RAILROAD COMMISSION OF TEXAS

HEARINGS DIVISION

OIL & GAS DOCKET NO. 02-0275920

COMMISSION CALLED HEARING ON THE COMPLAINT OF PLAINS EXPLORATION & PRODUCTION COMPANY REGARDING THE BRYSCH LEASE, WELL NO. 1, PANNA MARIA (EDWARDS) FIELD, KARNES COUNTY, TEXAS

APPEARANCES:

FOR COMPLAINANT PLAINS EXPLORATION & PRODUCTION COMPANY:
Brian Sullivan
Kelli Kenney
H.M. Hunter Pyle
John Miller
Bob Tierney
Donnie Stowe

FOR INTERVENOR EOG RESOURCES, INC.
Tim George

FOR RESPONDENT ENERQUEST OPERATING LLC
David Jackson
Gregory Olson
Tim Smith

FOR OBSERVERS THE BRYSCH AND MOY FAMILIES
John Bennett

PROPOSAL FOR DECISION

PROCEDURAL HISTORY

DATE OF PREHEARING CONFERENCE:	May 25, 2012
DATE OF NOTICE OF HEARING:	January 3, 2013
DATE OF HEARING:	February 21, 2013
HEARD BY:	Michael Crnich, Hearings Examiner Brian Fancher, Technical Examiner

PREPARED WITH: Richard Atkins, Technical Examiner
DATE TRANSCRIPT RECEIVED: July 24, 2013
DATE PFD CIRCULATED: December 4, 2013

BACKGROUND

EnerQuest Operating LLC ("EnerQuest") became the operator of record of the Brysch No. 1 well in May 2010. In June 2010, EnerQuest restored production from the well and engaged FESCO, Ltd. ("FESCO"), an independent third-party testing contractor, to conduct testing on the well. The results of this testing were documented and submitted on the Form G-1. Based on the Form G-1, the Commission classified the Brysch well as a gas well and placed it on the gas proration schedule for the Panna Maria (Edwards) Field. After restoring production, EnerQuest shut-in the Brysch well until June 2011, when a gas pipeline connection could be procured. By letter sent to the Commission on November 18, 2011, Plains Exploration & Production Company ("Plains") claimed that the gas classification of the Brysch well was erroneous and that it should be an oil well. After receiving EnerQuest's response to Plains' allegations, the Commission's Acting Assistant Director for Administrative Compliance, Mr. Tim Poe, issued a letter that advised both parties as follows:

> Commission records show that the subject well was shut in for an extended period and has just recently been restored to active production. Following the shut-in period, the ratio of gas to oil is such that the classification as a gas well under applicable Commission rules is now in question. Our practice in such situations is to allow the operator 90 days to show that the well has normalized and that the gas classification can be upheld. (Normally, operators submit a PVT analysis that shows the heptanes plus (C7+) mole percent of a compositional analysis is less than 11%.) If the operator is unable to show that the well is correctly classified, then they will be required to reclassify the well to oil.

In response, EnerQuest again engaged FESCO to conduct a mathematically recombined C7+ wellstream analysis for the Brysch well. FESCO collected a fluid sample from the well, analyzed the sample at its laboratory, and issued a report on March 8, 2012. The report showed that the "molar volume of the C7+ wellstream pseudo-component was 6.915 mole percent." On March 14, EnerQuest submitted this report to the Commission. By letter dated March 17, Scott Rosenquist, Engineering Specialist III, Technical Permitting, informed EnerQuest:

> The Commission has granted a permanent gas well classification for the above referenced well based on the well stream compositional analysis, which indicated the mole percent Heptanes Plus to be 6.915%. The permanent classification only applies to the take points that were open when the compositional analysis was run. They are 10830-10846 ft.

Not satisfied with this result, Plains filed a complaint letter in which it challenged the permanent gas-well classification of the Brysch well. By its letter, Plains requested a hearing at which it proposed to "show that the well is properly an oil well and that EnerQuest has improperly tested and reported the well in order to obtain fraudulently a gas well classification."

In short, Plains and EOG Resources, Inc. ("EOG") have entered into top leases purporting to cover the same property covered by EnerQuest's leases, but they do not have interests in any wells in the Panna Maria (Edwards) Field. EnerQuest responded and asserted, among other things, that the classification was proper based on independent, third-party sampling, testing, and analysis and based on the Commission's longstanding policy and procedures. After review of both Plains' complaint and EnerQuest's response, the Hearings Division concluded that a hearing should be called to consider the complaint.

