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 MEWBOURNE OIL COMPANY FOR A NONSTANDARD OIL SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NOs. 16185, 16186

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 31, 2018

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER LEONARD LOWE, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, May 31, 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
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

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1	APPEARANCES
2	FOR APPLICANT MEWBOURNE OIL COMPANY:
3	JAMES G. BRUCE, ESQ.
4	Post Office Box 1056 Santa Fe, New Mexico 87504
5	(505) 982-2043 jamesbruc@aol.com
6	
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- 1 (11:18 a.m.)
- 2 EXAMINER JONES: Let's call Case Numbers
- 3 16185 and 16186, both titled application of Mewbourne
- 4 Oil Company for a nonstandard oil spacing and proration
- 5 unit and compulsory pooling in Eddy County, New Mexico.
- 6 Call for appearances.
- 7 MR. BRUCE: Mr. Examiner, Jim Bruce of
- 8 Santa Fe representing the Applicant. I have two
- 9 witnesses.
- 10 EXAMINER JONES: There being no other
- 11 appearances, will the witnesses please stand and the
- 12 court reporter swear in the witnesses?
- 13 (Mr. Haden and Mr. Crosby sworn.)
- MR. BRUCE: Mr. Examiner, we'll run through
- 15 the land testimony in Case 16185, and then the
- 16 testimony -- the land testimony in 16186, which is
- 17 pretty similar, will be very brief. And then we'll just
- 18 have the geologist testify. The geologic exhibits for
- 19 both cases are the same, so he can just testify once.
- 20 EXAMINER JONES: That's a wonderful idea.
- D. PAUL HADEN,
- after having been previously sworn under oath, was
- 23 questioned and testified as follows:

24

25

1 DIRECT EXAMINATION

- 2 BY MR. BRUCE:
- Q. Would you please state your name and city of
- 4 residence?
- 5 A. Paul Haden, Midland, Texas.
- 6 Q. Who do you work for and in what capacity?
- 7 A. Mewbourne Oil Company, senior landman.
- 8 Q. Have you previously testified before the
- 9 Division?
- 10 A. Yes, I have.
- 11 Q. And were your credentials as an expert
- 12 petroleum landman accepted as a matter of record?
- 13 A. Yes, they were.
- 14 Q. And are you familiar with the land matters
- 15 involved in this application?
- 16 A. Yes, I am.
- 17 MR. BRUCE: Mr. Examiner, I tender Mr. --
- 18 Q. (BY MR. BRUCE) For these applications.
- 19 MR. BRUCE: I tender Mr. Haden as an expert
- 20 petroleum landman.
- 21 EXAMINER JONES: Welcome back, Mr. Haden.
- 22 You're so qualified.
- THE WITNESS: Thank you. It's been a
- 24 while.
- 25 EXAMINER JONES: Yeah. It's been a while.

- 1 We used to see you all the time.
- 2 EXAMINER BROOKS: Yes. I was going to
- 3 observe on that also. Welcome back.
- 4 THE WITNESS: I've just got a few grayer
- 5 hairs now.
- 6 EXAMINER JONES: We all have that.
- 7 Q. (BY MR. BRUCE) Could you identify Exhibit 1 and
- 8 describe the lands involved -- lands in the formation
- 9 involved in this application?
- 10 A. Exhibit Number 1 is a land plat taken from the
- 11 Midland Map Company that illustrates the bottom --
- 12 surface- and the bottom-hole locations, as well as the
- 13 project area, which is shaded in yellow.
- 14 Q. And is Exhibit -- the second page of Exhibit 1,
- is that the Form C-102 for the 1H well?
- 16 A. Yes, that's correct.
- 17 Q. What is the -- what is the specific acreage
- 18 description for that well?
- 19 A. It's the north half of the northwest quarter of
- 20 Section 29, also the north half-north half of Section
- 21 30, all this being in Township 18 South, Range 29 East,
- 22 Eddy County.
- Q. And are you seeking to force pool the Bone
- 24 Spring Formation?
- 25 A. Yes, we are.

