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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 COG OPERATING, LLC CASE NO. 15727 FOR A NONSTANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 20, 2017

Santa Fe, New Mexico

## BEFORE: WILLIAM V. JONES, CHIEF EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, July 20, 2017, 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

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 7
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Page 4 (8:24 a.m.) 1 2 EXAMINER JONES: So what was that case? 3 MS. MUNDS-DRY: 15727. EXAMINER JONES: Let's call Case 15727. 4 5 MS. MUNDS-DRY: It's on page 7, 15727. EXAMINER JONES: Okay. 15727, which is 6 7 application of COG Operating, LLC for a nonstandard 8 spacing and proration unit and compulsory pooling, Lea County, New Mexico. 9 10 Invite appearances in this case. 11 MS. MUNDS-DRY: Good morning, 12 Mr. Examiners. My name is Ocean Munds-Dry. I represent 13 COG Operating, LLC. MS. BRADFUTE: And, Mr. Examiners, my name 14 is Jennifer Bradfute. I'm with the Modrall Sperling Law 15 Firm, on behalf of EOG Y, A and M. 16 17 MS. MUNDS-DRY: And I have two witnesses. 18 EXAMINER JONES: Any witnesses for EOG? 19 MS. BRADFUTE: No, Mr. Examiner. 20 EXAMINER JONES: Will the witnesses please 21 stand? 22 And will the court reporter please swear the witnesses? 23 24 (Mr. Bedrick and Ms. Holcomb sworn.) 25 MS. BRADFUTE: Mr. Examiner, before we

Page 5 begin, if I may, the parties have reached a deal in 1 principle. However, that deal has not yet been 2 3 executed, and so EOG would like to reserve its right in the event that the deal is not consummated. 4 5 EXAMINER JONES: Reserve its right to de 6 novo hearing? 7 MS. BRADFUTE: Yes. 8 EXAMINER JONES: So you won't be actively 9 opposing today? 10 MS. BRADFUTE: That is correct, 11 Mr. Examiner. 12 EXAMINER JONES: Okay. 13 MS. BRADFUTE: Thank you. 14 LUKE BEDRICK, after having been previously sworn under oath, was 15 questioned and testified as follows: 16 17 DIRECT EXAMINATION BY MS. MUNDS-DRY: 18 19 0. Good morning. 20 Morning. Α. 21 Would you please state your name for the Q. 22 record? 23 A. Luke Bedrick. And who are you employed by? 24 Q. 25 COG Operating, LLC. Α.

		Page 6
1	Q.	What do you do for COG?
2	Α.	I'm a landman.
3	Q.	Great.
4		And have you previously testified before
5	the Divi	sion?
б	Α.	No.
7	Q.	If you could please review for the Examiners
8	your edu	cation and work history starting with your
9	educatio	n.
10	Α.	I have a bachelor of science and management
11	from the	University of Phoenix. I have worked four
12	years as	an independent landman, six years for Whiting
13	Oil & Ga	s, and now three-and-a-half years with COG.
14	Q.	And what are your responsibilities with COG?
15	Α.	I work I have worked surface and minerals
16	for COG.	
17	Q.	How long have you been working the mineral side
18	of landma	an work?
19	Α.	About eight months now.
20	Q.	And what team do you work for?
21	Α.	I'm the Northern Delaware Basin Team.
22	Q.	So that's the Permian Basin, the Northern
23	Delaware	Basin?
24	Α.	Correct. Correct.
25	Q.	And are you a member of any professional

Page 7 1 associations? I'm a member of the Permian Basin Landmen's 2 Α. Association, as well as the American Association of 3 Professional Landmen. 4 5 And do you have any professional Q. certifications? 6 7 Α. I'm a certified professional landman. 8 MS. MUNDS-DRY: Mr. Examiner, we would 9 tender Mr. Bedrick as an expert in petroleum land 10 matters. 11 EXAMINER JONES: Okay. Can you spell your 12 last name? 13 THE WITNESS: It is B-E-D-R-I-C-K. 14 EXAMINER JONES: Any objection? MS. BRADFUTE: No objection. 15 16 EXAMINER JONES: Mr. Bedrick is qualified 17 as an expert in petroleum land matters. 18 Q. (BY MS. MUNDS-DRY) Mr. Bedrick, are you 19 familiar with the application filed by COG? 20 Α. Yes. 21 If you could turn to what's marked as Exhibit Q. 22 Number 1, what is this document? This is the C-102 for the Tenderloin Federal 23 Α. Com 4H. 24 25 And what does it show on the C-102? **Q**.