EnerQuest Exhibit No. 23 and Plains Exhibit C are copies of the 2006 Commission T-Bar Memorandum (the "T-Bar Memo"), which is also attached to this proposal as Appendix A. The T-Bar Memo established a fourth administrative procedure by which staff could classify a well as a gas well and serves as the basis for the administrative classification of gas wells. The four procedures, as outlined in the T-Bar Memo, are as follows:

1. A well has a Gas-Oil Ratio ("GOR") in excess of 100,000:1, as reported on a Form G-1.
2. If the GOR is less than 100,000:1, then an ASTM distillation test may be conducted and submitted on a Form G-5. The results of this test must meet several criteria.
3. If the GOR is less than 100,000:1 and the ASTM distillation test does not satisfy the necessary criteria, then a pressure/volume/temperature ("PVT") test can be submitted to prove a well is a gas well.
4. The heptanes plus (C7+) mole percent of a compositional analysis is less than 11%.

The Brysch well has had several names, operators, and different sets of perforations. Originally completed by Humble Oil and Refining in 1961, the well had perforations from 10,950 to 10,960 feet and was classified as an oil well. In 1964, Humble added perforations and reclassified the well as a gas well. The current perforations, from 10,830 to 10,846, were added in 1970. In 1973 a cement plug was placed in the well to make the current perforations the only producing ones. From 1964 to 1985, the well appears to have been classified as a gas well. In 1985, Exxon became the operator of record and reclassified the well to an oil well. The well retained this classification until EnerQuest became the operator in 2010 and reclassified the well to a gas well.

STANDING

Since the inception of this matter, EnerQuest has objected to the standing of Plains to challenge the administrative gas-well classification in a proceeding before the Commission. In short, Plains and EOG have entered into top leases[1] purporting to cover the same property covered by EnerQuest's leases, but they do not have interests in any wells in the Panna Maria (Edwards) Field. Plains and EOG ostensibly are seeking to invalidate EnerQuest's leases or some part thereof so that their top leases can become effective.[2] After considering the briefs of

[1] A top lease is granted by a mineral lessor during the existence of a recorded mineral lease and becomes effective if and when the existing lease expires or is terminated. Williams & Meyers, *Manual of Oil and Gas Terms* (14th ed. 2009).

[2] EnerQuest filed a lawsuit concerning this title dispute against Plains and EOG. The suit is Civil Action No. SA12CA0542 OG, *EnerQuest Oil & Gas LLC and Chieftan Energy LLC v. Plains Exploration & Production Company, et al.* (U.S. District Court for the Western District of Texas, San Antonio Division). EnerQuest is seeking, among other things, a declaration as to the validity of their leases and the invalidity of the top leases held by Plains and EOG.

both EnerQuest and Plains on the issue of standing, the examiners ruled that Plains does have standing and should be permitted to participate in the hearing. The examiners relied on the general principle that the right to participate in administrative agency proceedings should be liberally construed to allow the agency to be apprised of diverse viewpoints[1]. Shortly before the hearing on the merits, EnerQuest filed a motion to reconsider the ruling that Plains had standing and also to object to the standing of EOG Resources, Inc. ("EOG"), which filed its notice of intervention and intent to appear in February 2013. The examiners abide by the rationale of the initial ruling and do not find good cause to reverse that ruling; therefore, the motion of EnerQuest challenging the standing of Plains and EOG is denied. The examiners believe that both Plains and EOG should be accorded standing in this proceeding.

DISCUSSION OF THE EVIDENCE

Plains' Evidence

Plains argues that the Commission should not have granted EnerQuest a permanent gas well classification based on a heptanes-plus compositional analysis for a well in the Panna Maria (Edwards) Field. According to Plains, this field is a "black-oil reservoir," and a compositional analysis is not the proper test for gas well classification in a black-oil reservoir. Plains asserts that the T-Bar Memo specifically relies on McCains' 1990 publication[2], and in 2011 McCain released another publication[3], which the Commission should also consider.