- 1 O. What is Exhibit 2?
- 2 A. Exhibit 2 is the tract ownership in the project
- 3 area. It lists the names of the owners and their
- 4 percentage interest in each land that's described. At
- 5 the very bottom of the page, it has the ownership in the
- 6 project area. It also illustrates the interest owners
- 7 who are being force pooled, and that's illustrated by
- 8 asterisks by the names of Chisholm Energy, Inc.,
- 9 Bursake, LLC and McAnso, LLC.
- 10 Q. And referring you to Exhibit 3, what steps have
- 11 you taken to obtain the voluntary joinder in the well?
- 12 A. We've sent the owners AFEs and our proposed
- 13 operating agreement for our proposed working interest
- 14 unit. It lists the dates on which we sent these and
- 15 contacted people who are in each company.
- 16 Q. And behind the first page of Exhibit 3, is
- 17 there -- are there copies of correspondence, the
- 18 letters, emails, et cetera, between you and the interest
- 19 owners?
- 20 A. Yes, there is.
- Q. And notes of telephone calls?
- 22 A. Right.
- Q. Have any of these parties indicated that they
- 24 will voluntarily join in the well?
- 25 A. Chisholm Energy hasn't indicated one way or the

- 1 other. Bursake and McAnso say they will be nonconsent,
- 2 that they will either join in our operating agreement or
- 3 render us a term assignment of their interest.
- Q. If you come to terms with any of these parties,
- 5 will you notify the Division?
- 6 A. Yes, I will.
- 7 Q. And all of the parties in the well unit are
- 8 locatable; are they not?
- 9 A. Yes, they are.
- 10 Q. And in your opinion, have you made a good-faith
- 11 effort to obtain the voluntary joinder of these interest
- 12 owners in the proposed well?
- 13 A. We think we have.
- Q. What is Exhibit 4?
- 15 A. Exhibit 4 is the AFE.
- 16 Q. And what is the cost of the proposed well?
- 17 A. The total well cost for the Pavo Frio 29/30
- 18 B2CD Fed Com 1H is \$7,012,500.
- 19 Q. And is that amount fair and reasonable and in
- 20 line with the cost of other similar wells drilled in
- 21 this area of New Mexico?
- 22 A. Yes, it is. We've drilled a number of wells in
- 23 this area.
- 24 Q. And so Mewbourne has a good handle on the well
- 25 costs?

- 1 A. Yes, we do.
- Q. Do you request that Mewbourne be appointed
- 3 operator of the well?
- 4 A. We do so request.
- 5 Q. And what is your recommendation for the amounts
- 6 which Mewbourne should be paid for supervision and
- 7 administrative expenses?
- 8 A. For drilling per month, \$7,500, and for a
- 9 producing well rate monthly, \$750.
- 10 Q. And are these amounts equivalent to those
- 11 normally charged by Mewbourne and other operators in
- 12 this area for similar wells?
- 13 A. Yes, they are.
- 14 Q. Are these rates also set forth in your JOA?
- 15 A. Yes, that's correct.
- 16 Q. And do you request that the rates be adjusted
- periodically as provided by the COPAS accounting
- 18 procedure?
- 19 A. Yes, we do.
- 20 Q. Does Mewbourne request the maximum cost plus
- 21 200 percent risk charge if any interest owner goes
- 22 nonconsent in the well?
- A. Yes, we do.
- 24 Q. And were the interest owners being pooled
- 25 notified of this hearing?

- 1 A. Yes, they were.
- 2 Q. And is Exhibit 5 my certified letter to the
- 3 interest owners?
- 4 A. That is correct.
- 5 MR. BRUCE: And, Mr. Examiner, all parties
- 6 did receive actual notice.
- 7 Q. (BY MR. BRUCE) Mr. Haden, McAnso and Bursake
- 8 are located at the same address; are they not?
- 9 A. Yes, they are.
- 10 Q. And is Exhibit 6A a list of all offset working
- interest owners or operators to this well unit?
- 12 A. Yes, that is correct.
- MR. BRUCE: And, once again, Mr. Examiner,
- 14 I do not have all the green cards back from these
- 15 interest owners, so I would ask that both matters be
- 16 continued two weeks to complete notice.
- 17 EXAMINER JONES: Okay.
- 18 Q. (BY MR. BRUCE) Were Exhibits 1 through 6A
- 19 either prepared by you or under your supervision or
- 20 compiled from company business records?
- 21 A. Yes, they were.
- Q. And in your opinion, is the granting of this
- 23 application in the interest of conservation and the
- 24 prevention of waste?
- 25 A. Yes.

