

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 MARATHON OIL PERMIAN, CASE NO. 15998  
LLC FOR A NONSTANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

March 8, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER  
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Michael McMillan,  
Chief Examiner, and David K. Brooks, Legal Examiner, on  
Thursday, March 8, 2018, 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  
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## 1 APPEARANCES

2 FOR APPLICANT MARATHON OIL PERMIAN, LLC:

3 JENNIFER L. BRADFUTE, ESQ.  
 4 MODRALL, SPERLING, ROEHL, HARRIS & SISK, P.A.  
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## 7 INDEX

8 PAGE

9 Case Number 15998 Called 3

10 Marathon Oil Permian, LLC's Case-in-Chief:

11 Witnesses:

12 Ryan Gyllenband:

13 Direct Examination by Ms. Bradfute 4  
 14 Cross-Examination by Examiner McMillan 12

15 Kate Zeigler, Ph.D.:

16 Direct Examination by Ms. Bradfute 14  
 17 Cross-Examination by Examiner McMillan 22

18 Proceedings Conclude ^

19 Certificate of Court Reporter ^

20

## 21 EXHIBITS OFFERED AND ADMITTED

22 Marathon Oil Permian, LLC Exhibit Numbers  
 23 1 through 4 12

24 Marathon Oil Permian, LLC Exhibit Numbers  
 25 5 through 9 22

1 (9:03 a.m.)

2 EXAMINER McMILLAN: I'd like to call this  
3 hearing back to order.

4 I'd like to call Case Number 15998,  
5 application of Marathon Oil Permian, LLC for a  
6 nonstandard spacing and proration unit and compulsory  
7 pooling, Lea County, New Mexico.

8 Call for appearances.

9 MS. BRADFUTE: Mr. Examiner, Jennifer  
10 Bradfute, with the Modrall Sperling Law Firm, on behalf  
11 of the Applicant.

12 EXAMINER McMILLAN: Any other appearances?

13 MS. BRADFUTE: Mr. Examiner, I would like  
14 to call my first witness. This case is a case where  
15 we're requesting pooling and creation of a 320-acre oil  
16 spacing proration unit.

17 EXAMINER McMILLAN: I'd like to have all  
18 the witnesses in this case stand up and be sworn in.

19 Thank you.

20 (Mr. Gyllenband and Dr. Zeigler sworn.)

21 MS. BRADFUTE: Mr. Examiner, I'd like to  
22 call my first witness.

23 EXAMINER McMILLAN: Please proceed.

24

25

1 RYAN GYLLENBAND,  
2 after having been first duly sworn under oath, was  
3 questioned and testified as follows:

4 DIRECT EXAMINATION

5 BY MS. BRADFUTE:

6 Q. Could you please state your name for the  
7 record?

8 A. Ryan Gyllenband.

9 Q. Mr. Gyllenband, who do you work for and in what  
10 capacity?

11 A. I'm a land professional with Marathon Oil  
12 Permian.

13 Q. What are your responsibilities as a land  
14 professional?

15 A. Negotiating leases, JOAs, getting wells ready  
16 for drilling.

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

19 A. Yes.

20 Q. And were your credentials as a landman accepted  
21 and made a part of the record?

22 A. Yes.

23 Q. And does your area of responsibility at  
24 Marathon include the area of Lea County?

25 A. Yes.

1           Q.    Are you familiar with the application that's  
2   been filed by Marathon in Case 15998?

3           A.    Yes.

4           Q.    And are you familiar with the status of the  
5   lands which are the subject matter of that application?

6           A.    Yes.

7                   MS. BRADFUTE:  Mr. Examiner, I'd like to  
8   tender Mr. Gyllenband as an expert witness in land  
9   matters.

10                   EXAMINER McMILLAN:  So qualified.

11           Q.    (BY MS. BRADFUTE) Mr. Gyllenband, could you  
12   please turn to Exhibit Number 1 in the packet in front  
13   of you?  And could you please explain what this document  
14   is for the Hearing Examiners?

