## 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 NO. 16207

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

June 14, 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, June 14, 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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4	
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6	
7	FOR INTERESTED PARTIES EOG RESOURCES, EOG Y, EOG A, EOG M and EOG RESOURCES ASSETS, LLC:
8	MICHAEL H. FELDEWERT, ESQ.
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- 1 (8:25 a.m.)
- 2 EXAMINER McMILLAN: So the first case I
- 3 would like to call is Case Number 16207, application of
- 4 Mewbourne Oil Company for a nonstandard oil spacing and
- 5 proration unit and compulsory pooling, Eddy County, New
- 6 Mexico.
- 7 Call for appearances.
- 8 MR. BRUCE: Mr. Examiner, Jim Bruce of
- 9 Santa Fe representing the Applicant. I've got two
- 10 witnesses.
- 11 EXAMINER McMILLAN: Any other appearances?
- 12 MR. EXAMINER: Mr. Examiner, Michael
- 13 Feldewert, with the Santa Fe office of Holland & Hart,
- 14 appearing on behalf of EOG Resources, EOG Y, EOG A,
- 15 EOG M. And I have no witnesses.
- 16 EXAMINER McMILLAN: If the witnesses would
- 17 please stand up and be sworn in at this time.
- 18 (Mr. Haden and Mr. Carrell sworn.)
- 19 PAUL HADEN,
- 20 after having been first duly sworn under oath, was
- 21 questioned and testified as follows:
- 22 DIRECT EXAMINATION
- 23 BY MR. BRUCE:
- Q. Would you please state your full name for the
- 25 record?

- 1 A. My name is Paul Haden.
- Q. And where do you reside?
- 3 A. Midland, Texas.
- 4 Q. Who do you work for and in what capacity?
- 5 A. Mewbourne Oil Company as a petroleum landman.
- 6 Q. Have you testified before the Division before?
- 7 A. Yes, I have.
- Q. And were your credentials as an expert
- 9 petroleum landman accepted as a matter of record?
- 10 A. Yes, they were.
- 11 Q. And are you familiar with the land matters
- 12 involved in this case today?
- 13 A. Yes, I am.
- MR. BRUCE: Mr. Examiner, I tender
- 15 Mr. Haden as an expert petroleum landman.
- 16 EXAMINER McMILLAN: Any objections?
- 17 MR. FELDEWERT: No objection.
- 18 EXAMINER McMILLAN: He is so qualified.
- 19 Q. (BY MR. BRUCE) Mr. Haden, could you refer to
- 20 Exhibit 1 and describe what Mewbourne seeks in this
- 21 case?
- 22 A. Okay. Exhibit Number 1 is a land plat of the
- 23 area in Township 18 South, Range 29 East. That, among
- other things, covers Sections 28 and 29. Mewbourne Oil
- 25 Company seeks to pool the Bone Spring Formation for the

- 1 proposed project area. This covers the south half of
- 2 the northeast quarter of Section 29 and the south
- 3 half-south half of Section 28, all in Township 18 South,
- 4 Range 29 East Eddy County, New Mexico.
- 5 Q. And could you turn to the second page, the
- 6 C-102, and identify the well involved and where the
- 7 surface- and bottom-hole locations are.
- 8 A. Yes. This exhibit is the C-102, which is an
- 9 acreage dedication plat. It shows the surface location
- 10 at 2,500 feet for the west line, 2,100 from the north
- 11 line in Section 29, and the bottom-hole location of
- 12 2,100 feet from the north line and 330 feet from the
- 13 east line of Section 28, which is all in Township 18
- 14 South, Range 29 East.
- 15 Q. And will the first and last take points of the
- well be at orthodox locations?
- 17 A. Yes, they will.
- 18 Q. Referring to Exhibit 2, could you identify
- 19 that?
- 20 A. Exhibit Number 2 for this case is a tract
- 21 ownership. It illustrates the ownership in the south
- 22 half of the northeast quarter of Section 29, the south
- 23 half-northeast quarter of Section 28, the southeast
- 24 quarter of the northwest quarter of Section 28, the
- 25 southwest quarter of the northwest quarter of Section