1 MR. BRUCE: Mr. Examiner, I move the

- 2 admission of Exhibits 1 through 6A.
- 3 EXAMINER JONES: Exhibits 1 through 6A are
- 4 admitted.
- 5 (Mewbourne Oil Company Exhibit Numbers 1
- 6 through 6A are offered and admitted into
- 7 evidence.)
- 8 MR. BRUCE: And I pass the witness.
- 9 EXAMINER JONES: Mr. Lowe? Ask the same
- 10 question I was going ask. Go ahead (laughter).
- 11 CROSS-EXAMINATION
- 12 BY EXAMINER LOWE:
- 13 Q. I'm just trying to verify your letter, in
- 14 Exhibit 3, for the 1H well. It's in the same surface
- 15 location and bottom-hole location?
- 16 A. Yes. In the letters, it has the surface- and
- 17 bottom-hole locations for both of these wells. We
- 18 proposed them at the same time.
- 19 Q. Okay. I'll just -- that's all I've got for
- 20 **now**.
- 21 EXAMINER JONES: So the same bottom-hole
- 22 location?
- 23 EXAMINER LOWE: I don't know. I'm reading
- 24 two different locations, but I'm trying to make sure I'm
- 25 reading the right one. It says 2,921 from the north

- 1 line. This one says 550.
- 2 EXAMINER JONES: We haven't had him here
- 3 for many years. Don't let him go without asking these
- 4 questions.
- 5 THE WITNESS: Right.
- 6 EXAMINER JONES: He might not come back.
- 7 EXAMINER LOWE: 2,500 from the east line,
- 8 and the C-102 says -- okay. I've got it.
- 9 EXAMINER JONES: Would you please clarify
- 10 it for me then? So the bottom-hole location is in Lot
- 11 Number 2?
- 12 THE WITNESS: I think that's a typo.
- 13 EXAMINER LOWE: That's a typo?
- 14 THE WITNESS: Yeah. It should be 500 feet
- 15 from the north.
- 16 EXAMINER LOWE: Okay. I was reading both
- 17 paragraphs, and I think I got it right.
- 18 THE WITNESS: Yes. I just noticed that
- 19 earlier today.
- 20 MR. BRUCE: Yeah. The surface location is
- 21 slightly --
- 22 EXAMINER LOWE: So which one is the right
- 23 one? The C-102?
- 24 EXAMINER JONES: No.
- THE WITNESS: The correct surface- and

1 bottom-hole locations, those are referenced on the AFEs.

- 2 EXAMINER LOWE: Okay. That's all I've got.
- 3 Thank you.
- 4 THE WITNESS: Uh-huh.
- 5 CROSS-EXAMINATION
- 6 BY EXAMINER BROOKS:
- 7 Q. Are the surface- and bottom-hole locations in
- 8 the C-102 correct, or are they not correct?
- 9 A. One is not correct. The surface location is
- 10 correct. The bottom-hole location as listed on the B2CD
- 11 well is not correct.
- 12 Q. And what should it be?
- 13 A. 500 feet from the north line of 30.
- 14 Q. 500 from the north line of 30?
- 15 A. Yes.
- 16 Q. So the diagram is not correct?
- 17 A. The diagram is not correct.
- MR. BRUCE: The proposal letter was
- 19 correct.
- 20 EXAMINER BROOKS: Okay. Very good. I'm
- 21 not going to mark this thing up. I'm going to let the
- 22 testimony in the record correct it.
- Q. (BY EXAMINER BROOKS) I have to ask you about
- 24 overrides.
- 25 A. There are some overriding royalty interest

- 1 owners.
- 2 Q. And are they bound by a compulsory pooling
- 3 clause in the lease or have otherwise granted compulsory
- 4 pooling authority to Mewbourne?
- 5 A. They will be under our communitization
- 6 agreement.
- 7 Q. Okay. That's right. This is state -- this is
- 8 state acreage.
- 9 A. This is all federal.
- 10 Q. Federal. Okay. The Feds are pretty consistent
- 11 about making sure everybody joins --
- 12 A. Correct.
- 13 Q. -- unlike the State Land Office --
- 14 A. Right.
- 15 Q. -- on the communitization agreements.
- Okay. Thank you.
- 17 CROSS-EXAMINATION
- 18 BY EXAMINER JONES:
- 19 Q. So when I prepared for this case, I put the
- 20 surface location for these in B and G, but basically the
- 21 correct one should be on the AFEs?
- 22 A. Yes, that's correct.
- Q. We'll look at the AFE.
- A. Should we do a sundry notice to correct this?
- 25 **Q. Yes.**

