

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
CASE 9920, CASE 9921

EXAMINER HEARING

IN THE MATTER OF:

Application of Sirgo Operating, Inc., for an
Unorthodox Oil Well Location, Lea County, New
Mexico; Application of Sirgo Operating, Inc., for
Two Unorthodox Oil Well Locations, Lea County, New
Mexico

TRANSCRIPT OF PROCEEDINGS

BEFORE: MICHAEL E. STOGNER, EXAMINER

STATE LAND OFFICE BUILDING

SANTA FE, NEW MEXICO

April 18, 1990

ORIGINAL

A P P E A R A N C E S

FOR THE APPLICANT:

CAMPBELL & BLACK, P.A.
Attorneys at Law
By: WILLIAM F. CARR
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1 WHEREUPON, the following proceedings were had
2 at 2:42 p.m.:

3 EXAMINER STOGNER: I'll now call Case Number
4 9920, which is the Application of Sirgo Operating,
5 Incorporated, for an unorthodox oil well location, Lea
6 County, New Mexico.

7 I'll call for appearances.

8 MR. CARR: May it please the Examiner, my
9 name is William F. Carr with the law firm Campbell and
10 Black, P.A., Santa Fe. We represent Sirgo Operating,
11 Inc., and I have one witness.

12 At this time I would request that this case
13 be consolidated for purposes of hearing with Case 9921,
14 which is also an Application of Sirgo for two
15 unorthodox well locations in the same general area.

16 EXAMINER STOGNER: If there are no
17 objections, I'll call Case Number 9921, which is the
18 Application of Sirgo Operating, Incorporated, for two
19 unorthodox oil well locations, Lea County, New Mexico.

20 Are there any other additional appearances
21 besides Mr. Carr for the Applicant in either of these
22 matters?

23 Okay, Mr. Carr?

24 MR. CARR: May it please the Examiner, before
25 we begin, in Case 9920 we have requested and the

1 Division has advertised an unorthodox location for the
2 East Pearl Queen Unit Well Number 84. The ad provides
3 that it will be 165 feet from the south line.

4 We have encountered a problem with the land
5 owner who has a stock pen at that point and has
6 requested that we move that well location. We have
7 agreed to move it 100 feet to a point 265 feet from the
8 south line. That moves it toward a standard location
9 from the location that was advertised.

10 With your permission, we would request that
11 we be permitted to amend the Application to move back
12 to a standard location, thereby accommodating this land
13 owner.

14 EXAMINER STOGNER: Okay, which well? I'm
15 sorry.

16 MR. CARR: It is the well in Case 9920, and
17 it is the East Pearl Queen Unit Well Number 84. It was
18 advertised 165 feet from the south line. We would like
19 to move that to 265 feet from the south line, and
20 that's toward a standard location.

21 EXAMINER STOGNER: And that would still be
22 ten feet from the west line?

23 MR. CARR: Yes, sir.

24 EXAMINER STOGNER: Are there any other
25 amendments to either of the other two wells?

1 MR. CARR: No, sir. We have an error in one
2 exhibit, but we are asking exactly, other than that
3 change, for what has been advertised, and we'll call
4 that out when we get to it.

5 EXAMINER STOGNER: Okay, this amendment will
6 not lead -- or require a need for a readvertisement,
7 since it is moving to a less unorthodox location.

8 However, Mr. Carr --

9 MR. CARR: Yes, sir.

10 EXAMINER STOGNER: -- this has happened a
11 couple of times in administrative orders. I am going
12 to request that Sirgo make sure that the locations that
13 they ask for either administratively or at a hearing be
14 drillable locations.

15 MR. CARR: Okay.

16 EXAMINER STOGNER: Okay, Mr. Carr?

17 MR. CARR: At this time we would call Mr.
18 Frick.

19 EXAMINER STOGNER: Let's see, I guess we need
20 to swear the witnesses in. How many witnesses have you
21 got?

22 MR. CARR: I have one witness.

23 EXAMINER STOGNER: Okay, will the witness
24 please stand to be sworn?

25 (Thereupon, the witness was sworn.)

