## 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 MATADOR PRODUCTION CASE Nos. 20734, COMPANY FOR COMPULSORY POOLING, 20735, 20736 EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 19, 2019

Santa Fe, New Mexico

BEFORE: KATHLEEN MURPHY, CHIEF EXAMINER
PHILLIP GOETZE, TECHNICAL EXAMINER
DANA Z. DAVID, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Kathleen Murphy, Chief Examiner; Phillip Goetze, Technical Examiner; and Dana Z. David, Legal Examiner, on Thursday, September 19, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

Page 2 1 APPEARANCES 2 FOR APPLICANT MATADOR PRODUCTION COMPANY: 3 JAMES G. BRUCE, ESO. Post Office Box 1056 4 Santa Fe, New Mexico 87504 (505) 982-2043 5 jamesbruc@aol.com 6 FOR INTERESTED PARTY KAISER-FRANCIS OIL COMPANY: 7 DANA S. HARDY, ESO. HINKLE SHANOR, LLP 218 Montezuma Avenue 8 Santa Fe, New Mexico 87501 9 (505) 982-4554 dhardy@hinklelawfirm.com 10 11 FOR INTERESTED PARTY TAP ROCK RESOURCES: 12 SHARON T. SHAHEEN, ESQ. MONTGOMERY & ANDREWS LAW FIRM 13 325 Paseo de Peralta Santa Fe, New Mexico 87501 14 (505) 982-3873 15 FOR INTERESTED PARTY CHEVRON USA, INC.: 16 DEANA M. BENNETT, ESQ. MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A. 17 500 4th Street, Northwest, Suite 1000 Albuquerque, New Mexico 87102 (505) 848-1800 18 19 20 21 22 23 24 25

		Page 3
1	INDEX	
2		PAGE
3	Case Numbers 20734, 20735 and 20736 Called	4
4	Matador Production Company's Case-in-Chief:	
5	Witnesses:	
6	Sara Hartsfield:	
7	Direct Examination by Mr. Bruce Cross-Examination by Examiner David	5 16
8	Daniel Brugioni:	
9	Direct Examination by Mr. Bruce Cross-Examination by Examiner Goetze	17 23
11	Proceedings Conclude	25
12	Certificate of Court Reporter	26
13		
14		
15		
16	EXHIBITS OFFERED AND ADMITTED	
17	Matador Production Company Exhibit Numbers 1 through 6B	15
18	Matador Production Company Exhibit	13
19	Numbers 7 through 14	23
20		
21		
22		
23		
24		
25		

- 1 (3:18 p.m.)
- 2 EXAMINER MURPHY: Let's go back on the
- 3 record.
- 4 And we will hear Cases 20734, 20735 and
- 5 20736, and these are the application of Matador
- 6 Production Company for compulsory pooling, Eddy County,
- 7 New Mexico.
- 8 Call for appearances.
- 9 MR. BRUCE: Jim Bruce of Santa Fe
- 10 representing the Applicant.
- I have two witnesses.
- 12 EXAMINER MURPHY: Are there any other
- 13 appearances?
- MS. HARDY: Yes. Dana Hardy, with the
- 15 Santa Fe office of Hinkle Shanor, appearing for
- 16 Kaiser-Francis Oil Company.
- 17 MS. SHAHEEN: Sharon Shaheen, Montgomery &
- 18 Andrews, on behalf of Tap Rock Resources.
- MS. BENNETT: Deana Bennett, Modrall,
- 20 Sperling, on behalf of Chevron.
- 21 EXAMINER MURPHY: And so they're just
- 22 appearances, not opposing?
- MS. HARDY: (Indicating.)
- 24 EXAMINER MURPHY: Okay. You have two
- 25 witnesses?