1 28. And also on the next page, it has the ownership in

- 2 the project area.
- Q. And which two companies do you seek to force
- 4 pool?
- 5 A. We seek to pool EOG Y Resources, Inc. and EOG
- 6 Resources Assets, LLC, and it sets forth their ownership
- 7 in the project area.
- 8 Q. What are Exhibits 3 and 4?
- 9 A. Exhibit 3 is the summary of the communications
- 10 with EOG Y Resources, Inc. and EOG Resources Assets,
- 11 LLC.
- 12 Q. And Exhibit 4 contains the proposal letter, as
- well as follow-up emails?
- 14 A. Yes, it does.
- 15 Q. Is there a possibility that the EOG entities
- 16 might join in the well?
- 17 A. According to Chuck Moran of EOG, no. They are
- 18 not interested in participating in the well. We're
- 19 currently negotiating a trade with them, but so far that
- 20 trade has not come to conclusion.
- 21 Q. If that does occur, will you notify the
- 22 Division so that the entities are not subject to forced
- 23 **pooling?**
- A. That's correct.
- 25 Q. In your opinion, has Mewbourne made a

1 good-faith effort to obtain the voluntary joinder of EOG

- 2 in this well?
- 3 A. Yes, we have.
- 4 Q. Would you refer to Exhibit 5 and discuss the
- 5 cost of the proposed well?
- 6 A. Exhibit Number 5 is our copy of the AFE for the
- 7 proposed well. It sets forth the estimated completed --
- 8 completed cost for the well, which is \$6,942,800 for
- 9 this proposed horizontal Bone Spring test.
- 10 O. And is this cost in line with the cost of other
- 11 similar wells drilled in this area of New Mexico?
- 12 A. Yes.
- 13 Q. Do you request that Mewbourne be appointed
- 14 operator of the well?
- 15 A. We do.
- Q. And what is your recommendation for supervision
- 17 and administrative expenses?
- 18 A. We're requesting \$7,500 per month for the
- 19 drilling rate and \$750 per month for the producing well
- 20 rate.
- 21 Q. And are these amounts reasonable and equivalent
- 22 to those charged by Mewbourne and other operators in
- 23 this area for wells of this type?
- 24 A. Yes. We've drilled a number of wells in this
- 25 area with the same rates.

Q. And are these also the rates in your JOA?

- 2 A. Yes, they are.
- Q. Do you request that the rates be adjusted
- 4 periodically as provided by the COPAS accounting
- 5 procedure?
- 6 A. Yes, we do.
- 7 Q. And do you request the maximum cost plus 200
- 8 percent risk charge if an interest owner goes nonconsent
- 9 in the well?
- 10 A. Yes, sir, we do.
- 11 Q. Were the parties being pooled notified of this
- 12 hearing?
- 13 A. Yes, they were.
- 14 Q. And is Exhibit 6 my notice letter sent to the
- 15 EOG entities?
- 16 A. That is correct.
- 17 MR. BRUCE: As usual, Mr. Hearing Examiner,
- 18 I haven't received the green card back from EOG, but
- 19 they're obviously here today.
- 20 MR. FELDEWERT: I object to the
- 21 characterization of the "as usual" course.
- THE WITNESS: The usual.
- MR. BRUCE: It's only happened before
- 24 (laughter).
- 25 Q. (BY MR. BRUCE) And does Exhibit 7 list the

- 1 offset operators to the proposed well?
- 2 A. Yes, it does.
- 3 Q. And were the offset -- the only other offset is
- 4 Cimarex. Were they notified of this hearing?
- 5 A. Yes, they were.
- 6 Q. And is Exhibit 8 a true copy of my notice
- 7 letter and associated green card?
- 8 A. Yes, that's correct.
- 9 Q. Were Exhibits 1 through 8 either prepared by
- 10 you or under your supervision and compiled from company
- 11 business records?
- 12 A. Yes, they were.
- 13 Q. And in your opinion, is the granting of this
- 14 application in the interest of conservation and the
- 15 prevention of waste?
- 16 A. That's correct.
- 17 MR. BRUCE: Mr. Examiner, I'd move the
- 18 admission of Exhibits 1 through 8.
- MR. FELDEWERT: No objection.
- 20 EXAMINER McMILLAN: Exhibits 1 through 8
- 21 may now be accepted as part of the record.
- 22 (Mewbourne Oil Company Exhibit Numbers 1
- through 8 are offered and admitted into
- evidence.)
- 25 EXAMINER McMILLAN: Cross?