1 EXAMINER STOGNER: Thank you, you may be
2 seated.

3 Mr. Carr?

4 JAMES WALSH FRICK,

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

7 EXAMINATION

8 BY MR. CARR:

9 Q. Would you state your full name for the
10 record, please?

11 A. James Walsh Frick.

12 Q. Mr. Frick, where do you reside?

13 A. In Houston, Texas.

14 Q. How are you employed, and in what capacity?

15 A. I'm a consultant, and I'm employed as a
16 consultant for Pyramid Energy, Incorporated.

17 Q. What is the relationship of Pyramid Energy to
18 the Applicant, Sirgo Operating, Inc.?

19 A. Pyramid Energy recently acquired properties
20 from Sirgo Operating Company, and I represent Pyramid
21 Energy, and Sirgo Operating Company is now the operator
22 of these properties.

23 Q. Are they a contract operated for Pyramid?

24 A. That's correct.

25 Q. Have you previously testified before the New

1 Mexico Oil Conservation Division?

2 A. No.

3 Q. Would you briefly review for Mr. Stogner your
4 educational background and then summarize your work
5 experience?

6 A. I'm a graduate petroleum engineer. I
7 graduated from the University of Tulsa in 1947.

8 I started working for Texaco in 1941 as an
9 engineering clerk. I worked for them through the years
10 as a -- about six years as a field engineer and some 28
11 years as a reservoir evaluation engineer, of which the
12 last ten years with them was in a research lab. I was
13 their reservoir engineer in reviewing enhanced oil
14 recovery projects.

15 Since leaving Texaco or retiring in 1979,
16 I've worked for Core Laboratories, Incorporated, one
17 year as a consultant, evaluating properties for them.

18 Texaco hired me back as a consultant for a
19 few years, and I went to various places, mainly Nigeria
20 and Angola. And then in 1984 I worked for Damson Oil
21 Corporation as an acquisition manager. Then I went
22 back on my own as a consultant, and I've worked as an
23 evaluation consultant since that time.

24 Q. As a consulting engineer, do you have any
25 particular area of specialization?

1 A. Possibly that would fall into waterflooding,
2 my main specialty.

3 Q. And have you been involved with waterflooding
4 in your employment with Texaco and as a consultant?

5 A. Yes, I have. I've been doing waterflooding.
6 In fact, it goes back so far it's almost an
7 embarrassment. I was a member of the Oklahoma-Kansas
8 Waterflood Association in 1946, and I wrote Texaco's
9 first computer program in waterflooding from styles
10 operations to 1957.

11 I have been -- helped get the Salem Unit
12 flooded in 1952, and many other waterflooding units in
13 Oklahoma started in the early Fifties.

14 Q. Have you been called upon to teach courses on
15 waterflooding?

16 A. Yes, I have. I've written a manual for
17 Texaco in the practical engineering aspects of
18 waterflooding.

19 Q. Are you a member of any professional
20 associations?

21 A. Yes, I am. I'm a member of the Society of
22 Petroleum Engineers, I'm a member also of the Society
23 of Petroleum Evaluation Engineers. I'm also a
24 registered professional engineer in the State of Texas.

25 Q. Are you familiar with the Applications filed

1 for Sirgo Operating, Inc., in each of the cases that
2 have now been called for hearing?

3 A. Yes.

4 Q. And are you familiar and have you made a
5 study of the general area in which the wells involved
6 in these Applications are located?

7 A. Yes, I have. I, in fact -- Sirgo had its --
8 the East and West Pearl Queen Units evaluated. I
9 reviewed their evaluation for Pyramid Energy, and I
10 think it was on the basis of my review that Pyramid
11 purchased these units from Sirgo. I have looked at
12 most every electric log in the field, I've looked at
13 core analysis on some 30 wells, analyzed them very
14 carefully, and I feel very familiar with the fields.

15 Q. Are you prepared to make -- present exhibits
16 and make recommends to the Division?

17 A. Yes, I am.

18 MR. CARR: We tender Mr. Frick as an expert
19 in petroleum engineering.

20 EXAMINER STOGNER: Mr. Frick is so qualified.

21 Q. (By Mr. Carr) Now, Mr. Frick, would you
22 briefly state what Sirgo seeks with this Application?

23 A. Yes. Sirgo, in these Applications, we are
24 planning, Sirgo, through Pyramid Energy, as seeking to
25 drill five or possibly six wells in order to upgrade

1 our evaluation of this area, in order to become more
2 definitive of the reserves and the economics of
3 redeveloping these two waterflood -- previous
4 waterflood units.