Plains' assertion that the Panna Maria (Edwards) Field is a black-oil reservoir is based on the PVT Analysis performed in 1962 on the Elias Urbanczyk No. 1 Well. This PVT analysis showed a formation volume factor of 1.7, a GOR of 1227 at the bubble point, and a heptanes-plus mole percent of 28.02. Plains' retained petroleum engineering expert, John Miller, believed that these results from the PVT analysis on the Urbanczyk well indicate the field is a black-oil reservoir. He believed that based on his review of McCains' publications, the compositional analysis test was not intended for a black-oil reservoir.

Plains also contends that permanently classifying the Brysch No. 1 as a gas well is not appropriate based on form data – other than the compositional analysis – submitted by EnerQuest to the Commission. Specifically, Plains focused on the inadequacy of the Form G-1, Form G-5, and the ASTM distillation test. On the G-1, EnerQuest reported 222 Mcf of gas was produced during a 72-hour test when, in fact, only 47 Mcf of gas was produced during a test lasting approximately nine hours and 15 minutes. Plains also alleges that the well was not producing on a stabilized basis when the test was performed. The same data discrepancies appeared in connection with the G-5. Further, the data from the ASTM distillation[4] accompanying the G-5 did not meet the requirements for gas-well classification. In short, Plains contends that

---

[1] *See Fort Bend County v. Tex. Parks and Wildlife Commn.*, 818 S.W.2d 898, 899 (Tex. App.—Austin 1991, no writ); *Railroad Commn. of Tex. v. Ennis Transp. Co., Inc.*, 695 S.W.2d 706, 710 (Tex. App.—Austin 1985, writ ref'd n.r.e.).

[2] McCain, William D., *The Properties of Petroleum Fluids* (2nd ed. 1990).

[3] McCain, William D., *Petroleum Reservoir Fluid Property Correlations* (2011).

[4] Specifically, Plains highlighted the following values as insufficient to merit gas-well status: GOR of 6700 scf/bbl, API gravity of 44 degrees, boiling temperature of 692 degrees at 80 percent recovery, and end-point recovered temperature of 750 degrees.

EnerQuest had a duty to provide all of this information from the G-1 and G-5 as part of its application for a gas-well classification based upon a compositional analysis.

Plains argues that the Proposal for Decision in the 2005 Square Mile case[1] should be controlling on the decision in this proceeding. In the Square Mile case, the examiners found that the well should not be permanently classified as a gas well because it was not completed in a retrograde condensate reservoir and instead produces from an associated reservoir with a gas cap and oil rim.

EOG's Evidence

EOG supported the position of Plains – that the Brysch well should be classified as an oil well. EOG submitted copies of the statutory definitions of oil well and gas well found in the Texas Natural Resources Code and the definitions found in Commission Statewide Rule 79. EOG then pointed out that the administrative procedures for gas well classification are only triggered if there is a question as to whether a sample recovered as a fluid at the surface is thought to be a gas in the reservoir.

EnerQuest's Evidence

EnerQuest argues that the Commission's staff correctly applied current Commission administrative procedure and policy when it approved the permanent gas-well classification for the Brysch well. The compositional analysis submitted by EnerQuest satisfied the necessary Commission-established criterion. EnerQuest presented the expert testimony of Mr. Tim Smith, a consulting petroleum engineer. Smith explained that the T-Bar Memo recognizes four different ways for a well to receive a permanent gas-well classification. EnerQuest chose the option of submitting a compositional analysis, the results of which would allow classification as a gas well if the heptanes plus (C7+) mole percent is less than 11%. This analysis showed that the "molar volume of the C7+ wellstream pseudo-component was 6.915 mole percent." EnerQuest Exhibit No. 4 is an e-mail from the Commission's Scott Rosenquist, who described briefly the gas well approval process as follows:

> If the Form G-5 passes under normal administrative criteria, TP approves the G-5 in the online system but does not otherwise generate any other communication / letter to the operator about the matter.
> If the Form G-5 fails, but the operator has provided a compositional analysis that allows the well to be classified as a gas well per the August 3, 2006 policy memo, TP approves the well as gas and issues a letter to the operator to that effect. Sample letter attached.