Page 8 It shows our project area, as well as the 1 Α. 2 producing area, surface-hole, bottom-hole locations. 3 Q. Surface-hole, bottom-hole locations. 4 What does COG seek under this application? 5 We seek to create a nonstandard 320-acre Α. spacing unit comprised of the west half-west half of 6 7 Sections 1 and 12, Township 22 South, Range 33 East, Lea 8 County, New Mexico. 9 Do we also seek to pool the uncommitted 0. interest owners in the Bone Spring Formation? 10 11 Α. Yes. 12 0. And do you seek to dedicate the spacing unit to the Tenderloin Federal Com 4H? 13 14 Α. Yes. 15 Has the Division designated a pool for this Q. 16 area? 17 Α. Yes. 18 What is that pool? Q. 19 Α. It's the Gramma Ridge; Bone Spring, West. 20 And do you know the pool code? Q. It is 28432. 21 Α. 22 Q. Good memory. 23 Has an APD been approved for this well? 24 Α. Yes. 25 And is this proposed spacing unit and proposed Q.

Page 9

1 well governed by statewide rules?

2 A. Yes.

Q. If you could turn to what's been marked as COG
Exhibit Number 2, and if you could review this document
for the Examiner.

A. This is an ownership outline detailing the ownership by tract, including the parties and percentages as to each tract, and also a unit working breakdown -- unit working interest breakdown into the unit we're looking at.

11 Q. And what is designated -- you've highlighted 12 some of the parties. Are those the parties we seek to 13 pool today?

14 A. Yes.

15 Q. And who are those parties?

A. McCombs Energy, EOG Y Resources, EOG M
Resources, EOG A Resources and OXY Y-1.

Q. And it looks like one more at the bottom.
A. And First International Bank of Arizona.
Q. And are all these parties working interest
owners?
A. Yes. First International Bank is a record

23 titleholder.

24 Q. So all the parties you just listed except for 25 the First International Bank of Arizona are working

Page 10 1 interest owners? 2 Α. Yes. 3 Q. And First International Bank of Arizona -we'll review that in a minute -- is a record titleholder 4 5 on a lease? 6 Α. Correct. 7 Are there any depth severances underlying this Q. 8 proposed spacing unit? 9 Α. No. 10 Let's turn to what's been marked as COG's 0. Exhibit Number 3. If you could review the first 11 12 document here under Exhibit 3. 13 Α. Yes. This is a well-proposal letter we sent out to all working interest owners dated February 13th, 14 2017. 15 16 And was a similar well-proposal letter sent to Q. all interest owners? 17 18 Α. Yes. 19 If you could turn to what's going to be -- one, Q. two, three, four -- the fifth page under Exhibit 3. 20 It 21 should be tabbed there. 22 Α. Okay. 23 There is another well proposal letter here. 0. 24 What is this document? 25 This is the well proposal with OXY Y-1 Company Α.

Page 11 dated March 17th, 2017. 1 2 Why did we send OXY-Y1 this letter on a 0. separate date? 3 We had credited this interest to an incorrect 4 Α. 5 party, and once we received the title opinion, we corrected it. 6 7 And did the well-proposal letters to all of the Q. 8 working interest owners include an AFE? 9 Α. Yes. 10 And is that included here in Exhibit 3? 0. 11 Α. Yes. 12 0. Are the costs reflected on this AFE consistent 13 with what COG has incurred for drilling similar 14 horizontal wells in this area? 15 Α. Yes. 16 And if you could turn to the third smaller tab Q. 17 in Exhibit 3, this goes back to your reference to the 18 First International Bank of Arizona. What did we send 19 to them? 20 Α. We sent them the communitization agreement. 21 And we didn't include it here in the exhibit, Q. 22 but you sent them that form, the communitization 23 agreement? 24 Α. Correct. Correct. 25 And what additional efforts did COG undertake **Q**.