5 Q. And today you're seeking approval for three
6 unorthodox locations for three of those wells?

7 A. Yes, we are.

8 Q. I think it would be helpful, Mr. Frick, if we
9 could start with some general background information
10 and if you could review generally the background of
11 these two units for Mr. Stogner, and in so doing if you
12 would refer to what has been marked as Sirgo Exhibit
13 Number 1. If you would identify that and then review
14 the information on that exhibit.

15 A. Okay. Exhibit Number 1 is a map of the East
16 and West Pearl Queen Units that -- showing a boundary
17 line between the two units, and it also shows in black,
18 it shows the previously drilled wells. And in red it
19 shows those planned development locations that may be
20 drilled as a result of our evaluation.

21 It's a general intent of redeveloping these
22 fields to go in and take this previously developed
23 area, that was developed on 40-acre spacing, and
24 redevelop it on 20-acre spacing, with each new red well
25 being a producing well, and the black wells, when

1 they're on standard location, make them injection
2 wells.

3 Q. Mr. Frick, what percent of the working-
4 interest ownership in each of the existing units is
5 owned now by Pyramid and operated by Sirgo?

6 A. It's -- To the best of my knowledge, what
7 they've told me is that they own approximately 95
8 percent of the East Pearl Queen Unit and approximately
9 92 percent of the West Pearl Queen Unit.

10 Q. And are they the operator of both of those
11 units?

12 A. That's correct.

13 Q. Let's review briefly the production history
14 from the unit, both what has been obtained through
15 primary production and through initial secondary.

16 A. All right. In the East Pearl Queen Unit, it
17 was originally discovered in 1956, and went through a
18 primary stage of development in which approximately 52
19 wells were drilled, and the peak production at that
20 period was in 1961.

21 It started declining in production, and then
22 in 1964, Shell Oil Company formed the East Pearl Queen
23 Unit for the purpose of waterflooding. And they sold
24 this unit to Petrus on July the 1st of 1986, and Petrus
25 sold it to Sirgo on November the 1st, effectively

1 November the 1st, 1989.

2 During the primary phase, from 1961 through
3 1964, the trend showed that there is a primary
4 production of about 2,022,000 barrels of oil recovered.
5 The first secondary waterflood recovered an estimated
6 3,748,000 barrels of oil while they had it in
7 operation, and subsequent production records up until
8 this time.

9 The West Pearl Queen Unit was discovered in
10 1958, and it went through a primary development stage
11 and was unitized for waterflooding in 1964 by Gulf,
12 which was later Chevron, and Armstrong acquired this
13 from Gulf on May the 1st, 1987, and Sirgo acquired it
14 from Armstrong July the 1st, 1989.

15 During its initial phase, it recovered
16 2,551,000 barrels of primary oil, we think, and during
17 its first flood, waterflood secondary phase, it
18 recovered 4,445,000 barrels of oil.

19 It is the intent of Pyramid to redevelop
20 these fields, and we feel that in each unit over
21 2 million barrels of additional oil will be recovered,
22 and the total recovery will exceed over 4 million
23 barrels of oil.

24 I might also mention here that during this
25 redevelopment phase we will be closely watching the

1 records and the data and keeping abreast of enhanced
2 oil recovery. We feel that this is a good candidate
3 for tertiary oil recovery at some not-too-distant
4 future date.

5 Q. As part of this project, are certain lease
6 line or protection wells going to need to be drilled
7 between the two existing units?

8 A. Yes.

9 Q. Could you identify what has been marked as
10 Sirgo Exhibit Number 2, please?

11 A. Yes, it is a listing of wells that shows
12 those wells that are going to be drilled very close to
13 the lease lines between the East Pearl Queen Unit and
14 the West Pearl Queen Unit. That's a list of eight
15 wells.

16 MR. CARR: Mr. Stogner, this is the exhibit
17 that has the error in it. If we go to the second well,
18 the Number 180, those numbers are not consistent with
19 what we had in our Application or what we are seeking
20 here today. What is in the Application and what is in
21 the ad is correct, and instead of being 2563 feet from
22 the south line, it should be, as advertised, 2630 feet.