EnerQuest demonstrated that the Brysch well's current perforations are in the gas cap of the field. EnerQuest Exhibit No. 8 is a three-well structural cross section involving the Foegelle GU No. 1, the A.J. Moczygemba No.1, and the Brysch No. 1. EnerQuest's expert used this exhibit to show that at original discovery, there was a 25-foot oil column below a 105-foot gas

[1] Oil & Gas Docket No. 03-0242323; *Application of Square Mile Energy LLC to Permanently Classify its Appelt Et Al Unit, Well No. 1, in the Gilbert Wells (9490) Field as a Gas Well, Jefferson County, Texas* (PFD issued July 28, 2005).

column. The Brysch well is currently completed in the top portion of the gas column. The Foegelle well, despite having perforations lower in the stratigraphic interval than the Brysch well, is classified as a gas well. The expert testified that there was no evidence that the oil column had moved up. A strong water-drive would be necessary to move an oil column to the Brysch well perforations, and production history from the Brysch, showing relatively little water production, is inconsistent with a strong water-drive. In the expert's opinion, whether or not the Brysch is classified as a gas well must be viewed in the context of its completion interval – the top of the gas cap. It is not dispositive that there is an associated oil column in the producing interval of the field.

To support its assertion that the Brysch well is properly classified as a gas well, EnerQuest presented evidence regarding the A.J. Moczygemba No. 1 well. EnerQuest Exhibit No. 28 is a compositional analysis based on a fluid sample taken from the Moczygemba well in 1961. The sample was taken from perforations made within the gas cap, as reflected on the three-well structural cross section. EnerQuest provided this compositional analysis to FESCO and asked it to perform a simulated PVT analysis based on the compositional analysis. In EnerQuest Exhibit No. 29, the PVT on the Moczygemba sample, FESCO concluded that "the reservoir fluid exists as undersaturated (single-phase) gas at static reservoir conditions of 5096 psia and 286 degrees Fahrenheit." According to EnerQuest's expert, FESCO's PVT shows that the fluid sample from the Moczygemba well, taken from a completion interval deeper in the gas cap than the Brysch well, exhibits a dewpoint, thus indicating that the Brysch well "is a gas well as opposed to an oil well in terms of the completion interval."

Further, EnerQuest hired FESCO to perform a sensitivity analysis of the saturation pressure in the Moczygemba sample versus the recombination gas-oil ratio. FESCO's study of saturation-pressure sensitivity, admitted as EnerQuest Exhibit No. 30, concluded: "The data indicates that the mathematically recombined wellstream fluid changes from a retrograde gas system to a volatile oil system (at 286° F) at a recombination GOR between 3100 and 3000 Scf/Sep Bbl." Smith explained that this showed that a dewpoint, rather than a bubblepoint, will still be exhibited down to a GOR in the range of 3100 to 3000 Scf/Bbl, which is lower than the GOR for the Brysch well.

EnerQuest believes that the PVT on the Moczygemba well is a better analog to the Brysch well than the PVT on the Urbanczyk well. EnerQuest did not believe that the Urbanczyk PVT, which was performed on a fluid sample taken from perforations in the oil column of the reservoir, is applicable to the Brysch well, which is completed in the top of the gas column. In contrast, EnerQuest contends, the Moczygemba PVT better represents the Brysch well because the Moczygemba perforations were in the gas cap and at an even lower structural position than those of the Brysch well. Also, the Urbanczyk well is approximately four miles away from the Brysch well, while the Moczygemba is approximately 2,000 feet.

EnerQuest did not contest that the Form G-1 and Form G-5 contained some inaccurate data. For example, EnerQuest's expert testified that the 222 MCF listed as total gas produced and the 4320 minutes (or 72 hours) listed as the duration of the test were incorrect. He stated that the Form G-1 was improperly completed in a "clumsy attempt to get the well on schedule." Likewise, Smith characterized the fact that separator operating pressure was 90 pounds higher

than flowing tubing pressure on the Form G-5 as an obvious error. While it admitted these reporting errors, EnerQuest asserted that there was no fraud or intent to mislead. Furthermore, the permanent gas well classification at issue was not granted on the basis of either form.

EnerQuest contended that Plains' contentions about black-oil reservoirs mischaracterized the petroleum engineering literature by McCain and Moses. EnerQuest's expert noted that Moses' publication[1] advises that ordinary oils are characterized by GORs up to approximately 2,000 cubic feet per barrel and that near-critical (or volatile) oils are characterized by GORs usually 2,000 to 3,000 cubic feet per barrel. Relying on EnerQuest Exhibit 9 showing the Brysch well's production history, he highlighted that the Brysch well began in 1961 with GORs of 4500 and 6792 and reached as high as 16,494 in January 1962. Thus, under original conditions with no perforations whatsoever in the gas cap, the well did not exhibit the characteristics of an ordinary-oil (or black-oil) reservoir. The same exhibit demonstrated that the Brysch well's lifetime GOR is greater than 30,000 to one.