	Page 12
1	to reach voluntary agreement with the interest owners
2	whom you seek to pool today?
3	A. We have exchanged several emails, as well as
4	several telephone conversations.
5	Q. And were you able to well, did we ever get a
6	response from First International Bank of Arizona?
7	A. No, we did not.
8	Q. Did you undertake additional efforts to try to
9	locate a better address for them?
10	A. Yes. We did Internet searches, as well as
11	phone searches.
12	Q. And in your opinion, have you made a good-faith
13	effort to try to reach an agreement with all the
14	uncommitted interest owners?
15	A. Yes.
16	Q. And also a good-faith to try to locate, in this
17	case, the First International Bank of Arizona?
18	A. Yes.
19	Q. Have you estimated overhead and administrative
20	costs while drilling and producing each of these wells?
21	A. Yes, \$7,000 a month drilling, \$700 a month
22	producing.
23	Q. And are these costs in line with what COG and
24	other operators in the area are charging for similar
25	wells?
1	

Page 13 1 Α. Yes. 2 And do you ask that these administrative and 0. 3 overhead costs be incorporated into any order resulting 4 from this hearing? 5 Α. Yes. 6 And do you ask as well it be adjusted in Q. 7 accordance with the appropriate accounting procedures? 8 Α. Yes. And with respect to the uncommitted working 9 0. interest owners, do you request the Division impose a 10 200 percent risk penalty? 11 12 Α. Yes. 13 And did COG provide notice of this hearing to 0. 14 the offset operators adjoining the proposed spacing unit 15 or lessees of record? 16 Α. Yes. 17 Q. And will you turn to what's been marked as COG 18 Exhibit Number 4? Is this an affidavit prepared by 19 Holland & Hart showing that notice was given to the 20 parties you pooled and offset operators? 21 Α. Yes. 22 0. And it also includes the green cards showing 23 that, evidence that notice was sent? 24 Α. Yes. 25 If you could turn to COG Exhibit Number 5. 0. Is

Page 14 that an Affidavit of Publication in the newspaper of 1 2 general circulation providing notice of this hearing? 3 Α. Yes, it is. 4 And were Exhibits 1 through 5 either prepared Q. 5 by you or under your direct supervision? 6 Α. Yes. 7 MS. MUNDS-DRY: Mr. Examiner, we would move 8 admission into evidence COG Exhibits 1 through 5. 9 MS. BRADFUTE: No objection. 10 EXAMINER JONES: Exhibits 1 through 5 are 11 admitted. 12 (COG Operating, LLC Exhibit Numbers 1 13 through 5 are offered and admitted into evidence.) 14 MS. MUNDS-DRY: That concludes my direct 15 16 examination of Mr. Bedrick. 17 MS. BRADFUTE: No questions. 18 EXAMINER JONES: No questions. 19 CROSS-EXAMINATION 20 BY EXAMINER JONES: 21 Q. So there are three tracts involved? Correct. 22 Α. 23 One is a state tract and the other two are 0. 24 federal tracts? 25 I believe they're all federal. Α.

Page 15 Is the state tract one of those reserved 1 0. 2 minerals? We have the south -- the west half of the 3 southwest quarter of 12 as a state, but it's possible it 4 was reserved minerals. They didn't copy that part of 5 it. 6 MS. MUNDS-DRY: If you're referring to --7 if we look back, Mr. Examiner, at Exhibit Number 2 --8 EXAMINER JONES: Yes. 9 MS. MUNDS-DRY: -- Tract 2, is that what you're looking at? 10 11 EXAMINER JONES: Yes. Tract 3, actually. 12 MS. MUNDS-DRY: Oh, Tract 3. 13 THE WITNESS: Tract 3? 14 (BY EXAMINER JONES) Tract 3. But the record **Q**. 15 title owner, which tract were they in? 16 Α. In Tract 3. Tract 3? 17 Q. 18 Α. Yes. 19 Okay. So your com agreement, is it different Q. 20 federal leases, also? 21 Α. Yes. 22 In addition to the --0. 23 Okay. Okay. And the location was 24 advertised at 170 from the south, but now it's 655 from 25 the south; is that correct?