23 We also have a problem with the 192 well,
24 which is the fourth well down, and again, the numbers
25 are wrong. It should be 1330 feet from the south

1 line -- That's what was advertised -- and 1330 feet
2 from the east line. That again is what was advertised.

3 EXAMINER STOGNER: Thank you, Mr. Carr.

4 MR. CARR: And then if we get down to the
5 Number 84 well, again that is the well that is the
6 subject of my initial Request for Amendment, and the
7 first number there should be 165, not 265.

8 Having rewritten the entire exhibit, we are
9 prepared to go forward with it.

10 MR. STAMETS: Excuse me. 265 is the correct
11 number, Bill.

12 MR. CARR: I'm sorry, I'm sorry. On the 84
13 Well, 265 is correct, that's right, and that is what we
14 said earlier. I'm sorry.

15 Q. (By Mr. Carr) Mr. Frick, would you identify
16 Exhibit Number 2, please?

17 A. It's a -- Again, it's a listing of the eight
18 wells that will be drilled real close to the lease
19 lines between the East Pearl and the West Pearl Queen
20 Units.

21 Q. And this includes all the wells, not just
22 those that are identified in today's hearing?

23 A. That's correct.

24 Q. All right.

25 A. It's a listing of eight wells.

1 Q. Before we go into the percentages and the
2 drainage numbers in the center, I think it might be
3 helpful to go forward with the testimony and come back
4 to this.

5 A. All right.

6 Q. So if you could at this time, could you go
7 through Exhibit Number 3 and identify that for Mr.
8 Stogner?

9 A. Exhibit Number 3 is a blowup of -- an
10 enlargement, I should say, of Exhibit Number 1, showing
11 the three wells that's on the lease lines, close to the
12 lease lines, and that are the subject of today's
13 hearing.

14 Q. And under the rules, these would need to be
15 back 330 feet from the lease line?

16 A. That's my understanding.

17 Q. All right. Could you at this point in time
18 simply explain why you need to go in and drill these
19 three additional wells?

20 A. Yes. We are going to use a five-spot pattern
21 in our waterflood, and with this five-spot pattern we
22 need to have a producing well in the center of these
23 five spots in order to capture the oil that's lying in
24 this area. If we don't drill these wells, a
25 considerable volume of oil will not be recovered. In

1 fact, I estimate that each of these oil wells will
2 recover in excess of 50,000 barrels of oil.

3 Q. Are you planning to utilize the data obtained
4 from these wells to confirm your current engineering
5 analysis upon which you're basing your overall plans
6 for this project?

7 A. That's correct. We have the plan now that
8 we're going to drill five or six wells, and we're going
9 to extensively log them, and we're going to core three
10 of them, we're going to test them, the productivity of
11 each of these wells under current conditions, and use
12 this data to upgrade the previous evaluation that we've
13 made, that this would be an economically viable thing
14 to do, to waterflood these two units and to recover
15 additional oil.

16 Q. And located as these are on the boundary
17 between the units, will the information, in your
18 opinion, be of value in confirming your analysis for
19 both of the -- what are now separate units?

20 A. That's correct. I have made a careful study
21 of the logs on core analysis, and it so happens that
22 the porosity of both the East Pearl and West Pearl
23 Units are almost identical.

24 Also, their water saturations are almost
25 identical. The recovery on a per acre foot in the

1 previous floods is very close to the same, and I feel
2 that the benefit obtained from these wells will be
3 applicable to both units.

4 Q. Let's go now to what has been marked as Sirgo
5 Exhibit Number 4, and I would ask you to identify that
6 and review this for the Examiner.

7 A. This is a structure map of the -- based on
8 the top of the Queen Formation, on -- that covers the
9 East and West Pearl Queen Units.

10 Q. And I believe you've indicated from your
11 analysis that this is a fairly uniform reservoir?

12 A. Well, it's really a quite heterogeneous
13 reservoir, but it's fairly uniform in its coverage of
14 the entire area in question.

15 Q. Is the structure critical in terms of
16 implementing an effective waterflood in this area?

17 A. Not to my knowledge. It has -- The pay zones
18 are very similar regardless of whether they were --
19 regardless of their structure, position.