- 1 MR. BRUCE: Yes.
- 2 EXAMINER MURPHY: Will the witnesses stand
- 3 and be sworn by the court reporter?
- 4 (Ms. Hartsfield and Mr. Brugioni sworn.)
- 5 EXAMINER MURPHY: Please proceed.
- 6 SARA HARTSFIELD,
- 7 after having been first duly sworn under oath, was
- 8 questioned and testified as follows:
- 9 DIRECT EXAMINATION
- 10 BY MR. BRUCE:
- 11 Q. Would you please state your name and city of
- 12 residence for the record?
- 13 A. My name is Sara Hartsfield, and I reside in
- 14 Fort Worth, Texas.
- 15 Q. Who do you work for and in what capacity?
- 16 A. I work for Matador Resources Company as an
- 17 operations landman.
- 18 Q. Have you previously testified before the
- 19 Division?
- 20 A. I have.
- Q. And were your credentials as an expert
- 22 petroleum landman accepted as a matter of record?
- 23 A. Yes, they were.
- 24 Q. And are you familiar with the land matters
- 25 involved in these applications?

- 1 A. Yes.
- 2 MR. BRUCE: Mr. -- (laughter) --
- 3 Ms. Examiner -- old habits die hard -- I tender
- 4 Ms. Hartsfield as an expert petroleum landman.
- 5 EXAMINER MURPHY: So qualified.
- 6 Q. (BY MR. BRUCE) Ms. Hartsfield, could you
- 7 identify the two pages of Exhibit 1 and describe the
- 8 lands involved in these applications?
- 9 A. Yes. These two pages are Midland Maps, and
- 10 they show the three units that Matador seeks to pool.
- 11 On the first map, it shows the two 320-acre
- 12 Bone Spring units that we're seeking to pool. The first
- one is located in the west half of the east half of
- 14 Sections 36 and 25, 23 South, 28 East, and the second is
- 15 located in the east half-east half of Sections 36 and
- 16 25, 23 South, 28 East. These units are comprised of
- 17 state and fee lands.
- 18 Q. Are there any depth severances in either the
- 19 Bone Spring Formation or the Wolfcamp Formation?
- 20 A. No, there are not.
- Q. And what is Exhibit 2, 2A through 2G?
- 22 A. Just backing up real quick, the second Midland
- 23 Map under Number 1, this is the Midland Map that shows
- the 640-acre Wolfcamp unit that we're seeking to pool
- located in the east half of 36 and 25.

- 1 Q. Okay.
- 2 And then Exhibit 2?
- A. Okay. Exhibit 2. Exhibits 2A through 2G are
- 4 all draft C-102s.
- 5 Exhibit 2A is the draft C-102 for the Ray
- 6 State Com 123H. This is a two-mile stand-up lateral.
- 7 It's a standard 320-acre Bone Spring unit comprised of
- 8 the west half of the east half in Sections 36 and 25.
- 9 This exhibit shows that this will be in the Culebra
- 10 Bluff; Bone Spring, South Pool, and the pool code is
- 11 15011. And it shows that the entire completed interval
- 12 will comply with the statewide setback rules.
- Moving on to Exhibit 2B, this is our second
- 14 stand-up two-mile Bone Spring unit comprised of the east
- 15 half-east half in Sections 36 and 25. This is also in
- 16 the Culebra Bluff; Bone Spring, South unit, and the pool
- 17 code is 15011. And this is a draft C-102 that we will
- 18 be updating to show that it will be complying with the
- 19 standard setbacks of 100 feet on the heel and the toe.
- 20 EXAMINER MURPHY: Which one is that?
- 21 THE WITNESS: Sorry. We're on 2B, the Ray
- 22 State Com #124H.
- Q. (BY MR. BRUCE) Go ahead.
- 24 A. Okay. So Exhibits 2C through G are all draft
- 25 C-102s for the Ray State Com 203H, 204H, the 217H, the