EXAMINERS' OPINION

The examiners believe that Commission staff properly granted a permanent gas-well classification to the Brysch No. 1, and the well should retain this classification. EnerQuest chose to rely on a particular method outlined in the T-Bar Memo for receiving a permanent gas-well classification, and the test results submitted by EnerQuest satisfied the criteria established by the T-Bar Memo.

To decide that EnerQuest should have provided additional information – for instance, the Form G-1, Form G-5, or the ASTM distillation test – to Commission staff would be to require from EnerQuest something that was not required from the hundreds of other operators who have successfully received gas-well classifications using the same process. Plains' expert Miller testified that the procedure described in the T-Bar Memo has been used several hundred times since 2008. Further, EnerQuest's expert Smith believed that the procedure had been used "hundreds and hundreds, if not thousands of times" since approval of the T-Bar Memo in 2006. There was no evidence that any additional information was required of the operators during these hundreds of iterations of the procedure. Nothing in the T-Bar Memo or any other discernible Commission policy required the submission of additional information.

Even if the G-5 data had been provided to staff, there is no reason to believe that the final determination would have changed. Current Commission procedure contemplates that an operator is able to seek and receive administrative classification using a compositional analysis after the Form G-5 fails to qualify the well as a gas well.[2] In fact, most of the Commission hearings to consider permanent gas-well classifications are initiated at the request of an operator after a well's G-5 data failed to satisfy the criteria for administrative gas-well classification.

---

[1] Moses, Phillip L., *Engineering Applications of Phase Behavior of Crude Oil and Condensate Systems*, JOURNAL OF PETROLEUM TECHNOLOGY (1986).

[2] Commission engineer Rosenquist's e-mail explained: "If the Form G-5 fails, but the operator has provided a compositional analysis that allows the well to be classified as a gas well per the August 3, 2006 policy memo, TP [Technical Permitting] approves the well as gas and issues a letter to the operator to that effect." Also, the T-Bar Memo, which allows utilization of the Form G-5 and Form G-1 options, adds the "additional option" of the compositional analysis.

Morever, Commission staff does have access to the forms filed for a particular well, and if they so desire, they can review those forms.

The examiners disagree with Plains' assertion that a compositional analysis is not a proper test for the Brysch well. Plains believes that the Panna Maria (Edwards) Field is a black-oil (also called "ordinary oil") reservoir based on its review of the PVT analysis for the Urbanczyk well. However, the examiners believe that the PVT for the Moczygemba well better represents the Brysch well than the Urbanczyk PVT does. According to the approval letter from the Commission's Technical Permitting Section, the gas-well classification of the Brysch "only applies to the take points that were open when the compositional analysis was run." The sample fluids for the Moczygemba PVT were gathered from take points in the gas cap, while the Urbanczyk PVT fluids were gathered from take points in the oil column. EnerQuest's expert testified that a fluid sample taken from the oil column "bears no relation to what a PVT might show for a well that's completed exclusively in the very top of a gas cap in a field that predominantly is gas cap." Also, the Urbanczyk well is four miles, but the Moczygemba well is 2000 feet, from the Brysch well. Therefore, the examiners have concluded that the Moczygemba PVT is more representative of a fluid sample from the Brysch completion interval.

The results of the PVT analysis and the sensitivity study for the Moczygemba well provide further evidence that the gas-well classification for the Brysch well is reasonable and correct. The Moczygemba PVT shows that a sample from a well completed in the gas column, at a deeper point within the stratigraphic interval of the gas column than the Brysch well, exhibits a dew point rather than a bubble point. Thus, it is reasonable to conclude that based on its completion interval, the Brysch well would exhibit the same behavior and is a gas well. The results of the sensitivity study indicate that a dew point will be exhibited down to a GOR of between 3000 and 3100, which is lower than the Brysch well's GOR[1].

Furthermore, the examiners do not consider the Square Mile PFD relied upon by Plains to be controlling legal precedent for the current proceeding. As noted by EnerQuest, the Square Mile case preceded the T-Bar Memo, which became the governing precedent in 2006.