15           A.    This is the application filed by Marathon  
16   proposing to create a 320-acre nonstandard spacing and  
17   proration unit in the Wolfcamp Formation, comprised of  
18   the west half of Section 32, Township 23 South, Range 32  
19   East in Lea County, New Mexico.

20           Q.    And did Marathon also request compulsory  
21   pooling as part of this application?

22           A.    We did.

23           Q.    Has Marathon subsequently obtained joinder from  
24   all of the working interest owners within the proposed  
25   spacing and proration unit?

1           A.     Yes.

2           Q.     Is Marathon still seeking to pool overriding  
3 royalty interest owners in this application?

4           A.     Yes.

5           Q.     Could you please turn to Exhibit Number 2?  
6 This exhibit has three different tabs, Tab A, B and C.  
7 I want to first turn to Tab A. Could you please  
8 identify what this document is?

9           A.     This is the Form C-102 for the Ballista Federal  
10 3H -- WXY 3H. You can see the well is placed on the  
11 west side of the proposed 320-acre spacing unit, so it's  
12 just 330 feet off of that western boundary.

13          Q.     And does this C-102 identify a pool?

14          A.     Yes, it does.

15          Q.     And what pool is identified?

16          A.     The Diamond Tail; Wolfcamp Pool, Pool Code  
17 17645.

18          Q.     And has this C-102 been submitted to the  
19 district office?

20          A.     It has not. It's been submitted to the BLM,  
21 and we're waiting to have approval from them before it's  
22 filed with the district office.

23          Q.     So Marathon has not yet obtained an approved  
24 APD from the BLM?

25          A.     Correct.

1           Q.    Could you please turn to Tab B of this exhibit  
2   and identify what this document is for the Hearing  
3   Examiners?

4           A.    This is the Form C-102 for the Ballista Fed WA  
5   6H well.  And you can see that it's drilled right in the  
6   middle of the proposed 320-acre spacing unit, so it's  
7   about 13 --1,323 feet off of that western boundary line.

8           Q.    And does the C-102 also identify the Diamond  
9   Tail; Wolfcamp Pool as the pool for the well?

10          A.    Yes.

11          Q.    And could you please turn to Tab C and identify  
12   what this document is?

13          A.    This is a Form C-102 for the Ballista Fed WXY  
14   12H.  Again, the spacing of the well is on the eastern  
15   portion of the 320-acre spacing, 330 feet off of that  
16   eastern boundary.

17          Q.    And this well is also proposed to be drilled  
18   within the Diamond Tail; Wolfcamp Pool?

19          A.    Yes.

20          Q.    And is the Diamond Tail; Wolfcamp Pool an oil  
21   pool that's governed by the Division statewide rules?

22          A.    Yes.

23          Q.    And will the completed intervals for each of  
24   these wells comply with the Division setback  
25   requirements?

1           A.     Yes.

2           Q.     Could you please turn to Exhibit Number 3 in  
3     the packet in front of you and identify what this  
4     exhibit contains?

5           A.     This is the lease tract map showing the  
6     different tracts within the western half of Section 13.  
7     As you can see, Tract 1 is a federal lease, and then  
8     also Tract 2, which is up in the northeast corner of the  
9     spacing unit, is a separate federal lease.

10          Q.     And I just want to kind of circle back to the  
11     size of the spacing unit. Marathon is proposing to  
12     create a 320-acre spacing unit for these three wells?

13          A.     That's right.

14          Q.     And that is because the 6H well is going to  
15     be -- going to be drilled near the middle of this  
16     proposed proration unit, correct?

17          A.     Yes.

18          Q.     Okay. And why does Marathon want to locate the  
19     6H well running across the center of this half section?