- 1 A. Yeah.
- 2 O. Yeah.
- And so basically you probably said, This is
- 4 all state, no BLM or fee.
- 5 A. It's all federal.
- 6 Q. It's all federal because it's oil and gas
- 7 reserved?
- 8 A. Right.
- 9 Q. Okay. OGR.
- 10 And so how many -- how many tracts -- you
- 11 told us probably. I apologize.
- 12 A. Are you talking about --
- 13 Q. How many separately owned tracts in each one of
- 14 these individual proposals?
- 15 A. Yes. It has --
- 16 Q. You actually have them listed.
- 17 A. Yes. It has the tract ownership.
- MR. BRUCE: Exhibit 2.
- 19 EXAMINER JONES: There's three of them, I
- 20 think.
- 21 THE WITNESS: Yeah. And each one of these
- 22 cases has their own set of tract ownership. That's
- 23 basically the only difference.
- 24 EXAMINER JONES: Okay. Okay.
- 25 THE WITNESS: This is in the Palmillo East;

- 1 Bone Spring.
- Q. (BY EXAMINER JONES) Say again.
- A. This is in the Palmillo East; Bone Spring Oil
- 4 Pool, Pool Code 49553.
- Q. And it's on the C-102s; is that right?
- 6 MR. BRUCE: It's not on the C-102s.
- 7 EXAMINER JONES: Thanks very much.
- MR. BRUCE: Move on to 16186.
- 9 DIRECT EXAMINATION
- 10 BY MR. BRUCE:
- 11 Q. Mr. Haden, is Exhibit 1 simply the land plat
- and C-102 for the 2nd Bone, the Pavo Frio 29/30 B2FE Fed
- 13 **Com #1H?**
- 14 A. Yes.
- 15 Q. And the well unit for that is just immediately
- 16 to the south of the prior case?
- 17 A. Correct.
- 18 Q. South half-north half of Section 30 and south
- 19 half-northwest quarter of Section 29?
- 20 A. Correct. The land plat for that second well
- 21 sets forth the project area.
- Q. And, again, you're seeking to force pool the
- 23 Bone Spring Formation?
- A. Yes, we are.
- 25 Q. In the same -- this is the East Palmillo; Bone

- 1 Spring Pool?
- 2 A. Correct.
- 3 Q. And does Exhibit 2 set forth the tracts
- 4 involved and the ownership in these tracts?
- 5 A. Yes, it does.
- 6 Q. And in this case, there are two tracts involved
- 7 as opposed to the prior case?
- 8 A. Correct. It also sets forth the owners being
- 9 pooled.
- 10 Q. They're the same as in the prior case?
- 11 A. Exactly the same.
- 12 Q. And, again, your proposal letter to these
- interest owners covered both wells, and that's set forth
- in Exhibit 3, correct?
- 15 A. Correct.
- 16 Q. And is, basically, Exhibit 3 identical to that
- 17 submitted with the prior case?
- 18 A. Yes, it is.
- 19 Q. And in your opinion, have you made a good-faith
- 20 effort to obtain the voluntary joinder of the interest
- 21 owners in the well?
- 22 A. Yes, we have.
- Q. And is Exhibit 4 the AFE for this well?
- 24 A. Yes.
- 25 Q. And what is the well cost?

1 A. The estimated well costs for this particular

- 2 well is \$7,013,300.
- Q. And is that a fair and reasonable well cost?
- 4 A. We believe it is.
- 5 Q. And what overhead rates do you request in this
- 6 case?
- 7 A. The same as the prior case, 7,500 for drilling,
- 8 750 for producing.
- 9 Q. And are those fair and reasonable and in line
- 10 with what other operators charge in this area?
- 11 A. Yes, they are.
- 12 Q. Again, those are rates set forth in your JOA?
- 13 A. That's correct.
- 14 Q. And do you request that Mewbourne be appointed
- 15 operator of the well?
- 16 A. Yes, we do.
- 17 Q. And do you request the maximum risk charge in
- 18 the event someone goes nonconsent in the well?
- 19 A. Yes, we do.
- Q. And was notice given to the three parties being
- 21 pooled?
- 22 A. Yes, they were.
- Q. And is that reflected in Exhibit 5, my notice
- 24 letter?
- A. Yes, that's correct.