1 223H and the 224H. And these are all two-mile stand-up

- 2 laterals. They will be standard 640-acre horizontal
- 3 spacing -- or in the same 640-acre horizontal spacing
- 4 unit. They will all be in the Purple Sage; Wolfcamp Gas
- 5 Pool. That pool code is the 98220. And for each well,
- 6 the entire interval will comply with the setback
- 7 requirements for the Purple Sage Pool.
- 8 Q. And could you identify the parts of Exhibit 3
- 9 and just briefly discuss the interest ownership in the
- 10 proposed well units?
- 11 A. Sure. So Exhibits 3A through C is a breakdown
- of the working interests and the interests in general
- 13 for the three units that we're seeking to pool.
- 14 3A identifies the interest owners in the
- 15 west half-east half of 36 and 25 for the Bone Spring
- 16 unit. And if you notice on the bottom of page 2 of
- 17 that, there is a note about Devon Energy. On our
- drilling title opinions that we've obtained, it had
- 19 Santa Fe Energy Resources listed, and through our due
- 20 diligence, it came to our attention that there was a
- 21 merger and Devon Energy is quite possibly the owner of
- 22 this interest. And I've been in contact with Devon.
- Originally, they thought they didn't own an interest,
- 24 but now they think that maybe if it had been Santa Fe's,
- 25 it might be theirs. So we are discussing that and

1 determining that. In both cases, both were proposed the

- 2 well, and both have been noticed of the hearing.
- 3 So moving on to 3B, this is a summary of
- 4 the interests for the east half-east half of the 36-25,
- 5 23 South, 28 East. The initial well will be the Ray
- 6 State Com #124H, and it has the same owners as
- 7 previously.
- 8 And for 3C, this is a summary of interests
- 9 for the Wolfcamp Formation, the entire east half of 36
- 10 and 25, again the same interest owners, just slightly
- 11 different interests.
- 12 Q. Let's go into a couple of these. Some of the
- 13 major interest owners are, number one -- let's go to
- 14 Chevron, correct?
- 15 A. Correct.
- 16 Q. What is the status of your negotiations with
- 17 Chevron?
- 18 A. We are currently deep in trade talks with
- 19 Chevron for this acreage and acreage that Matador owns
- 20 elsewhere. I'm not directly involved in those
- 21 conversations, but as far as I know, we are progressing
- 22 on track.
- Q. They're getting close to being finalized?
- 24 A. Correct.
- O. Okay. And what about Kaiser-Francis?

- 1 A. We've been dealing with Kaiser-Francis, and
- 2 there is a trade in discussion. We're also negotiating
- 3 a JOA because they will still have an interest in this
- 4 area.
- 5 Q. So even if there is a trade, they'll still own
- 6 some interest in the well?
- 7 A. Correct.
- 8 Q. Okay. And have you be been in touch -- and
- 9 next Tap Rock, what is the status?
- 10 A. Tap Rock is also in trade discussions with
- 11 Matador, and they also have a JOA that they're
- 12 reviewing.
- 13 Q. Okay. Have you been in touch with them for
- 14 several months now?
- 15 A. Yes.
- 16 Q. And let's take a step back. These are two-mile
- 17 laterals, correct?
- 18 A. That's correct.
- 19 Q. They were originally proposed as one-mile-and-
- 20 a-half laterals quite some time ago?
- 21 A. That's correct.
- 22 Q. And actually applications were filed on the
- one-and-a-half-mile laterals five months ago or so, I
- 24 believe?
- 25 A. Roughly, yes.

1 O. And in discussions with the other interest

- owners, was it agreed to do two-mile laterals?
- 3 A. It was.
- 4 The original mile-and-a-half laterals -- it
- 5 was discussed with Kaiser and with Chevron that doing
- 6 two miles would be more beneficial for all parties and
- 7 would result in the northeast corner of Section 25 being
- 8 able to be developed and not be stranded.
- 9 Q. And are there any unlocatable -- just looking
- 10 at the working interest owners, were there some
- 11 unlocatable parties?
- 12 A. There are some unlocatable parties.
- 13 O. And what efforts did Matador undertake to
- 14 locate -- to attempt to locate all of the parties?
- 15 A. Either in-house or through our brokers, we've
- 16 utilized online search engines, as well as county
- 17 records, state records, probate records to try and
- 18 identify and locate these, and we will continue to do
- 19 so. I believe we also published notice.
- Q. What are Exhibits 4A and 4B?
- 21 A. 4A and 4B are sample letters that -- of
- 22 participation that we sent to all the working interest
- 23 owners.
- 24 4A shows the Bone Spring proposals that we
- 25 sent for the 123H and the 124H. We sent this along with