Page 16 Correct, the surface-hole location. 1 Α. 2 So it was changed after it was advertised? 0. 3 Does that change any of your standard completion? It's 4 still going to be a standard completion? 5 (Indicating.) Α. 6 And it's 20- -- almost 21,000 feet you're going Q. 7 to drill this well. 8 Okay. Let me make sure that I've got everything covered here. 9 10 You found everybody -- you located 11 everybody except for the -- how can you not find a bank? 12 MS. MUNDS-DRY: Good question. 13 EXAMINER BROOKS: That is a good question. 14 EXAMINER JONES: They're always finding us. 15 (Laughter.) 16 EXAMINER JONES: And certified mail receipts except for the bank came back okay? 17 18 THE WITNESS: Yes. 19 CROSS-EXAMINATION 20 BY EXAMINER BROOKS: 21 ο. I am curious about that. Why couldn't you find 22 the bank? We sent our letter to the address on the Serial 23 Α. 24 Register Page. It came back undeliverable. One of our searches identified another address. We sent it out. 25

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1 It came back undeliverable.

2	Q. Well, if it's an active bank, it would be on
3	it would be accessible by the FDIC's Web site. If it's
4	not an active bank, I'm sure there is some kind of
5	register of mergers and successions. So I you
6	probably ought to give it a little more a little more
7	try.
, 8	A. Okay.
9	
	Q. I found some banks that were defunct for quite
10	a while, but I found out who took over their assets.
11	EXAMINER JONES: Well, somebody's been
12	paying the rentals anyway on that lease because it's
13	still a valid lease. Obviously, it's EOG or OXY Y-1
14	THE WITNESS: Yes.
15	EXAMINER JONES: in that lease.
16	EXAMINER BROOKS: So I recommend we
17	continue this case for like four weeks to give them a
18	chance to find the bank, unless they really can't get
19	them to sign the certified mail.
20	EXAMINER JONES: There was a newspaper
21	notice.
22	MS. MUNDS-DRY: We did publish notice in
23	the paper.
24	EXAMINER BROOKS: Well, I understand that,
25	but publication is due diligence. And I'm not persuaded

Page 18 that this has happened so far, unless you can get a 1 witness to testify that they've undertaken through the 2 FDIC and Federal Reserve representatives to try to find 3 what happened to this bank. 4 5 REDIRECT EXAMINATION BY MS. MUNDS-DRY: 6 7 Mr. Bedrick, were there any other efforts that ο. 8 you undertook or that anyone on your team undertook to try to locate this bank? 9 10 We did do Internet searches. We did identify a Α. phone number that we called, and that's the second 11 12 address that we sent to that came back undeliverable. 13 EXAMINER BROOKS: Well, that is very strange. When is this on the drilling schedule? 14 15 (BY MS. MUNDS-DRY) What is our current spud ο. 16 date? It's mid-September, September 16th. 17 Α. 18 EXAMINER BROOKS: Well, that doesn't give 19 you much time. But we can put it off four weeks, and I 20 would really like to see you find that bank because they've got a big interest, 100 percent, Tract 3. 21 That's about a fourth of the well; is it not? 22 23 (BY MS. MUNDS-DRY) Do they have an interest, 0. 24 Mr. Bedrick, or are they record title owner? 25 They're record title owner. Α. No.

Page 19 MS. MUNDS-DRY: They don't own -- they're a 1 2 record title interest. EXAMINER BROOKS: Oh. Well, that's not 3 worth it, for record title. 4 5 EXAMINER JONES: So the BLM is waiting for this compulsory order to prove --6 7 MS. MUNDS-DRY: I'm sorry. We should have 8 made that clarification earlier. 9 EXAMINER BROOKS: Well, you probably did. 10 My mind probably wandered. It sometimes does in these 11 compulsory pooling cases because they're so alike. But, 12 you know, it's not worth -- not worth holding up the 13 case over record title owner because they don't lose anything if they lose all they have. 14 15 MS. MUNDS-DRY: That's correct. Thank you, 16 Mr. Brooks. 17 RECROSS EXAMINATION 18 BY EXAMINER JONES: 19 Q. And why did you have to move the surface 20 location? Do you remember? 21 Α. I'm not sure. 22 0. It's a federal well so I guess --Correct. An on-site surface hole was moved. 23 Α. 24 Okay. So by the time the Feds approved it, the 0. 25 location was different than you originally applied for?