1 CROSS-EXAMINATION

- 2 BY MR. FELDEWERT:
- 3 Q. Mr. Haden, your records show EOG Resources
- 4 Assets, LLC as holding interest in this acreage?
- 5 A. According to our records, yes.
- 6 MR. FELDEWERT: Mr. Examiner, I'd like to
- 7 include, if I may EOG, Resources Assets, LLC as having
- 8 entered an appearance in this case. Okay?
- 9 Q. (BY MR. FELDEWERT) Mr. Haden, I then -- I'm
- 10 looking at Exhibit Number 3, and I note you had some
- 11 discussions with Mr. Moran; is that right?
- 12 A. Yes, that's correct, many discussions.
- 13 Q. You reference an operating agreement. What
- does that involve, "June 6, 2018, reply email to Chuck
- 15 regarding the status of a previous Operating
- 16 Agreement...."?
- 17 A. Oh, that involved a previous operating
- 18 agreement that Yates Petroleum Corporation was the
- 19 operator, but apparently the well subject to that
- 20 operating agreement has not produced in years, and it's
- 21 in the process of being plugged and abandoned. So,
- 22 therefore, that operating agreement will expire under
- 23 the terms of that agreement.
- Q. Has expired or will expire?
- 25 A. Well, for all effective purposes, it has

- 1 expired because it had -- as long as there is
- 2 production, plus 180 days, and it's been years.
- Q. Okay. Did that JOA cover the acreage at issue
- 4 here?
- 5 A. Yes, sir.
- 6 Q. I'm sorry. I'm sorry. Did it cover the
- 7 acreage for your proposed spacing unit for this 1H well?
- 8 A. No. It only covered portions of the acreage.
- 9 It covered acreage in Section 28.
- 10 Q. Now, as I look at your well proposal letter in
- 11 Exhibit Number 4 -- can you turn to that for me, please?
- 12 A. What's that, sir?
- 13 Q. I'm looking at your well-proposal letter.
- 14 A. Okay. In that letter we proposed two wells.
- 15 Q. Yes. That was my question. What happened to
- 16 the -- what's the status -- let's see. This pooling
- 17 case involves the second well listed on here, correct?
- 18 A. That's correct, the Pavo Frio 29/28 B2GH Fed
- 19 Com 1H well.
- 20 **Q.** Yes.
- 21 A. That well is on our current drilling schedule.
- 22 The other proposed well, which is the Pavo
- 23 Frio 29/28 B2BA Fed Com 1H well is not currently on our
- 24 drilling schedule. It would be drilled, however, at a
- 25 later date.

- 1 Q. Okay. Just so I understand, if I look at
- 2 Exhibit Number 4 and I look at your well-proposal
- 3 letter, the first well that you list here in the second
- 4 paragraph, that's the one that's no longer going to
- 5 be -- is not on your drilling schedule?
- 6 A. The first well referenced is not in our current
- 7 drilling schedule, but it will be.
- 8 Q. Okay. And we're here today on the second well
- 9 that is listed on the first page of your March 27th
- 10 well-proposal letter?
- 11 A. Yes, that's correct.
- 12 Q. Got it. Okay. All right.
- Now, I also notice that you propose the
- 14 formation of the working interest unit covering 1,020
- 15 acres; is that right?
- 16 A. At the time that was our initial proposal, but
- 17 that working interest unit has since changed. It covers
- 18 all of Section 28 and the east half of Section 29 for
- 19 Bone Spring.
- 20 Q. Did you submit a revised well-proposal letter
- 21 to EOG Resources?
- 22 A. No. We didn't think it was necessary to do so.
- 23 As they have indicated all along, they are not going to
- 24 participate in these proposed wells.
- Q. So just to be clear, then, you haven't