20          A.     We just believe that that's the best placement  
21     for the wells to effectively drain and develop that  
22     western half. And then, also, we believe that would be  
23     the most equitable way to distribute production and  
24     revenue, is to pool the entire western half.

25          Q.     And why would that be the most equitable way to



1     **distribute production?**

2           A.     If we were to space that center well just on  
3     either side of that unit, it would be unfair to the  
4     differing overrides and differing interests in the Tract  
5     2 that you can see on the lease tract map.

6           Q.     Okay. So there is different ownership in Tract  
7     2 identified here in Exhibit 3?

8           A.     Yes.

9           Q.     And by locating a well near the center of the  
10    proposed project area, owners on both halves of the  
11    proposed proration unit will receive payment from  
12    production?

13          A.     That's right.

14          Q.     Okay. Could you please turn to the second page  
15    of this exhibit and explain what that shows?

16          A.     This is the summary of the interests. As you  
17    can see, we have 100 percent committed working interests  
18    under an operating agreement. Marathon owns 87.5  
19    percent, all of Tract 1, and Cimarex Energy Co. owns  
20    12.5 working interest, which is all of Tract 2.

21          Q.     And Marathon has entered into a joint operating  
22    agreement with Cimarex?

23          A.     Yes.

24          Q.     And that joint operating agreement will govern  
25    the terms of any nonconsenting -- accounting procedures

1 and well proposals?

2 A. Yes.

3 Q. Could you please turn to the last two pages of  
4 this exhibit? Does this information contain a list of  
5 the overriding royalty interests that Marathon also  
6 seeks to pool?

7 A. Yes.

8 Q. And these overrides are interests that were  
9 created under a federal lease agreement; is that  
10 correct?

11 A. Yes.

12 Q. So out of an abundance of caution, Marathon is  
13 seeking to pool these overriding royalty interest  
14 owners?

15 A. Yes.

16 Q. Could you please turn to Exhibit Number 4? Is  
17 this exhibit an affidavit confirming that notice was  
18 sent by your counsel in Case Number 15998 to all  
19 affected parties of Marathon's request for a nonstandard  
20 proration unit, as well as compulsory pooling?

21 A. Yes.

22 Q. And could you please turn to the very last page  
23 of this exhibit? Does the last page of this exhibit  
24 contain an Affidavit of Publication confirming that  
25 notice was also published in a newspaper of general

1     circulation?

2           A.     Yes.

3           Q.     When I look at the last about five or six pages  
4     right before the Affidavit of Publication, there are  
5     certain mailings that came back as being undelivered,  
6     correct?

7           A.     Yes.

8           Q.     Could you please explain to the Hearing  
9     Examiners what efforts you made to locate correct  
10    addresses for these entities?

11          A.     Internet searches, calling, and then also we  
12    published in the newspaper, just in an abundance of  
13    caution, to make sure that everyone was noticed.

14          Q.     In your opinion, did Marathon exercise  
15    reasonable diligence in trying to locate addresses for  
16    these parties in order to provide them with notice of  
17    today's hearing?

18          A.     Yes.

19          Q.     Were Exhibits 1 through 4 prepared by you or  
20    compiled under your supervision or from company business  
21    records?

22          A.     Yes.

23                   MS. BRADFUTE:   Mr. Examiner, I'd like to  
24    tender Exhibits 1 through 4 into the record.

25                   EXAMINER McMILLAN:   Exhibits 1 through 4

1 may now be accepted as part of the record.

2 (Marathon Oil Permian, LLC Exhibit Numbers  
3 1 through 4 are offered and admitted into  
4 evidence.)

5 MS. BRADFUTE: And that completes my  
6 questions for this witness.

7 CROSS-EXAMINATION

8 BY EXAMINER McMILLAN:

9 Q. Are there any depth severances?

10 A. Not in the formation we're seeking to pool, no,  
11 sir.

12 Q. Okay. So this is the most equitable method  
13 owners of both halves will receive production; is that  
14 correct?

