STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF MATADOR PRODUCTION
COMPANY FOR APPROVAL OF A NONSTANDARD
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

CASE NOs. 15927, 15928, 15929

R-14667

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

February 22, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Scott Dawson, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, February 22, 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 (9:03 a.m.)
- 2 EXAMINER DAWSON: At this point we will
- 3 call case number six on the list, which is 15927. And I
- 4 am assuming that --
- 5 Mr. Feldewert, do you guys want to
- 6 consolidate these, 15927, 15928 and 15929?
- 7 MR. FELDEWERT: Yes, Mr. Examiner.
- 8 EXAMINER DAWSON: Okay. So 15927, 15928
- 9 and 15929 will be consolidated, and you may call your
- 10 first witness -- or have your witnesses stand and be
- 11 sworn first.
- MR. FELDEWERT: Certainly.
- 13 (Mr. Weeks and Mr. Juett sworn.)
- 14 EXAMINER DAWSON: You may call your first
- 15 witness, Mr. Feldewert.
- MR. FELDEWERT: Thank you.
- 17 NICHOLAS WEEKS,
- after having been first duly sworn under oath, was
- 19 questioned and testified as follows:
- 20 DIRECT EXAMINATION
- 21 BY MR. FELDEWERT:
- 22 Q. Would you please state your name, identify with
- 23 whom you're employed and in what capacity?
- A. My name is Nicholas Weeks. I'm a petroleum
- 25 landman with Matador Resources Company.

1 Q. And, Mr. Weeks, do your responsibilities

- include the Permian Basin of New Mexico?
- 3 A. Yes, they do.
- Q. And, Mr. Weeks, you have previously testified
- 5 before this Division, correct?
- 6 A. That's right.
- 7 Q. Are you familiar with the applications filed in
- 8 these consolidated cases?
- 9 A. I am.
- 10 Q. And are you familiar with the status of the
- 11 lands of the subject area?
- 12 A. I am.
- MR. FELDEWERT: Mr. Dawson, I would
- 14 retender Mr. Weeks as an expert in petroleum land
- 15 matters.
- 16 EXAMINER DAWSON: Mr. Weeks will be
- 17 accepted as an expert witness in petroleum land matters.
- 18 Q. (BY MR. FELDEWERT) Would you please turn to
- 19 what's been marked as Matador Exhibit 1 and explain to
- 20 the Examiners what the company seeks under these
- 21 consolidated applications?
- 22 A. We seek to create three nonstandard spacing
- 23 units of approximately 152 acres each, more or less. We
- 24 seek -- and those are located in irregular Section 19 of
- 25 Township 19 South, Range 29 East. We seek to pool

- 1 uncommitted interest owners in the Bone Spring Formation
- 2 and dedicate each spacing -- each spacing unit to an
- 3 initial well for the north half-north half of the
- 4 section. That well will be the Marbob 19 State Com
- 5 121H. For the south half of the north half, that would
- 6 be the Marbob 19 State Com 122H, and for the south half
- of the south half, that would be the Marbob 19 State Com
- 8 124H.
- 9 Q. And, Mr. Weeks, looking at this map, has the
- 10 north half of the south half already been pooled by the
- 11 Division?
- 12 A. It has.
- 13 **Q.** Okay.
- MR. FELDEWERT: Mr. Examiner, that was
- 15 Order Number R-14587, which was recently issued by the
- 16 Division.
- 17 Q. (BY MR. FELDEWERT) And was that pool similarly
- 18 for a well in the Bone Spring Formation?
- 19 A. It was.
- 20 Q. Okay. What is the nature of the acreage in
- 21 **Section 19?**
- 22 A. Section 19 contains four state leases. Three
- 23 of those leases are the subject of the applications for
- 24 the Examiners here today.
- Q. Okay. Then if I turn to what's been marked as