1 submitted a well-proposal letter to them for a 240-acre

- spacing and proration unit in the Bone Spring Formation?
- 3 A. Apparently not.
- 4 Q. That's all the questions I have.
- 5 MR. BRUCE: Couple of follow-up questions,
- 6 please.
- 7 REDIRECT EXAMINATION
- 8 BY MR. BRUCE:
- 9 Q. Mr. Haden, on Exhibit 4, this is a
- well-proposal letter for the 240-acre unit; is it not?
- 11 The bottom paragraph describes the well unit for this
- 12 proposed well, does it not, page 1 of the proposal?
- 13 A. Yes. Yes.
- 14 Q. It specifically describes the 240-acre well
- 15 unit?
- 16 A. Yes, it does.
- 17 Q. And did EOG ever request a single well unit
- 18 **JOA?**
- 19 A. No, they did not.
- 20 Q. Thanks.
- 21 CROSS-EXAMINATION
- 22 BY EXAMINER McMILLAN:
- Q. What's the pool?
- 24 A. The pool is the Palmilla East; Bone Spring Oil
- 25 Pool. It's Pool Code 49553.

1 Q. Are there any unlocatable interests?

- 2 A. No, there are not.
- 3 Q. Any depth severances?
- 4 A. No, sir.
- 5 EXAMINER McMILLAN: This is a weird
- 6 question. I've got a question for EOG. Is it EOG-Y
- 7 Resources, Incorporated and dash A? I'm trying to get
- 8 the names correct.
- 9 MR. FELDEWERT: I would -- in terms of
- 10 whatever is listed as the working interest ownership?
- 11 EXAMINER McMILLAN: Who is making an
- 12 appearance?
- MR. FELDEWERT: I'm going to make this easy
- 14 for you. It's EOG Y Resources, Inc., EOG Resources
- 15 Assets, LLC and EOG Resources. They were initially
- 16 listed. Doesn't appear that they need to be. So
- 17 basically what's on Exhibit Number 2, plus EOG
- 18 Resources.
- 19 EXAMINER BROOKS: As far as the spelling is
- 20 concerned, is it not correct that EOG Y has a space
- 21 between the G and the Y, not a dash?
- MR. FELDEWERT: Yes. Thank you.
- 23 EXAMINER BROOKS: That's the way I've
- 24 always seen it written so far.
- MR. FELDEWERT: That's my understanding.

1 EXAMINER BROOKS: When I was a young

- 2 lawyer, I got in trouble with Texaco Inc. because I had
- 3 put a comma between Texaco and Inc. And I was told,
- 4 "There is no comma in Texaco Inc."
- 5 (Laughter.)
- 6 MR. FELDEWERT: I've had that explained to
- 7 me a few times.
- 8 THE WITNESS: Me, too.
- 9 MR. BRUCE: Now there is no Texaco Inc.
- 10 EXAMINER McMILLAN: Go ahead.
- 11 EXAMINER BROOKS: I don't have any -- oh,
- 12 yeah, I do have some questions.
- 13 CROSS-EXAMINATION
- 14 BY EXAMINER BROOKS:
- 15 Q. There are a number of individuals listed on
- 16 your distribution of interests as having an interest in
- 17 this unit. What's happened to their interest?
- 18 A. They're committed.
- 19 Q. Pardon me?
- 20 A. They are committed to the proposed well.
- 21 Q. Committed. Okay.
- 22 A. Yes.
- Q. And is that also true of Jalapeno Corporation?
- 24 A. They are committed.
- 25 Q. Okay. I'm pleased to hear it. They don't

- 1 usually agree.
- A. Well, as far as we're concerned, they're
- 3 committed.
- 4 Q. Okay. So the only uncommitted interests are
- 5 the EOG Y and EOG Resources Assets?
- 6 A. That is correct.
- Q. Okay. Are there any overriding royalties?
- 8 A. There are. I knew you were going to ask that
- 9 question.
- 10 Q. And this is -- what's the land type?
- 11 A. There are various overriding royalty interests
- 12 throughout this project area. These leases are all
- 13 federal leases, and it will be subject to a
- 14 communitization agreement which is currently being
- 15 prepared. It will be furnished to all the working
- 16 interest owners, and eventually the overriding interest
- 17 owners will sign Division orders to consent or agree to
- 18 their interest in the proposed unit.
- 19 Q. Of course, the Division order is a revocable
- 20 instrument, so it's not a conveyance. The
- 21 communitization agreement would be adequate to commit
- 22 their interest if they sign it. And I've heard varying
- 23 testimony on whether the BLM actually requires the
- 24 operator to obtain the signature of override owners on
- 25 com agreements.