20 Q. Let's go now to Exhibit Number 5, and I'd ask
21 you to identify that, please.

22 A. Exhibit Number 5 is a type log of the area in
23 question. It shows the top of the Queen Formation on
24 this log and also the top of the Penrose. In the
25 center column of this log, there's a 1 up near the top,

1 a 2 further down, a 3 and a 4 in the center of this
2 log, identifying that there are four different pay
3 zones in this area that we are going to attempt to
4 redevelop and re-waterflood.

5 Each of these zones -- On average, they're
6 encountered between about 4750 and 4900 feet in depth.

7 The top zone, zone number 1, is very thin.
8 And in fact, it was overlooked by some of the first
9 early wells. It averages only about three foot thick,
10 in my opinion.

11 And in zone number 2 there's on average,
12 throughout the whole area, about seven feet of oil pay
13 zone.

14 In zone 3 the average is about 14 feet, pay
15 zone, and zone 4, about 11 feet, for a total of 35 feet
16 of oil pay sand in each well.

17 Q. And you intend to implement waterflooding in
18 each of the four zones?

19 A. That's correct. The zone number 1 may -- may
20 not be flooded in its entirety because of its thinness,
21 but it's the intent to flood them if it at all can be
22 commercially accomplished.

23 Q. Let's go back to Exhibit Number 2 now, and
24 I'd ask you to review the conclusions you've reached
25 concerning drainage and counter-drainage along the

1 boundary between these two units.

2 A. Yes, when I first looked at these units I
3 realized that they had separate land -- royalty owners
4 and that we needed to protect the correlative rights of
5 all of the owners, as well as those of the working-
6 interest owners.

7 So we -- I went through the boundary line and
8 noticed that there was exactly the eight wells to be
9 drilled in the boundary, and I located, or had Sirgo
10 actually -- I worked with Sirgo and had them locate
11 four of those wells on the East Pearl Queen Unit and
12 four of them on the West Pearl Queen Unit so that the
13 drainage patterns would become compensatory.

14 They -- Each of these wells in their flood
15 pattern will drain about 40 acres of each of the
16 producers, on average, and in the center of Exhibit 2
17 I've listed a heading called Capture Percentage, and
18 then under that I have West Pearl Queen Unit and East
19 Pearl Queen Unit.

20 And from the location of the wells, like on
21 179, it can -- Normal drainage patterns, Well 179, 50
22 percent of the oil would be drained from the East Pearl
23 Queen Unit and 50 percent from the West Pearl Queen
24 Unit.

25 And I went down all eight of these locations

1 and made the same observation, like on number 180. If
2 you'll look at the map on Well Number 180, three-
3 fourths of that 40 acres around 180 lies in the West
4 Pearl Queen Unit, which is 75 percent of that 40. And
5 then 25 percent of it is from the East Pearl Queen
6 Unit.

7 And going through all eight of these wells, I
8 totaled them up and it comes out that each one of the
9 wells will get 400 percent recovery from this area, and
10 on a per-well basis it would balance exactly. In other
11 words -- or a drainage-area basis, the East Pearl Queen
12 Unit would get half of the oil, and the West Pearl
13 Queen Unit would be half of the oil.

14 I feel that right through this area that on
15 average the pay sand thicknesses on each unit are
16 approximately the same, and it would be -- their
17 correlative rights would be protected by locating the
18 wells in these positions.

19 Q. In your opinion, as a result of this proposed
20 redevelopment program, when it is fully implemented,
21 will drainage from each unit be compensated for by
22 drainage from the other unit involved?

23 A. That's correct.

24 Q. In your opinion, will granting this
25 Application be in the best interest of conservation,

1 the prevention of waste and the protection of
2 correlative rights?

3 A. I do.

4 Q. Was the BLM and State Land Office advised of
5 this proposal?

6 A. I think this is the advice that we're giving
7 them today, that this is my only knowledge that they
8 have been properly advised.

9 Q. And, Mr. Frick, were Exhibits 1 through 5
10 either prepared by you or compiled under your
11 direction?

12 A. They were either prepared by me or they
13 were -- I studied them in enough detail that I feel
14 confident that they are representative of the facts.