- 1 Matador Exhibit Number 2, does this provide the
- 2 Examiners the C-102s for each of the three proposed
- 3 wells?
- 4 A. It does.
- 5 Q. Am I correct that two of these have been filed,
- 6 and if I look at the last page, that's a draft of the
- 7 C-102 that has yet to be filed?
- 8 A. That's true.
- 9 Q. So we have API numbers for two of the wells,
- 10 correct?
- 11 A. Correct.
- Q. And we're awaiting an API number for the third
- well once it's been filed?
- 14 A. That's correct.
- 15 Q. And does this identify for the Examiner the
- 16 pool that is involved in this area?
- 17 A. It does. That is the Scanlon Draw; Bone Spring
- 18 Pool, Pool Code 55510.
- 19 Q. And is this pool subject to the Division
- 20 statewide rules for oil wells?
- 21 A. It is.
- 22 Q. And will the completed interval for each of
- these wells comply with the setback requirements?
- 24 A. Yes.
- Q. If I then turn to what's been marked as Matador

- 1 Exhibits 3, 4 and 5, does this -- do these exhibits
- 2 identify, first, the working interest owners that remain
- 3 to be pooled for each unit?
- 4 A. Yes, they do.
- 5 Q. And then each of these exhibits have a second
- 6 page; is that correct?
- 7 A. That's correct.
- 8 Q. And does it identify overriding royalty
- 9 interest owners that may require pooling?
- 10 A. That's correct.
- 11 Q. All right. If I look, for example, at Exhibit
- 12 Number 3, I see that there are a number of interest
- owners that have a very small percentage?
- 14 A. Yes.
- 15 Q. And is that the case for each of these wells,
- as we flip through Exhibits 3, 4 and 5?
- 17 A. That is true.
- 18 Q. Okay. Are there any interest owners that the
- 19 company has been unable to locate?
- 20 A. There are.
- 21 O. And what's the nature of those interests?
- 22 A. Typically, those are estates or unknown heirs.
- Q. Aside from the estates or unknown heirs, were
- 24 you able to contact all the other parties on here?
- 25 A. We were.

1 Q. So, for example, if I look at Exhibit Number 3,

- 2 is there an estate listed on there?
- 3 A. There is, the "Estate of Ralph E. Peacock,
- 4 deceased."
- 5 Q. And where an estate is involved here, has the
- 6 company listed the potential heirs that the company has
- 7 been able to ascertain from its review of the records?
- 8 A. Where we've been able to ascertain potential
- 9 heirs, we have listed those parties.
- 10 Q. All right. Now, if I then turn to what's been
- 11 marked as Matador Exhibits 6, 7 and 8, do these contain
- samples of the well-proposal letters that were sent to
- 13 these working interest owners by the company?
- 14 A. Yes, they do.
- 15 Q. And in each case, for each well, did the
- well-proposal letters include an AFE?
- 17 A. They did.
- 18 O. And are the costs reflected on those AFEs
- 19 consistent with what the company has incurred for
- 20 drilling similar horizontal wells in the area?
- 21 A. They are.
- Q. And if I look at the first page of each
- 23 letter -- so let's take a look at Exhibit Number 6, for
- 24 example. If I look at the first page of that letter
- 25 about three-fourths of the way down, does it identify

1 the overhead and administrative costs that the company

- 2 seeks for these particular wells?
- 3 A. Yes, sir, it does.
- Q. And would you identify those for the record?
- 5 A. The costs -- the administrative costs while
- 6 drilling are \$7,000 per month, and the administrative
- 7 costs while producing are \$700 per month.
- 8 Q. And are these costs in line with what other
- 9 operators charge in this area for these types of wells?
- 10 A. They are.
- 11 Q. After sending these well-proposal letters, what
- 12 additional efforts did the company undertake to reach
- 13 agreement with all of the working interest owners that
- 14 you seek to pool?
- 15 A. We sent offer letters to each of the parties
- 16 offering them alternatives to participation, and we have
- 17 been negotiating operating agreements with each of the
- 18 parties as well.
- 19 Q. And are there a number of small working
- interest owners that you've now reached agreement with?
- 21 A. There are.
- 22 Q. In preparation for this hearing, did the
- 23 company identify the operators and the lease mineral
- 24 interest owners in the offsetting 40-acre tracts for
- each of your proposed nonstandard spacing and proration