1 A. The BLM does not require that. However, they

- 2 can ratify the com agreement.
- 3 Q. Yes, and frequently do.
- 4 A. That's the easiest process that we go through.
- 5 Q. Yeah.
- 6 The question is: If it's merely a process
- 7 that can be gone through and it has not been gone
- 8 through, where does that leave us so far as our rule
- 9 about notice to royalty owners?
- Do you have an opinion on that, Mr. Bruce?
- 11 MR. BRUCE: Well, there are two, which is,
- 12 number one, I mean, if they don't sign a Division order
- 13 ratifying, I guess we've got to come back and pool them,
- 14 but I've never had to do that with Mewbourne.
- 15 Second, there is conflicting case law on --
- 16 I think the most recent federal case said that if a
- 17 working interest owner signs the com agreement,
- 18 automatically the overrides are committed to that com
- 19 agreement.
- 20 EXAMINER BROOKS: Okay. If that's so, then
- 21 that takes care of our -- of our concern. You suppose
- 22 you could find that case for me?
- MR. BRUCE: Boy --
- 24 EXAMINER BROOKS: I know you have a lot of
- 25 other things to do.

- 1 MR. BRUCE: -- I'll try (laughter).
- 2 EXAMINER BROOKS: And I'm sure I don't have
- 3 as many things to do as you do, but I find it very hard
- 4 to find cases.
- 5 MR. BRUCE: I know how to dig it up.
- 6 EXAMINER BROOKS: Okay. Good. I'm glad.
- 7 That would help me not just in this case, but it would
- 8 help prevent me from asking dumb questions in a lot of
- 9 other cases.
- I think that's all my questions.
- 11 EXAMINER McMILLAN: Thank you.
- 12 THE WITNESS: Thank you.
- MR. BRUCE: Jordan Carrell is our next
- 14 witness.
- JORDAN CARRELL,
- after having been previously sworn under oath, was
- 17 questioned and testified as follows:
- 18 DIRECT EXAMINATION
- 19 BY MR. BRUCE:
- Q. Will you please state your full name and city
- 21 of residence?
- 22 A. Jordan Carrell, Midland, Texas.
- Q. Who do you work for there?
- A. Mewbourne Oil Company.
- Q. What's your job there?

- 1 A. Geologist.
- 2 Q. Have you previously testified before the
- 3 Division?
- 4 A. Yes.
- 5 Q. And were your credentials as an expert
- 6 petroleum geologist accepted as a matter of record?
- 7 A. Yes.
- 8 Q. And are you familiar with the geologic matters
- 9 involved in this application?
- 10 A. Yes.
- MR. BRUCE: Mr. Examiner, I tender
- 12 Mr. Carrell as an expert petroleum geologist.
- MR. FELDEWERT: No objection.
- 14 EXAMINER McMILLAN: So qualified.
- 15 Q. (BY MR. BRUCE) Mr. Carrell, could you identify
- 16 Exhibit 9 for the Examiner?
- 17 A. Yes. Exhibit 9 is a Bone Spring activity map,
- 18 as well as a net 10 percent porosity isopach map, which
- 19 is colored in green. The red contours are structure
- 20 contours of the 2nd Bone Spring Sand. The green sticks
- 21 on here are 2nd Bone Sand wells with production
- 22 highlighted -- or noted on the right side of the well.
- 23 The red number is cumulative gas. The black number is
- 24 cumulative produced oil, and the blue number is
- 25 cumulative produced water. The dashed green line is our

1 proposed 2nd Bone Spring Sand well within the yellow

- 2 proration unit.
- Q. And there is a line of cross section on this
- 4 plat?
- 5 A. There is. That's cross section A to A prime,
- 6 which is the next --
- 7 Q. Are those older, deeper gas wells?
- 8 A. They are.
- 9 Q. Let's move on to the cross section and discuss
- 10 the Bone Spring in more detail.
- 11 A. Yes. This is a cross section through the
- 12 proration unit within the closest wells. The red arrow
- is where we plan on targeting with this particular well
- 14 within the Lower 2nd Bone Spring Sand. There is roughly
- 15 8 to 10 percent porosity across the Lower 2nd Bone
- 16 Spring Sand, and it is continuous throughout the unit.
- 17 Q. And based on Exhibits 9 and 10, would you
- 18 anticipate from a geologic standpoint that each
- 19 quarter-quarter section of the well unit will contribute
- 20 more or less equally to production?
- 21 A. Yes.
- 22 O. What is Exhibit 11?
- 23 A. Exhibit 11 is a production table of 2nd Bone
- 24 Spring Sand wells within the immediate area. This shows
- 25 cumulative oil, cumulative gas and cumulative water that