15 MS. BRADFUTE: Yes.

16 THE WITNESS: Yes.

17 EXAMINER McMILLAN: Go ahead.

18 EXAMINER BROOKS: I think you've covered  
19 all the notice issues. I don't know that I have  
20 anything.

21 I'm curious if these override assignments  
22 have pay as Fed [sic] clauses, but it doesn't really  
23 matter whether or not because you're going to pool  
24 anyway.

25 MS. BRADFUTE: That's right. Yeah.

1                   EXAMINER BROOKS:   So I won't bother to ask  
2   that question.

3                   MS. BRADFUTE:   We appreciate that.   We  
4   don't have the actual assignments in front of us today.

5                   EXAMINER BROOKS:   That's what I was afraid  
6   of.

7                   MS. BRADFUTE:   Yeah.   Okay.

8                   EXAMINER BROOKS:   There is a case in  
9   Wyoming that I found that says pay as Fed [sic] clause  
10   commits [sic] the override owner to -- notice.   It's  
11   just a Wyoming case, so who knows if it applies in  
12   New Mexico or not, but it sounded like it was good to  
13   know.

14                  MS. BRADFUTE:   Yeah, it does.

15                  EXAMINER McMILLAN:   Costs are irrelevant,  
16   right, because --

17                  EXAMINER BROOKS:   Yes.   The cost-bearing  
18   interests are already pooled.

19                  MS. BRADFUTE:   That's right.

20                  EXAMINER McMILLAN:   Okay.   Thank you.

21                  MS. BRADFUTE:   Thank you.

22                  We would like to call our second witness.

23                  EXAMINER McMILLAN:   Please proceed.

24

25

1 KATE ZEIGLER, Ph.D.,  
2 after having been previously sworn under oath, was  
3 questioned and testified as follows:

4 DIRECT EXAMINATION

5 BY MS. BRADFUTE:

6 Q. Could you please state your name for the  
7 record?

8 A. Kate Zeigler.

9 Q. And who do you work for?

10 A. Zeigler Geologic Consulting.

11 Q. What are your responsibilities?

12 A. I am a consulting geologist, and I work on  
13 understanding local and regional geology and  
14 stratigraphy.

15 Q. And have you been hired by Marathon to come in  
16 and provide expert testimony in this matter?

17 A. Yes.

18 Q. And have you previously testified before the  
19 Oil Conservation Commission?

20 A. Yes.

21 Q. And were your credentials accepted and made as  
22 part of the record?

23 A. Yes.

24 Q. And are you familiar with the application  
25 that's been filed by Marathon in this case?

1           A.     Yes.

2           Q.     And are you familiar with the status of the  
3     lands which are the subject matter of this application?

4           A.     Yes.

5           Q.     Are you familiar with the drilling plans for  
6     the wells that have been proposed in this application?

7           A.     Yes.

8           Q.     And have you conducted a geologic study of the  
9     area embracing the proposed spacing unit for the wells?

10          A.     Yes.

11                   MS. BRADFUTE:  I'd like to tender  
12     Ms. Zeigler as an expert in petroleum geology matters.

13                   EXAMINER McMILLAN:  So qualified.

14          Q.     (BY MS. BRADFUTE) Ms. Zeigler, what is the  
15     targeted interval for the two wells that are at issue in  
16     this application?

17          A.     In this case, we're looking at the Upper  
18     Wolfcamp.

19          Q.     And would you please turn to what's been marked  
20     as Exhibit Number 5 and explain what this map is to the  
21     Hearing Examiners?

22          A.     So this is a structural contour map that's  
23     developed on the top of the Wolfcamp in the area of  
24     interest.  The yellow area is the acreage at question,  
25     and within the box line is the project area for the

1 three Ballista wells. And three of them are Wolfcamp.  
2 One is a Bone Spring. So today this part will focus on  
3 the Wolfcamp wells.