1 the AFEs that are dated June 11th, 2019 that are behind

- 2 those and with a proposed operating agreement.
- And then 4B, this is a sample letter that
- 4 we sent for the Wolfcamp wells, the 203H, the 204H, the
- 5 217H, the 223H and the 224H. This was also sent with
- 6 AFEs and a proposed operating agreement.
- 7 Q. And besides the proposal letters, whether it
- 8 was for these two-mile laterals or one-and-a-half-mile
- 9 laterals, have you had phone calls, email contacts with
- 10 a number of these parties?
- 11 A. Yes.
- 12 Q. And in your opinion, has Matador made a
- 13 good-faith effort to obtain the voluntary joinder of the
- 14 interest owners in the wells or to at least try to
- 15 locate the parties?
- 16 A. Yes, we have. And we'll continue to make a
- 17 good-faith effort and to reach a voluntary agreement.
- 18 Q. And if you come to terms with any of these
- interest owners, will you notify the Division?
- 20 A. Yes.
- 21 Q. Just briefly, what are the costs of the Bone
- 22 Spring versus the Wolfcamp wells?
- 23 A. The cost of the two Bone Spring AFEs comes to
- 24 about \$9,776,000. And then there is a little bit of a
- 25 difference in the Wolfcamp AFEs. So for the 203, the

- 1 204 and the 217, the costs come to about \$11 million,
- 2 give or take. And then for the Ray State 223H and the
- 3 224H, these are deeper wells, and those costs come to a
- 4 total of about 11.7 million.
- 5 Q. And are these AFE costs fair and reasonable and
- 6 in line with the costs of similar wells in length
- 7 drilled to this area in New Mexico?
- 8 A. Yes.
- 9 Q. What overhead rates do you request?
- 10 A. So we request 8,000 while drilling and 800
- 11 while producing.
- 12 Q. And are these rates fair, and are they similar
- 13 to those used by Matador and other operators in this
- 14 area for wells of this type?
- 15 A. They are.
- 16 Q. Do you request that the rates be adjusted
- 17 periodically as provided in the COPAS accounting
- 18 procedure?
- 19 A. Yes.
- Q. What is Exhibit 5?
- 21 A. Exhibit 5 is a list of the overriding royalty
- interest owners in Section 25 and Section 36.
- 23 Q. Are there some unlocatable -- you searched the
- 24 same records to try to determine the location of all of
- 25 these interest owners; did you not?

- 1 A. Yes. That is correct.
- Q. And there are still some unlocatables?
- 3 A. Yes.
- 4 O. Do most of these interest owners arise under
- 5 the fee land or state land?
- 6 A. Most of these come from the fee land.
- 7 Q. And was direct notice sent to all of the
- 8 working interest owners and the overriding royalty
- 9 owners?
- 10 A. Yes.
- MR. BRUCE: And, Examiners, Exhibit 6A --
- 12 and there are two letters, one to the working interest
- owners, one to the overriding royalty owners. Did not
- 14 get all of the green cards back, but Exhibit 6B is the
- 15 Affidavit of Publication in the Carlsbad newspaper, so
- one way or the other, everybody received notice.
- 17 Q. (BY MR. BRUCE) Do you request that Matador be
- 18 named operator of these well units?
- 19 A. Yes, I do.
- 20 Q. And if a working interest owner goes
- 21 nonconsent, do you request the maximum cost plus 200
- 22 percent risk charge?
- 23 A. Yes.
- 24 Q. And in your opinion, will the granting of these
- 25 applications be in the interest of conservation and the

- 1 prevention of waste?
- 2 A. Yes, it will be.
- 3 Q. And were Exhibits 1 through 6 either prepared
- 4 by you or under your supervision or compiled from
- 5 company business records?
- 6 A. Yes, they were.
- 7 MR. BRUCE: Ms. Examiner, I move the
- 8 admission of Exhibits 1 through 6 or Exhibits 1 through
- 9 6B, whatever.
- 10 EXAMINER MURPHY: Ms. Bennett?
- MS. BENNETT: No objections.
- 12 EXAMINER MURPHY: Ms. Shaheen?
- MS. SHAHEEN: No objection.
- MS. HARDY: No objections.
- 15 EXAMINER MURPHY: Exhibits 1 through 7
- 16 [sic] will be admitted.
- 17 (Matador Production Company Exhibit Numbers
- 18 1 through 6B are offered and admitted into
- 19 evidence.)
- 20 EXAMINER GOETZE: Wait a minute. 1 through
- 21 6.
- 22 EXAMINER DAVID: 1 through 6.
- Q. (BY MR. BRUCE) One final question,
- 24 Ms. Hartsfield. Chevron and -- primarily Chevron and
- 25 Matador have been dealing with each other on these for