Page 20 1 Α. Yes. 2 And the API is 43891? 0. I do not have that on this. 3 Α. 4 Yeah. I've got that. Two different federal Q. 5 leases, it looks like. MS. MUNDS-DRY: I don't know if I have that 6 7 in front of me, but I bet you our geologist can drum 8 that up for us here. We'll verify that with our 9 geologist. I'm putting her on the spot right now. 10 EXAMINER JONES: We can continue with the 11 geologist then. 12 Thank you very much. 13 THE WITNESS: Thank you. MS. MUNDS-DRY: With that, I'd like to call 14 Ms. Holcomb. 15 16 ALLISON HOLCOMB, after having been previously sworn under oath, was 17 18 questioned and testified as follows: 19 DIRECT EXAMINATION 20 BY MS. MUNDS-DRY: 21 Q. Good morning. 22 Good morning. Α. 23 Would you please state your name for the Q. 24 record, whom you're employed by and what your position 25 is, please?

Page 21 My name is Allison Holcomb. I'm employed by 1 Α. COG Operating, LLC, and I'm a geologist for the Northern 2 Delaware Basin. 3 4 Have you previously testified before the Q. Division? 5 Yes, I have. 6 Α. 7 And were your credentials accepted and made a Q. 8 matter of record at that time? 9 Α. Yes. 10 And are you familiar with the application Q. that's been filed by COG today? 11 12 Α. Yes, I am. 13 And are you familiar with the geology under the 0. 14 subject lands? 15 Α. Yes. 16 MS. MUNDS-DRY: Mr. Examiner, we would tender Ms. Holcomb as an expert in petroleum geology. 17 18 MS. BRADFUTE: No objection. 19 EXAMINER JONES: Ms. Holcomb, do you spell 20 it H-O-L --21 THE WITNESS: C-O-M-B. 22 EXAMINER JONES: C-O-M-B. Thanks. 23 I've got listed Chuck Moran, Lorraine 24 Bailey and Shane Kelly on the pre-hearing statement, so 25 it changed the --

Page 22 MS. MUNDS-DRY: That's for EOG. 1 Those are 2 the EOG witnesses. MS. BRADFUTE: Yes. That would --3 EXAMINER JONES: But you didn't bring them. 4 5 MS. BRADFUTE: That's correct. That's correct, because a deal in principle was reached. 6 7 EXAMINER JONES: Okay. Rough start this 8 morning. Okay. 9 (BY MS. MUNDS-DRY) All right. Let's turn to 0. our exhibits, if you could turn to what's been marked as 10 COG Exhibit Number 6, please. What is this document? 11 12 Α. So this is a 2nd Bone Spring Sand subsea 13 structure map. The proposed location is shown in red. The surface hole is located in Section 12, and the 14 bottom-hole location is located in Section 1. 15 COG 16 acreage is in yellow, and the proposed nonstandard spacing unit is outlined in green. The contour interval 17 is 100 feet, and it is dipping towards the south across 18 19 the lateral. And it is located in 22 South, 33 East. 20 And what does this map show you in terms of the Q. 21 structure in this area? 22 So the structure map shows that the formation Α. is continuous across the area. 23 24 Do you see, in your review of the structure in 0. 25 this area, any geologic impediments?

Page 23

A. No.

1

2 Q. Let's turn to what's been marked as COG Exhibit 3 Number 7, if you could review this exhibit for the 4 Examiners.

A. This is a map showing the cross section, A to A prime, going from north to south, and the three wells that I've chosen for my cross section are representative of the area.

9 Q. Let's turn to what's been marked as COG Exhibit 10 Number 8. Could you review this for the Examiners as 11 well?

12 Α. This is a stratigraphic cross section, A to A prime. On the cross section, I have the top of the 2nd 13 Bone Spring in orange. That's also my datum. And then 14 I show the base of the 2nd also in orange. 15 The lateral 16 interval is shown in green, and as you can see, this illustrates that the 2nd Bone Spring is continuous 17 across the area. There is no faulting and no pinch-outs 18 19 or any other geologic impediments.