4 So the numbers 1 through 4, you can see the  
5 small boxes in the western half of Section 13 showing  
6 where each of the surface-hole locations will be, and  
7 then the straight lines heading north are the  
8 trajectories of the well paths. And I should note that  
9 if you look at the structure, structure contours here is  
10 on a 100-foot contour interval, and there is a  
11 structural dip from the northeast -- or northwest down  
12 to the southeast. And the wells will be drilled from  
13 south to north with a slight toe up at the northern end.

14 Q. And just to confirm, Ms. Zeigler, the well  
15 that's shown in this map, that is not part of the  
16 application as the Ballista Federal 23-32-13 TB 7H,  
17 correct?

18 A. Yes.

19 Q. And that's because that's a 3rd Bone Spring  
20 well?

21 A. Yes.

22 Q. Have you also prepared a cross section of logs  
23 to determine the relative thickness and porosities of  
24 Wolfcamp Formation?

25 A. Yes. And that is based on the three



1 red-circled wells on this map that show a cross section  
2 that heads from the northwest to the southeast, and  
3 these are wells that are located in the area. They're  
4 actually targeting Avalon Shale and Upper Bone Spring.  
5 So these are not Wolfcamp wells, but they do go deep  
6 enough to show us what's happening with the geology in  
7 the Upper Wolfcamp?

8 **Q. And let's turn to Exhibit 6. Could you please**  
9 **explain what that exhibit shows to the Hearing**  
10 **Examiners?**

11 A. So this is a set of three electrical logs for  
12 those wells that were shown circled on the previous  
13 exhibit. So we're going from northwest to southeast,  
14 from left to right across this diagram. And in each of  
15 the three well logs, we have the gamma ray curve on the  
16 left that's in the greens, blues and yellows, your depth  
17 track, then your resistivity log and then your neutron  
18 density and porosity log. And these are all hung on the  
19 top of the Wolfcamp, which is the blue line that's  
20 straight across the middle of the diagram.

21 And in this case, we're showing that the  
22 producing zones in the Upper Wolfcamp are consistent in  
23 their thickness across this area and that we don't see  
24 signs of any faulting or other discontinuities that  
25 might cause issues in the production zone.

1                   Also, there is the Wolfcamp Y Sand which is  
2   sort of in the upper third of that interval, and there  
3   is a slight thickening in that unit as you go to the  
4   southeast but nothing that would be of concern.

5           **Q.   And do you consider the logs that are included**  
6   **within your cross section to be representative of the**  
7   **Wolfcamp Formation in the area near the proposed**  
8   **proration unit?**

9           A.   Yes.

10          **Q.   Could you please turn to Exhibit Number 7 and**  
11   **explain what this document shows to the Hearing**  
12   **Examiners?**

13          A.   So this is a gross interval isochore for the  
14   Wolfcamp to the Wolfcamp B interval, and effectively  
15   we're looking at the same yellow box for the acreage and  
16   the black-dashed line box for the project area. You can  
17   see the wells that are spaced out in the western half of  
18   Section 13 and the wells that we looked at for that  
19   cross section on the previous exhibit. And this is  
20   simply showing that the effective thickness of the  
21   interval at question in this area is consistent across  
22   the project area, so again just noting that there is no  
23   apparent faulting or any other issues that would cause  
24   issues with production.

25          **Q.   What conclusions have you drawn from your**

1     **geologic study of the area?**

2           A.     That the thickness of the interval at question  
3     is consistent throughout the project area, and so this  
4     leads us to expect that we should see an even and  
5     consistent production throughout that interval as these  
6     wells are drilled through it and that we don't expect to  
7     see any geologic issues with production from this.