1 quite a while. Why did Matador wish to proceed at this

- 2 hearing.
- 3 A. Oh. These wells have been on our drill
- 4 schedule for quite some time, and we are still trying to
- 5 make that timing.
- 6 Q. Drilling at the end of the year?
- 7 A. Yes, beginning at the end of 2019.
- 8 Q. Okay. Thank you.
- 9 A. Thank you.
- 10 MR. BRUCE: I have no further questions for
- 11 the witness.
- 12 EXAMINER MURPHY: Mr. Goetze?
- 13 EXAMINER GOETZE: No questions as far as
- 14 this portion.
- 15 EXAMINER MURPHY: I have no questions.
- Mr. David?
- 17 CROSS-EXAMINATION
- 18 BY EXAMINER DAVID:
- 19 Q. So just to confirm so, the AFEs are for the
- 20 two-mile-long wells?
- 21 A. Yes.
- Q. And for the Affidavit of Publication, I mean,
- 23 you certify to us that the -- that the list of names in
- 24 the Affidavit of Publication conform to all the
- interested parties that you've identified?

- 1 A. Yes.
- 2 MR. BRUCE: Yes. I had to type them all
- 3 up, so I made sure.
- 4 EXAMINER MURPHY: Ms. Hardy, any questions?
- 5 MS. HARDY: No. I have no questions.
- 6 EXAMINER MURPHY: Ms. Shaheen?
- 7 MS. SHAHEEN: No.
- 8 EXAMINER MURPHY: Ms. Bennett?
- 9 MS. BENNETT: No.
- 10 EXAMINER DAVID: I have no further
- 11 questions.
- 12 EXAMINER MURPHY: Thank you.
- 13 THE WITNESS: Thank you.
- 14 DANIEL BRUGIONI,
- 15 after having been previously sworn under oath, was
- 16 questioned and testified as follows:
- 17 DIRECT EXAMINATION
- 18 BY MR. BRUCE:
- 19 Q. Would you please state your name and city of
- 20 residence?
- 21 A. Daniel Brugioni, and I reside in Dallas, Texas.
- Q. And who do you work for and in what capacity?
- 23 A. Matador Resources as a geologist.
- Q. Have you previously testified before the
- 25 Division?

- 1 A. I have.
- Q. And were your credentials as an expert
- 3 petroleum geologist accepted as a matter of record?
- 4 A. They were.
- 5 Q. And just briefly, what are your
- 6 responsibilities for Matador in the Permian Basin?
- 7 A. So I'm an assessment geologist that is
- 8 primarily focused in southern Eddy and Lea Counties,
- 9 overseeing the development, exploration of those asset
- 10 areas.
- 11 Q. Okay. And are you familiar with the geology
- involved in these three applications?
- 13 A. I am.
- 14 MR. BRUCE: Mr. Examiner, I tender
- 15 Mr. Brugioni as an expert petroleum geologist.
- 16 EXAMINER MURPHY: Ms. Hardy, objection?
- MS. HARDY: No objection.
- 18 EXAMINER MURPHY: Ms. Shaheen?
- MS. SHAHEEN: No objections.
- 20 EXAMINER MURPHY: Ms. Bennett?
- MS. BENNETT: No objection.
- 22 Q. (BY MR. BRUCE) What is Exhibit 7?
- 23 A. Exhibit 7 is an overall locator map of the
- 24 greater Northern Delaware Basin showing where our
- 25 project area is for the Ray State wells in the Culebra