- 1 has been produced and then the orientation of these
- 2 horizontal wells. The north-south wells within the area
- 3 produce significantly less than the east-west wells, and
- 4 we think east-west is the preferred orientation in this
- 5 area.
- 6 Q. And finally -- and one question on Exhibit 11.
- 7 Apparently these Bone Spring wells in this area do not
- 8 produce much gas, do they?
- 9 A. No. The GOR ranges from -- it's about 800 to
- 10 2,700.
- 11 Q. And finally, what is Exhibit 12?
- 12 A. Exhibit 12 is our proposed survey of the well.
- 13 The last page on there is a plat showing the first and
- 14 last take points as well.
- 15 Q. Were Exhibits 9 through 12 either prepared by
- 16 you or under your supervision or compiled from company
- 17 business records?
- 18 A. Yes.
- 19 Q. In your opinion, is the granting of this
- 20 application in the interest of conservation and the
- 21 prevention of waste?
- 22 A. Yes.
- MR. BRUCE: Mr. Examiner, I'd move the
- 24 admission of Exhibits 9 through 12.
- MR. FELDEWERT: No objection.

1 EXAMINER McMILLAN: Exhibits 9 through 12

- 2 may now be accepted as part of the record.
- 3 (Mewbourne Oil Company Exhibit Numbers 9
- 4 through 12 are offered and admitted into
- 5 evidence.)
- 6 EXAMINER McMILLAN: Cross?
- 7 MR. FELDEWERT: I have no questions.
- 8 CROSS-EXAMINATION
- 9 BY EXAMINER McMILLAN:
- 10 Q. So based on production, the east-west wells are
- 11 outperforming?
- 12 A. Yes.
- 13 Q. And that's assuming the same completion types?
- 14 A. The north-south wells are older wells. They
- 15 were drilled in 2011 and 2012. Their completions --
- 16 amount of proppant and fluid used is quite a bit less
- 17 than back then.
- 18 Q. But even though the completions aren't the
- same, you still believe that east-west will outproduce?
- 20 A. I do, yeah.
- 21 Q. And the next thing I've got to tell you is I'm
- 22 looking at your Exhibit 9, and there is too much
- 23 information on it. If you come, break this down. It's
- 24 easier for me to understand if you break it down to two
- 25 or three different exhibits.

- 1 A. Okay.
- 2 EXAMINER McMILLAN: I'm through.
- 3 CROSS-EXAMINATION
- 4 BY EXAMINER BROOKS:
- 5 Q. Looking at this map that you have here, it
- 6 looks like you're kind of pushing toward the north end
- 7 of this play. Would that be a correct characterization?
- 8 A. Yes. The 2nd Bone Spring Sand still does -- it
- 9 goes north. What's showing on this map is a 10 percent
- 10 porosity cutoff. And so it is -- we are reaching the
- 11 northern end of the 2nd Bone Spring Sand, and we believe
- 12 that because of that, we could expect better oil cuts.
- 13 Q. Okay. The zero on this contour line at the
- 14 top, that's a zero porosity cutoff?
- 15 A. Yeah. The zero feet --
- 16 Q. Zero porosity that meets your cutoff?
- 17 A. Yes, zero feet greater than 10 percent.
- 18 Q. Thank you.
- 19 MR. BRUCE: Nothing further, Mr. Examiner.
- 20 I ask that the case be taken under advisement.
- 21 EXAMINER McMILLAN: Okay. Case Number
- 22 16207 shall be taken under advisement at this time.
- Thank you.
- 24 (Case Number 16207 concludes, 8:52 a.m.)

25

- 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.
- 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.
- DATED THIS 17th day of July 2018.

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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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