1 MR. BRUCE: Mr. Examiner, all three parties

- 2 received actual notice.
- Q. (BY MR. BRUCE) And finally, is Exhibit 6A my --
- 4 not mine -- a listing of the offset operators to the
- 5 proposed well?
- 6 A. Yes, it is.
- 7 Q. And was notice sent to them?
- 8 A. Yes. Notice was sent to them.
- 9 MR. BRUCE: And, again, Mr. Examiner,
- 10 notice is incomplete, so I'd ask that the matter be
- 11 continued.
- 12 EXAMINER JONES: Okay.
- 13 Q. (BY MR. BRUCE) Mr. Haden, were Exhibits 1
- 14 through 6A prepared by you or under your supervision or
- compiled from company business records?
- 16 A. Yes, they were.
- 17 Q. And in your opinion, is the granting of this
- 18 application in the interest of conservation and the
- 19 prevention of waste?
- 20 A. We believe so. Yes.
- MR. BRUCE: Mr. Examiner, we move the
- 22 admission of Exhibits 1 through 6A in Case 16186.
- 23 EXAMINER JONES: Exhibits 1 through 6A are
- 24 admitted.
- 25 (Mewbourne Oil Company Exhibit Numbers 1

Page 19
through 6A are offered and admitted into

- 2 evidence.)
- 3 EXAMINER JONES: Mr. Lowe?
- 4 CROSS-EXAMINATION
- 5 BY EXAMINER LOWE:
- 6 Q. Same question for this one. Your location --
- 7 is the correct one based off of your AFE, as far as your
- 8 bottom-hole and --
- 9 A. Yes.
- 10 Q. -- surface-hole location?
- 11 Your letter and your AFE appear to be the
- 12 same, but your C-102 is off.
- 13 A. Right. There, again, we have a problem.
- 14 Q. So your C-102 is the erroneous one?
- 15 A. Right.
- 16 Q. Okay.
- 17 EXAMINER JONES: So it is in unit letter G,
- 18 then, for the surface-hole location?
- MR. BRUCE: (Indicating.)
- 20 EXAMINER JONES: Just like the application
- 21 said.
- MR. BRUCE: For once I'm right.
- 23 EXAMINER BROOKS: I think it would be very
- 24 good to clarify this, because I don't know who will be
- 25 looking at the record or how they would know. But would

1 you take responsibility to provide amended C-102s and

- 2 file them with the -- with the -- in the case -- give
- 3 them to us to file in the case file because I'm
- 4 concerned. If there are erroneous C-102s in the case
- 5 file, it's going to confuse people where the well is.
- THE WITNESS: Yes.
- 7 MR. BRUCE: We will do that.
- 8 EXAMINER LOWE: That's all I've got. Thank
- 9 you.
- THE WITNESS: Uh-huh.
- 11 CROSS-EXAMINATION
- 12 BY EXAMINER BROOKS:
- 13 Q. Okay. I have the same question about
- 14 overrides. Same answer?
- 15 A. Same answer.
- 16 Q. You're relying on federal com agreements?
- 17 A. Yes, sir.
- 18 Q. It's all federal lands?
- 19 A. Yes, sir.
- 20 Q. Technically, I'm not sure that excuses you from
- 21 having to give notice, but I'm not going to say
- 22 otherwise, because I do believe the BLM is pretty
- 23 consistent with requiring all interests to be joined.
- 24 A. Right. And all the interest owners will be
- 25 sent a Division order for signature, too, once

- 1 production is established.
- 2 Q. Yeah. Yeah. Of course, a Division order
- 3 doesn't waive a defect in the interest, but the
- 4 communitization agreement -- if they sign the
- 5 communitization agreement, they're bound by it, I
- 6 believe.
- 7 A. Correct.
- Q. Okay. Signed or ratified. Okay.
- 9 EXAMINER JONES: Thanks a lot, Mr. Haden.
- 10 THE WITNESS: Sure.
- 11 CHARLES CROSBY,
- 12 after having been previously sworn under oath, was
- 13 questioned and testified as follows:
- 14 DIRECT EXAMINATION
- 15 BY MR. BRUCE:
- 16 Q. Please state your name and address for the
- 17 record.
- 18 A. Charles Crosby.
- 19 Q. And where do you reside?
- 20 A. Midland, Texas.
- 21 Q. Who do you work for and in what capacity?
- 22 A. I'm a geologist for Mewbourne Oil Company.
- 23 Q. Have you previously testified before the
- 24 Division?
- 25 A. Yes, I have.