1 Bluff; Bone Spring Pool. They're highlighted in yellow.

- 2 The yellow box is in that red square.
- Q. What is Exhibit 8?
- 4 A. Exhibit 8 is a structure map, again for the Ray
- 5 State wells in the Bone Spring pool. The structure map
- 6 was made off the top of the Bone Spring Lime in subsea
- 7 values. Our project areas for the Ray State are
- 8 highlighted in yellow, with the proposed approximate
- 9 locations of those wells in red being drilled from south
- 10 to north. Also on this map are control points in black
- 11 showing the control that the structure map was made off
- of, as well as the various colored sticks on there are
- 13 surrounding Bone Spring producers. The structure map
- 14 has 50-foot contour intervals and shallowly dips from
- 15 west to east. And as you can see on here, there is no
- 16 apparent faulting or geologic hazards that will impede
- in the drilling of these wells.
- 18 Q. And briefly what is Exhibit 9?
- 19 A. Exhibit 9 is that same structure map with the
- 20 control points and surrounding producers taken off to
- 21 emphasize the location and wells used for the cross
- 22 section that will be present in the next exhibit.
- Q. And do these wells give a representative sample
- of the Bone Spring Formation in this area?
- 25 A. Yes, they do.

1 Q. Let's turn to Exhibit 10. What does that show?

- 2 A. So Exhibit 10 is showing that cross section
- 3 from A to A prime roughly north to south of the Bone
- 4 Spring pool. And highlighted in yellow is the target
- 5 that the Ray State 123H and 124H will be drilled in. On
- 6 each one of these wells going -- the logs going from
- 7 left to right are a gamma ray, a resistivity and then
- 8 the neutron and density porosities.
- 9 Q. And are these 2nd Bone Spring tests?
- 10 A. They are.
- 11 Q. And is the 2nd Bone Spring continuous across
- 12 the proposed well units, in your opinion?
- 13 A. Yes, it is.
- 14 Q. And in your opinion from a geologic
- perspective, will all quarter-quarter sections
- 16 contribute more or less equally to production from the
- 17 wells?
- 18 A. They will.
- 19 Q. Briefly, what is Exhibit 11?
- 20 A. So Exhibit 11 is another locator map, this time
- 21 showing the Ray State project area for the wells in the
- 22 Purple Sage; Wolfcamp Gas Pool, a similar location of
- 23 the yellow box within the larger red box.
- Q. And move on to Exhibit 12, please.
- 25 A. Exhibit 12 is a similar structure map, this

1 time made off the top of the Wolfcamp, again in subsea

- 2 values. The Ray State Wolfcamp project area is
- 3 highlighted in yellow, again with the approximate well
- 4 locations being drilled from the south to the north.
- 5 Similarly, the control points are on there, as well as
- 6 the surrounding Wolfcamp producers. It's the same
- 7 contour intervals at 50 feet and a dip from west to
- 8 east, and also no apparent faulting or geologic hazards
- 9 that will impede the drilling of these wells.
- 10 Q. And what is represented on Exhibit 13?
- 11 A. 13 has the same structure map with the control
- 12 points and surrounding producers removed, again to
- 13 emphasize the location and well names of the cross
- 14 section that we'll be seeing in the next exhibit.
- 15 Q. So apparently these wells in the cross section
- were probably deeper Morrow gas wells at some point?
- 17 A. Correct.
- 18 Q. And do they give a representative sample of the
- 19 Wolfcamp Formation in this area?
- 20 A. Yes, they do.
- 21 O. And what is Exhibit 14?
- 22 A. Exhibit 14 is that same cross section from A to
- 23 A prime roughly north to south. This time it's showing
- the Wolfcamp and the three different targets proposed in
- 25 this pool. The top orange target is for the Ray State

1 203H and 204H. The middle highlighted target is for the

- 2 Ray State 217H, and the lower target is for the Ray
- 3 State 223H and 224H.
- 4 O. And are all of these zones of consistent
- 5 thickness across the well unit?
- 6 A. Yes, they are.
- 7 Q. And in your opinion, will each quarter section
- 8 contribute more or less equally to production from the
- 9 wells?
- 10 A. Yes.
- 11 Q. In your opinion, will the granting of these
- 12 applications be in the interest of conservation and the
- 13 prevention of waste?
- 14 A. Yes.
- 15 Q. And were Exhibits 7 through 14 prepared by you
- or under your supervision?
- 17 A. Yes.
- MR. BRUCE: Ms. Examiner, I'd move the
- 19 admission of Matador Exhibits 7 through 14.
- 20 EXAMINER MURPHY: Any objections,
- 21 Ms. Hardy?
- MS. HARDY: No objection.
- 23 EXAMINER MURPHY: Ms. Shaheen?
- MS. SHAHEEN: No objection.
- 25 EXAMINER MURPHY: Ms. Bennett?