15 Q. So you can confirm their accuracy based on
16 your review?

17 A. That's correct.

18 MR. CARR: At this time, Mr. Stogner, I would
19 move the admission of Sirgo Exhibits 1 through 5.

20 EXAMINER STOGNER: Exhibits 1 through 5 will
21 be admitted into evidence.

22 MR. CARR: And that concludes my direct
23 examination of Mr. Frick.

24 EXAMINER STOGNER: Mr. Carr, before we go any
25 further --

1 MR. CARR: Yes, sir.

2 EXAMINER STOGNER: -- a question on
3 notification. I see that there was no mailed
4 notification because --

5 MR. CARR: There was no mailed notification,
6 Mr. Frick.

7 Q. (By Mr. Carr) Who operates all acreage
8 offsetting each of these proposed unorthodox locations?

9 A. At this time Sirgo's operating on behalf of
10 Pyramid Energy Corporation.

11 Q. And there are no other operators involved
12 that would offset either directly or diagonally any of
13 these three wells?

14 A. To my knowledge, there is none.

15 MR. CARR: That's all I have.

16 EXAMINATION

17 BY EXAMINER STOGNER:

18 Q. Mr. Frick, earlier in your testimony -- I'm
19 going to refer back to Exhibit 1 -- you mentioned the
20 percentage that was owned by Pyramid was 92 percent in
21 the West Pearl Queen and 95 in the East Pearl Queen; is
22 that correct?

23 A. That's correct, my understanding. I have not
24 examined title; I just got this from our lawyer.

25 There are some outstanding interests in these

1 units that have not sold, but we are going to be the
2 operator, with Sirgo being operator at this moment in
3 time, and we're stepping up to the be operator ourself.

4 Q. So you don't have a list of that five or
5 eight percent who have not -- that are still
6 outstanding?

7 A. No, I do not.

8 Q. Have they bought this unit from Petrus, the
9 East Pearl Queen Unit was bought from Petrus?

10 A. It's my understanding it was, yes, and that
11 they sold to Sirgo last November.

12 Q. And how about the West Pearl Queen Unit? Who
13 did it belong to?

14 A. It belonged to Armstrong.

15 Q. Armstrong. Now, did they have outstanding
16 owners at the same percentage, whenever Petrus and
17 Armstrong operated each unit?

18 A. I understand they did.

19 EXAMINER STOGNER: Are there any other
20 questions of Mr. Frick?

21 MR. CARR: I have no further questions.

22 EXAMINER STOGNER: Does anybody else have
23 anything further?

24 MS. HOWARTH: I have a question. What
25 percentage of state land is held in each of these units

1 along this boundary line?

2 EXAMINER STOGNER: Excuse me?

3 MS. HOWARTH: Do you know what percentage of
4 this is state lands along the boundary line?

5 THE WITNESS: No, I don't, not along the
6 boundary line. I do know that the State of New Mexico
7 has royalty interest under about 44 percent of the East
8 Pearl Queen Unit and about 92 percent of the West Pearl
9 Queen Unit, and that's -- But actually, right at the
10 boundary line, I'm not sure.

11 But the fact that the units have been formed,
12 that is about -- That's going to be their proportion of
13 royalty off of the units. The units are going to stay
14 in existence as originally formed, and these are just
15 -- This is just a redevelopment or a second
16 waterflooding, if you want to say that, of the units.

17 EXAMINER STOGNER: Are there any other
18 questions?

19 For the record, would you please state your
20 name?

21 MS. HOWARTH: My name is Susan Howarth,
22 H-o-w-a-r-t-h. I'm with the State Land Office,
23 petroleum engineer.

24 EXAMINER STOGNER: Okay, thank you.

25 Is there anything further in Cases Numbers

1 9920 or 9921?

2 If not, both cases will be taken under
3 advisement. And with that, hearing adjourned.

4 (Thereupon, these proceedings were concluded
5 at 3:14 p.m.)
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15 I do hereby certify that the foregoing is
16 a complete record of the proceedings in
the Examiner hearing of Case Nos. 9920 and 9921
heard by me on 18 April 1990

17 Michael H. Hays Examiner
18 Oil Conservation Division
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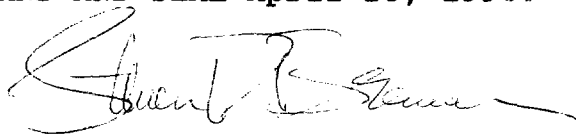
CERTIFICATE OF REPORTER

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

I, Steven T. Brenner, Certified Shorthand 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 April 28, 1990.



STEVEN T. BRENNER
CSR No. 106

My commission expires: October 14, 1990