1 Q. And were your credentials as an expert

- 2 petroleum geologist accepted as a matter of record?
- 3 A. Yes.
- 4 Q. And finally, Mr. Crosby, are you familiar with
- 5 the geology involved in both applications today?
- 6 A. Yes.
- 7 MR. BRUCE: Mr. Examiner, I tender
- 8 Mr. Crosby as an expert petroleum geologist.
- 9 EXAMINER JONES: He's an expert in
- 10 petroleum geology.
- 11 Q. (BY MR. BRUCE) Mr. Crosby, are the geologic
- 12 exhibits contained in the folders for both cases exactly
- 13 the same?
- 14 A. Yes.
- 15 Q. So let's just pick 16185 and start with Exhibit
- 16 7. What does that reflect?
- 17 A. This is a map of the project area. Shown here
- is a structure contour map at the base of the 2nd Bone
- 19 Spring Sandstone shown by the red contour lines. This
- 20 exhibits continuous, consistent structural dip to the
- 21 east-southeast. Also shown here is a net thickness
- isopach of the Lower 2nd Bone Spring Sandstone shown by
- 23 the green infill contours.
- 24 Also highlighted are 2nd Bone Spring Sand
- 25 horizontals shown by the green lines, as well as our

1 proposed wells shown by the dashed green arrows within

- 2 their respective proration units.
- And finally there is also a cross section
- 4 reference line labeled "A to A prime."
- 5 Q. Are the wells on cross section older, deeper
- 6 gas wells?
- 7 A. Yes. Mostly Atoka and Morrow, I believe.
- 8 Q. Let's move on to your cross-section, Exhibit 8.
- 9 Discuss that, please.
- 10 A. This is the previously mentioned cross section,
- 11 A to A prime. This is representative of the 2nd Bone
- 12 Spring Sand in the project area. Our delineated 2nd
- 13 Bone Spring Sand intervals are labeled in between the
- 14 logs themselves with the target interval shown -- or our
- 15 proposed landing point shown by the red arrow within the
- 16 Lower 2nd Bone Spring Sandstone here labeled "2nd Bone
- 17 Spring C." And this just exhibits that this zone of the
- 18 2nd Bone Spring Sand is continuous throughout the area.
- 19 Q. And based on Exhibits 7 and 8, in your opinion,
- 20 will each quarter-quarter section in each well unit
- 21 contribute more or less equally to production?
- 22 A. Yes.
- Q. And is there any faulting in this area?
- 24 A. No.
- Q. What is Exhibit 9?

1 A. So this is a table of the previously mentioned

- 2 highlighted 2nd Bone Spring horizontals in the area.
- 3 This just shows some location and production statistics
- 4 for the wells. And this just highlights that the
- 5 east-west orientation in this particular area, the wells
- 6 did perform better.
- 7 Q. And finally, what are Exhibits 10 and 11?
- 8 A. These are just survey statistics for the
- 9 proposed wells also showing surface location and
- 10 bottom-hole location. But I believe with the confusion
- 11 earlier, we'll just have everyone refer to the AFE for
- 12 the correct surface- and bottom-hole locations.
- 13 Q. I believe these are the correct ones also.
- But were Exhibits 7 through 11 in each case
- 15 prepared by you or under your supervision or compiled
- 16 from company business records?
- 17 A. Yes.
- 18 Q. And in your opinion, is the granting of these
- 19 two applications in the interest of conservation and the
- 20 prevention of waste?
- 21 A. Yes.
- MR. BRUCE: Mr. Examiner, I move the
- 23 admission of Exhibits 7 through 11 in each case.
- 24 EXAMINER JONES: Exhibits 7 through 11 in
- both cases, 16185 and 16186, are admitted.

Page 25 (Mewbourne Oil Company Exhibit Numbers 7 1 through 11 are offered and admitted into 2 3 evidence.) EXAMINER JONES: And, Mr. Lowe? 4 5 CROSS-EXAMINATION 6 BY EXAMINER LOWE: 7 Q. Just a quick question. On your Exhibit 9, 8 where do you gather your data to generate this table? 9 This is primarily from the OCD Web site well Α. search. 10 11 Okay. And this is all based on --Q. 12 Okay. That's all I've got. Thank you. 13 EXAMINER BROOKS: No questions. 14 EXAMINER JONES: I really don't have any questions either, but thanks. 15 16 THE WITNESS: Thanks. 17 EXAMINER JONES: Thanks for coming. 18 So with that, we'll continue these two 19 cases, 16185 and 16186 until June 14th, and we'll resume 20 at 2:00. 21 (Case Numbers 16185 and 16186 conclude, 11:46 a.m.) 22 23 (Recess, 11:46 a.m. to 2:05 p.m.) 24 25

- 1 STATE OF NEW MEXICO
- 2 COUNTY OF BERNALILLO

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- 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 23rd day of June 2018.

21

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MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20

Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters

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