- 1 MS. BENNETT: No objections.
- 2 EXAMINER MURPHY: Exhibits 7 through 14 are
- 3 admitted.
- 4 (Matador Production Company Exhibit Numbers
- 5 7 through 14 are offered and admitted into
- 6 evidence.)
- 7 MR. BRUCE: I have no further questions.
- 8 EXAMINER MURPHY: Any questions, Ms. Hardy?
- 9 MS. HARDY: No.
- 10 EXAMINER MURPHY: Ms. Shaheen?
- MS. SHAHEEN: None.
- 12 EXAMINER MURPHY: Ms. Bennett?
- MS. BENNETT: None.
- 14 EXAMINER GOETZE: It's my turn.
- 15 CROSS-EXAMINATION
- 16 BY EXAMINER GOETZE:
- 17 Q. A quick question on the Wolfcamp --
- 18 A. Yes.
- 19 Q. -- on Exhibit 14. The magic question we do ask
- 20 sometimes is your 203H and your 204H, do you have any
- 21 concerns that we're going to reach up into the Bone
- 22 Spring?
- 23 A. No.
- Q. That's good confidence.
- 25 A. Yeah. We've -- I mean, this is one of our most

1 drilled targets, especially in that area. We have not

- 2 at least seen any evidence that would indicate to us
- 3 definitively that we are reaching up into the Bone
- 4 Spring.
- 5 Q. Fair enough.
- 6 And then the difference in permeability and
- 7 porosity between the upper and the lower of the 223H and
- 8 the 224H, is this going to -- what kind of porosity are
- 9 you looking at down there?
- 10 A. Yes. So it is a little bit tighter, and with
- 11 the -- from the neutron-density logs, you can see there
- 12 is a lot higher clay content and so mostly going for
- 13 what would be an interbound porosity that -- the
- 14 permeability is a little bit lower within here, but, in
- 15 general, we've had good success.
- 16 Q. So you have drilled -- you have completed in
- 17 this interval at other locations in this same area?
- 18 A. Yes, sir.
- 19 Q. No other questions. Thank you.
- 20 EXAMINER MURPHY: I have no questions.
- 21 Mr. David?
- 22 EXAMINER DAVID: I'll be the lawyer now.
- 23 No questions.
- 24 (Laughter.)
- MR. BRUCE: That's all I have in these

Page 25 cases, and I would ask that they be taken under advisement. EXAMINER MURPHY: Cases 20734, 20735 and 20736 will be taken under advisement. (Case Numbers 20734, 20735 and 20736 conclude, 3:47 p.m.) 

- 1 STATE OF NEW MEXICO
- 2 COUNTY OF BERNALILLO

3

- 4 CERTIFICATE OF COURT REPORTER
- 5 I, MARY C. HANKINS, Certified Court
- 6 Reporter, New Mexico Certified Court Reporter No. 20,
- 7 and Registered Professional Reporter, do hereby certify
- 8 that I reported the foregoing proceedings in
- 9 stenographic shorthand and that the foregoing pages are
- 10 a true and correct transcript of those proceedings that
- 11 were reduced to printed form by me to the best of my
- 12 ability.
- I FURTHER CERTIFY that the Reporter's
- 14 Record of the proceedings truly and accurately reflects
- 15 the exhibits, if any, offered by the respective parties.
- I FURTHER CERTIFY that I am neither
- 17 employed by nor related to any of the parties or
- 18 attorneys in this case and that I have no interest in
- 19 the final disposition of this case.
- 20 DATED THIS 9th day of October 2019.

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MARY C. HANKINS, CCR, RPR Certified Court Reporter

New Mexico CCR No. 20
Date of CCR Expiration

Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

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