to visualize. Are you
14 in a little valley here?

15 A. Yes, we are. The -- at the end -- I guess it
16 would be Laramide, the basin was inverted and you began to
17 see the outcrops developing both east and west of you.
18 That structure was enhanced during the Rio Grande rifting,
19 associated with basin and range faulting. This area has
20 remained low throughout that. You do have, to the south
21 and west, outcrops of the full section to see what your
22 rocks do look like.

23 Q. On your cross-section you at least -- you
24 essentially elected to do more of a north -- northeast-
25 southwest, give or take, slice.

1 But going back to your Exhibit Number 1, there
2 seems to be a well, say, perhaps in that trough. Maybe I'm
3 wrong, or maybe -- I don't know. That Magnolia University
4 Number 1 well. Is that the same geological uplift as what
5 you're testing or --

6 A. Not, it is not. The Magnolia Number 1 wellbore
7 is upthrown to an extensive fault system and also, in the
8 Pennsylvanian section, has a significant amount of the
9 intrusives that do outcrop in the Cornudas Mountains.

10 The Magnolia wellbore did have porosity and dead
11 oil shows in the Fusselman formation, but the structure
12 that it was drilled on is a surface structure related to
13 the Tertiary-age intrusives and not to subsurface
14 structure.

15 There is a very large graben system that runs
16 between the two wellbores. The cross-section indicates the
17 west side of that. The Magnolia well appears to be
18 upthrown to it.

19 Q. As far as the geophysical information which
20 Exhibit Number 3 was produced from, when was that seismic
21 data run?

22 A. That data is -- The five lines are two programs
23 run by Texaco, one in 1973, one in 1975. They're all
24 Vibroseis data.

25 Q. So it was information that Harvey E. Yates has

1 essentially purchased?

2 A. We have licensed this data, yes, sir.

3 Q. No additional seismic data has been done
4 subsequent to that time?

5 A. Texaco did shoot a seismic program in 1981 using
6 sign bit crews. That data is not available as licensed
7 data. Texaco has not made that available to the market.

8 Q. And Heyco has not run any of the seismic surveys
9 through there?

10 A. We have not, sir, no.

11 Q. What do you propose the total depth of this well
12 to be?

13 A. 6400 feet, which would test 200 feet into the El
14 Paso or Ellenburger equivalent.

15 Q. That's 6400 feet --

16 A. Yes, sir.

17 Q. -- total depth?

18 How deep was that Texaco well?

19 A. I don't remember the TD on it. It did get down
20 through the Bliss Sandstone. I believe the TD is marked on
21 Figure 3.

22 Q. Like what? 8200?

23 A. 8683 for the Texaco FO.

24 Q. What's the freshwater zones in this area that you
25 as a geologist will anticipate going through in the early

1 stages of drilling?

2 A. The entire section has produced fresh water in
3 the wellbores that exist out there. The Fusselman, even
4 the El Paso, does produce fresh water in the area.

5 That fresh water is probably related to the
6 Tertiary basin and range faulting where the outcrops appear
7 to the west of us.

8 Q. What's the primary commercial or residential or
9 ranch use of the water formation out there?

10 A. The Texaco FO was released to the rancher for --
11 as a water well, and they generally use it to fill a tank
12 for their cattle.

13 Q. But what formation do they obtain their water --

14 A. That's out of the Fusselman as well, sir.

15 Q. Out of the Fusselman. Wow, about 8000 feet?

16 A. The Fusselman in that wellbore was 5900, I
17 believe.

18 Q. Got one heck of a windmill, huh?

19 A. The well will flow.

20 Q. Oh, well --

21 A. They don't need a mill at all.

22 EXAMINER STOGNER: Good. I have no further
23 questions of Mr. Underwood.

24 MR. BRUCE: Neither do I.

25 EXAMINER STOGNER: He may be excused.

1 Do you have anything further, Mr. Bruce?

2 MR. BRUCE: No, sir.

3 EXAMINER STOGNER: Does anybody else have
4 anything further in Case 11,394?

5 If not, then this case will be taken under
6 advisement.

7 (Thereupon, these proceedings were concluded at
8 8:45 a.m.)

9 * * *

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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.

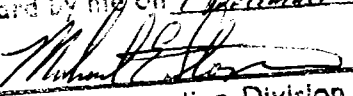
I FURTHER CERTIFY that I am not a relative or employee of any of the parties or attorneys involved in this matter and that I have no personal interest in the final disposition of this matter.

WITNESS MY HAND AND SEAL December 7th, 1995.


 STEVEN T. BRENNER
 CCR No. 7

My commission expires: October 14, 1998

I hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11394, heard by me on 7 December 19 95.


 _____, Examiner
 Oil Conservation Division

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

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:)
APPLICATION OF HARVEY E. YATES)
COMPANY FOR A UNIT AGREEMENT,)
OTERO COUNTY, NEW MEXICO)

CASE NO. 11,394

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: MICHAEL E. STOGNER, Hearing Examiner

RECEIVED

OCT 19 1995

Oil Conservation Division

October 5th, 1995

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, MICHAEL E. STOGNER, Hearing Examiner, on Thursday, October 5th, 1995, 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

October 5th, 1995
Examiner Hearing
CASE NO. 11,394

PAGE

REPORTER'S CERTIFICATE

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* * *

A P P E A R A N C E S

FOR THE DIVISION:

RAND L. CARROLL
Attorney at Law
Legal Counsel to the Division
2040 South Pacheco
Santa Fe, New Mexico 87505

* * *

1 WHEREUPON, the following proceedings were had at
2 9:36 a.m.:

3 EXAMINER STOGNER: Call Case Number 11,394.

4 MR. CARROLL: Application of Harvey E. Yates
5 Company for a unit agreement, Otero County, New Mexico.

6 EXAMINER STOGNER: At this time I'll call for
7 appearances.

8 This Application was filed by Mr. Jim Bruce, and
9 his letter of September 27th requested that it be
10 readvertised to the October 19th hearing.

11 It didn't say anything about continuance, but I'm
12 going to take it that -- he's not here -- that this case
13 will be continued and readvertised for the October 19th
14 hearing.

15 (Thereupon, these proceedings were concluded at
16 9:37 a.m.)

17 * * *

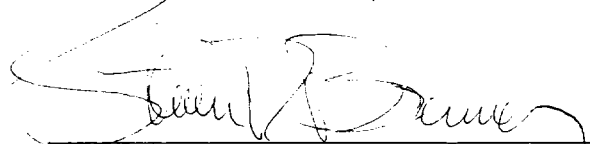
CERTIFICATE OF REPORTER

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 October 12th, 1995.



STEVEN T. BRENNER
CCR No. 7

My commission expires: October 14, 1998

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 11394, heard by me on 5 October 1995.


_____, Examiner
Oil Conservation Division