The Form G-1 and Form G-5 do contain data that is not completely accurate, but this fact does not somehow invalidate the permanent gas-well classification granted on the basis of a compositional analysis. The Form G-1 data would be determinative if EnerQuest were relying solely on the Form G-1 data for its gas-well classification; however, that is not the case here. Further, there is no evidence that EnerQuest supplied knowingly false information or intended to mislead the Commission with its Form G-1 or Form G-5 filing.

Based on the record in this proceeding, the examiners recommend the following Findings of Fact and Conclusions of Law:

[1] The GOR used for the compositional analysis was a four-day average equal to 6,760 SCF/Bbl. The average GOR for February 2012, as indicated on EnerQuest Exhibit No. 25, was 7,318.

FINDINGS OF FACT

1. Notice of this hearing was provided to all persons entitled to notice at least ten days prior to the date of the hearing.

2. The Commission's current policy recognizes four administrative procedures by which Commission staff may approve a permanent gas-well classification for a well. One of those procedures provides that a well may be administratively classified as a permanent gas well if the heptanes plus (C7+) mole percent of a compositional analysis is less than 11%.

3. EnerQuest engaged FESCO, Ltd. ("FESCO") to conduct a mathematically recombined C7+ wellstream analysis, also known as a compositional analysis, for the Brysch No. 1.

   a. On February 24, 2012, FESCO collected liquid samples from the first-stage lease separator for the Brysch No. 1 and sent the samples to its laboratory in Alice, Texas for compositional analysis.

   b. FESCO issued a March 8, 2012 report containing the results of the compositional analysis. This compositional analysis showed that the mole percent of heptanes plus was 6.915%.

   c. EnerQuest submitted FESCO's report to the Commission on March 14, 2012.

4. On March 17, 2012, Commission staff granted a permanent gas-well classification for the Brysch No. 1.

   a. The classification was based on the submission of the well stream compositional analysis, which showed that the mole percent heptanes plus was 6.915%.

   b. The classification only applies to the take points that were open when the compositional analysis was run. Those take points are from 10,830 to 10,846 feet.

5. Plains Exploration & Production Company ("Plains") had the burden of proving its allegation that the Brysch No. 1 was improperly classified as a gas well.

6. The perforations in the Brysch No. 1 are located in the top portion of the gas cap for the Panna Maria (Edwards) Field.

7. There is no evidence that the oil column in the field has moved into the gas cap.

8. EnerQuest presented additional evidence to support the gas well classification for the Brysch No. 1 well.

   a. EnerQuest Exhibit 28 is a compositional analysis of a fluid sample taken from the A.J. Moczygemba No. 1 well from an interval within the gas cap of the field.

b. A PVT analysis performed by FESCO for the Moczygemba No. 1, based on the 1961 compositional analysis, shows that the completion interval of the Brysch No. 1 exhibits a dew point rather than a bubble point.

c. A sensitivity analysis of the saturation pressure in the Moczygemba sample, performed by FESCO, shows that a dewpoint, rather than a bubblepoint, will be exhibited down to a GOR in the range of 3,100 to 3,000 Scf/Bbl, which is lower than the GOR for the Brysch No. 1.

9. There is no evidence that EnerQuest knowingly supplied false information on the Form G-1 or Form G-5 for the Brysch No. 1. There is no evidence that EnerQuest engaged in any fraudulent conduct in the filing of the Form G-1 and Form G-5.

CONCLUSIONS OF LAW

1. Proper notice of this hearing was issued.

2. All things have been accomplished or have occurred to give the Commission jurisdiction over this matter.

3. Commission staff properly granted the Brysch No. 1 well status as a permanent gas well.

4. The Brysch No. 1 well is a gas well.

5. Plains failed to meet its burden of proving that the Brysch No. 1 well was improperly classified as a permanent gas well.

6. The complaint of Plains regarding the administrative classification of the Brysch No. 1 as a gas well should be dismissed.

RECOMMENDATION

The examiners recommend that the Commission confirm the decision of Commission staff to classify administratively the Brysch No. 1 well as a permanent gas well. Further, the examiners recommend that the complaint of Plains that the Brysch No. 1 well was improperly classified as a gas well be dismissed.

Respectfully Submitted,

Michael R. Crnich
Hearings Examiner

Richard D. Atkins, P.E.
Technical Examiner

APPENDIX A