8           **Q.     Will each quarter-quarter section of the**  
9     **proposed proration unit be productive within the**  
10    **Wolfcamp Formation?**

11          A.     Yes.

12          **Q.     And will each quarter-quarter section**  
13    **contribute approximately equally to the development of**  
14    **these wells?**

15          A.     Yes.

16          **Q.     Could you please turn to what's been marked as**  
17    **Exhibit 8 and explain what that document is to the**  
18    **Hearing Examiners?**

19          A.     So this is a development plan for the wells in  
20    question. And on the left-hand side, you have a  
21    satellite photo of the section, so we're zoomed into  
22    Section 13 now. And you have the spacing of the wells  
23    in the green lines. And so the surface hole will be at  
24    the southern end, and then the well paths will all track  
25    north on the western side of Section 13. And you can

1    see each of them labeled with the 3H on the western  
2    side, the 6H down the middle and the 12H on the eastern  
3    side.

4                   And then the right-hand part of that figure  
5    is both a vertical and lateral showing of how each of  
6    these wells will be tracking through the subsurface. So  
7    we have their spacing horizontally out and then showing  
8    which of the target units that they will be completed  
9    in.

10           **Q.    And you noted that the 6H well is going to be**  
11 **drilled near the centerline of this half section,**  
12 **correct?**

13           A.    Yes.

14           **Q.    Why does Marathon want to drill a well near the**  
15 **centerline of the half section?**

16           A.    They're looking to drill the 6H down the center  
17 of this area in order to develop the most efficient  
18 drainage of the wellbore area as understood from  
19 previous experience in the Basin so that we're looking  
20 to do the most efficient drainage of that area and also  
21 minimize communication between offset laterals.

22           **Q.    And will the 6H well obtain at least some**  
23 **production from each 40-acre tract included within the**  
24 **proposed spacing and proration unit?**

25           A.    Yes.

1           Q.    And how do you know that?

2           A.    This is based on looking at other wells in the  
3   Delaware Basin and understanding hydraulic stimulation  
4   in those wells and how that works and coming back to the  
5   idea that we pointed out in the cross section that we  
6   have this very consistent thickness throughout the area,  
7   that we have overall consistent quality in the Upper  
8   Wolfcamp reservoirs, and so any resulting oil and gas  
9   production is expected to follow that consistency  
10   throughout the project area.

11          Q.    And then there will be two additional Wolfcamp  
12   wells drilled, one close to the west line of the  
13   proposed proration unit and one drilled close to the  
14   east line of the proposed proration unit, correct?

15          A.    Yes.

16          Q.    And do you believe that developing three  
17   Wolfcamp wells across the half section is the most  
18   efficient and economical way to develop the Wolfcamp  
19   Formation within this area?

20          A.    Yes.

21          Q.    In your opinion, would the granting of  
22   Marathon's application be in the best interest of  
23   conservation, the prevention of waste and the protection  
24   of correlative rights?

25          A.    Yes.

1           Q.    Could you please turn to Exhibit Number 9?

2   Does this exhibit contain wellbore diagrams for each of  
3   the three wells that are being proposed in Marathon's  
4   application?

5           A.    Yes.

6           Q.    And were Exhibits 5 through 9 prepared by you  
7   and compiled under your direction and supervision?

8           A.    Yes.

9                   MS. BRADFUTE:  I would like to move to  
10   admit Exhibits 5 through 9 into the record.

11                  EXAMINER McMILLAN:  Exhibits 5 through 9  
12   may now be accepted as part of the record.

13                   (Marathon Oil Permian, LLC Exhibit Numbers  
14                   5 through 9 are offered and admitted into  
15                   evidence.)

16                  MS. BRADFUTE:  And that concludes my  
17   questions for this witness.

18                   CROSS-EXAMINATION

19   BY EXAMINER McMILLAN:

20           Q.    Okay.  The first question I have is for the 6H.  
21   What's going to be the first perf?

22           A.    So if you turn to the second page on Exhibit 9,  
23   the very last exhibit, you have the Ballista Federal 6H  
24   listed at the top.  And at the bottom there, it notes  
25   the first perforation will be no closer than 330 feet

1 from the south line of the section.