20 Q. Based on your geologic study of this area, in 21 your opinion, can this area be efficiently and 22 economically developed by horizontal wells?

23 A. Yes.

Q. And do you believe that each tract in the proposed nonstandard unit will, on average, produce

1 equally for the well? 2 Α. Yes. 3 Q. And will the completed interval for the well 4 comply with all of the setback requirements under the horizontal well rules? 5 6 Α. Yes. 7 And in your opinion, will the granting of this Q. 8 application be in the best interest of conservation, the 9 protection of correlative rights and the prevention of 10 waste? 11 Α. Yes. 12 Q. And were Exhibits 6 through 8 either prepared 13 by you or compiled under your direction or supervision? Α. 14 Yes. MS. MUNDS-DRY: Mr. Examiner, we would move 15 16 the admission of COG Exhibits 6 through 8. 17 MS. BRADFUTE: No objections. 18 EXAMINER JONES: Exhibits 6 through 8 are 19 admitted. 20 (COG Operating, LLC Exhibit Numbers 6 through 8 are offered and admitted into 21 22 evidence.) 23 MS. MUNDS-DRY: And I pass the witness. 24 MS. BRADFUTE: No questions. 25 EXAMINER JONES: No questions?

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## Page 24

Page 25 1 CROSS-EXAMINATION 2 BY EXAMINER JONES: 3 Q. So the surface location, are you aware of the 4 change and why it happened? 5 It had something to do with the BLM Α. Yes. lesser prairie chicken area. 6 7 ο. Okay. Did you pick the -- is this your 8 prospect? 9 Α. Uh-huh. 10 So you picked this well, and you chose to drill 0. 11 it north -- in a northerly direction? 12 Α. Yes. 13 And why did you go north? 0. In this area, our north-south wells tend to 14 Α. 15 perform better than our east-west, so that's why we are 16 going north-south. 17 Q. And why the 2nd Bone Spring? Is that the 18 preferred target out here? 19 Α. Yeah. It's the primary target in this area. 20 Okay. Why that -- why that depth in the Bone Q. Spring -- 2nd Bone Spring? 21 Α. So that lateral interval was chosen because 22 23 that's where the porosity looks the best in the sand. 24 0. Okay. What kind of porosity are you talking 25 about?

Page 26 We're talking about like an average of 9 to 10 1 Α. 2 percent. 3 Q. Total porosity? Yeah. Density porosity. 4 Α. 5 Okay. With quite a bit of clays and stuff? Q. There are interbedded silts and sands. 6 So --Α. 7 Okay. I don't have any more questions. ο. 8 EXAMINER JONES: Mr. Brooks? 9 MR. BROOKS: No questions. 10 EXAMINER JONES: Thank you very much. 11 MS. MUNDS-DRY: Thank you. We'd ask this 12 case be taken under advisement. 13 EXAMINER JONES: Okay. 14 MS. MUNDS-DRY: Thank you. EXAMINER JONES: Case 15727 will be taken 15 16 under advisement. 17 (Case Number 15727 concludes, 8:48 a.m.) 18 EXAMINER JONES: Any other preferred --19 Scott and Jim, those four cases, I would be 20 willing to text you when they come up, if you want. MR. BRUCE: Yeah. Why don't you? 21 22 EXAMINER JONES: So it will free your 23 people. 24 MR. BRUCE: Yeah. Why don't you do that? 25 I know they're going to be at the end.

Page 27 EXAMINER JONES: I could -- give me a number to --MR. BRUCE: 660-6612, a lot of sixes for an attorney. (Laughter.) EXAMINER JONES: Okay. That sounds good. So with that, we'll keep right on going. EXAMINER BROOKS: So, Jim, you're not excused until I get a chance to talk to you. MR. BRUCE: Yeah, I know. (The proceedings conclude, 8:49 a.m.) 

Page 28 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court б 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 a true and correct transcript of those proceedings that 10 11 were reduced to printed form by me to the best of my 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 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 21 MARY C. HANKINS, CCR, RPR 22 Certified Court Reporter New Mexico CCR No. 20 23 Date of CCR Expiration: 12/31/2017 Paul Baca Professional Court Reporters 24 25