2 Q. What about the east-west -- no. The first perf  
3 and last perf?

4 MS. BRADFUTE: They are shown, Mike, in  
5 Exhibit 2B.

6 EXAMINER McMILLAN: I couldn't read that  
7 very clearly.

8 MS. BRADFUTE: It looks like it's 1,322  
9 feet from the west line.

10 THE WITNESS: Yeah.

11 EXAMINER McMILLAN: 1,322. And then --

12 MS. BRADFUTE: And then 1,323 in the last  
13 perf from the west line.

14 EXAMINER McMILLAN: So the last perf is  
15 going to be the bottom hole?

16 MS. BRADFUTE: Yes.

17 EXAMINER McMILLAN: Okay. And what's the  
18 footage called from the south for the -- I'm looking at  
19 the 6H.

20 MS. BRADFUTE: 330 feet.

21 EXAMINER McMILLAN: 330. Okay.

22 Q. (BY EXAMINER McMILLAN) And so for the 3H and  
23 12H, the proposed project area will be orthodox, but  
24 this well will be 13 -- will be 330 -- for the 6H, it's  
25 going to be 330 from the south, 1,322 from the west, and

1     the last perf, which is terminus, is going to be 330,  
2     1,322; is that correct?

3                     MS. BRADFUTE:   Yes, that's correct.

4                     THE WITNESS:    Yes.

5                     EXAMINER McMILLAN:   Okay.   That's critical  
6     because --

7             **Q.    (BY EXAMINER McMILLAN) Okay.   What's the**  
8     **drilling plan?   What well will be drilled first?**

9                     MR. GYLLENBAND:   (Indicating.)

10                    MS. BRADFUTE:   The 3H is going to be  
11     drilled first.

12                    EXAMINER McMILLAN:   But then here's the  
13     giant problem.   You're forming a 320-acre spacing unit,  
14     and the 3H is the first well drilled.   What's going to  
15     happen to that well if you don't drill --

16                    MS. BRADFUTE:   I apologize.   It's going to  
17     be the 6H.

18                    EXAMINER McMILLAN:   Ah.   Okay.   That  
19     changes everything.

20                    MS. BRADFUTE:   Yes.

21                    EXAMINER McMILLAN:   Okay.   Because, you  
22     know, it doesn't make a lot of sense to create a  
23     320-acre if you only drill the east half of the west  
24     half.

25                    MS. BRADFUTE:   Yes.



1                   EXAMINER McMILLAN: Realistically, you're  
2 actually -- it's not fair to everyone in the west  
3 half-west half.

4                   MS. BRADFUTE: Yeah. So I think -- my  
5 understanding is Marathon has been drilling the center  
6 wells first, and then Ryan just confirmed.

7                   EXAMINER McMILLAN: That's what they're  
8 doing in the San Andres. They're drilling the center  
9 well first.

10                  EXAMINER BROOKS: Makes life easier.

11                  MS. BRADFUTE: Yeah, it does.

12                  EXAMINER BROOKS: For us, not necessarily  
13 for your drilling engineer.

14                  MS. BRADFUTE: I know.

15                  EXAMINER McMILLAN: Go ahead.

16                  EXAMINER BROOKS: I have no questions.

17                  EXAMINER McMILLAN: Thank you.

18                  MS. BRADFUTE: We ask this case be taken  
19 under advisement.

20                  EXAMINER McMILLAN: And by the way, a lot  
21 of those people who you're trying to pool live in  
22 Roswell are actually --

23                  Case Number 15998 will be taken under  
24 advisement.

25                  MS. BRADFUTE: Thank you.

1 (Case Number 15998 concludes, 9:28 a.m.)  
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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.

13 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.

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 DATED THIS 26th day of March 2018.

21

22

23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
25 New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2018  
Paul Baca Professional Court Reporters