- 1 units?
- 2 A. Yes, sir, we did.
- 3 Q. And did the company instruct their attorney to
- 4 provide notice to those parties in addition to the
- 5 parties that are being pooled?
- 6 A. Yes.
- 7 Q. Okay. Now, there is an esteemed attorney here
- 8 in Santa Fe, Mr. Jim Bruce. Is he the party that filed
- 9 this application for the company?
- 10 A. Yes, he is.
- 11 Q. Is he also the attorney that sent out the
- 12 notice that was required for this hearing?
- 13 A. Yes, he is.
- 14 O. If I turn to what's been marked as Matador's
- 15 Exhibits 9, 10 and 11, does that contain the notice
- 16 materials for each of these applications?
- 17 A. Yes.
- 18 Q. And am I correct, Mr. Weeks, for example, Tab A
- 19 under each of these exhibits contains the notice that
- went to the parties that you seek to pool?
- 21 A. That's true.
- 22 O. And Tab B contains the letter and an affidavit
- 23 from Mr. Bruce for the offset owners?
- 24 A. Yes.
- 25 Q. And then Tab C would contain the letter and

1 affidavit from Mr. Bruce involving the overriding

- 2 royalty owners that may need to be pooled?
- 3 A. That's correct.
- 4 Q. And that's for Exhibits 9, 10 and 11?
- 5 A. Yes, sir.
- 6 Q. Was there any concern with any of the
- 7 addresses? Were all the addresses valid?
- 8 A. All of the addresses were valid.
- 9 Q. Those are addresses you've used before?
- 10 A. That's true.
- 11 Q. Okay. Nonetheless, if I turn to what's been
- 12 marked as Matador Exhibits 12, 13 and 14, do these
- exhibits contain Affidavits of Publication for each of
- 14 these cases that are directed to certain parties by name
- in the event that they did not receive a green card?
- 16 A. Yes, sir.
- 17 Q. And with respect to the estates that are
- involved, did you list in these Affidavits of
- 19 Publication the estate?
- 20 A. We did.
- 21 Q. And did you go also then list in these
- 22 Affidavits of Publication by name the potential heirs of
- 23 those estates?
- 24 A. We did.
- Q. All right. Were Exhibits 1 through 14 prepared

1 by you or compiled under your direction and supervision?

- 2 A. Yes, sir, they were.
- 3 MR. FELDEWERT: Mr. Examiner, I would move
- 4 into evidence Matador Exhibits 1 through 14.
- 5 EXAMINER DAWSON: Okay. Exhibits 1 through
- 6 14 will be accepted to the record at this time.
- 7 (Matador Production Co. Exhibit Numbers 1
- 8 through 14 are offered and admitted into
- 9 evidence.)
- MR. FELDEWERT: That concludes my
- 11 examination of this witness.
- 12 EXAMINER DAWSON: Okay. Mr. Brooks?
- 13 CROSS-EXAMINATION
- 14 BY EXAMINER BROOKS:
- 15 Q. Where is your list of interest owners? Is that
- 16 Exhibit 5?
- 17 A. I believe that's Exhibits 3, 4 and 5.
- 18 Q. 3, 4 and 5. Okay.
- Now, we're dealing with three wells. Are
- 20 they in separate units?
- 21 A. They are, yes, sir.
- Q. And I believe those are mapped on Exhibit 1?
- 23 A. I believe those are mapped on Exhibit 2.
- Q. Exhibit 2. Okay.
- Well, Exhibit 1 is the fancy colored one,

- 1 right?
- 2 A. Yes, sir.
- Q. And that shows the #121H, and that was the part
- 4 you said was already -- had already been pooled, the
- 5 north half-north half?
- 6 A. No, sir. The north half of the south half has
- 7 already been pooled.
- 8 Q. Okay. The north half of the south half.
- 9 That's the #122H. Are you drilling the 122H as an
- 10 infill well in the existing unit? Is that what's going
- 11 on?
- 12 A. So the north half of the south half is the
- 13 123H.
- Q. Oh. Oh. The north half -- okay. I understand
- 15 **now**.
- So you've got your three units on the north
- 17 half-north half, north half-south half and south
- 18 half-south half. Okay. Now I understand it.
- Now, you have three lists of owners then
- that correspond to those three units, right?
- 21 A. Yes, sir.
- 22 Q. And Exhibit 3 is for which?
- 23 A. Exhibit 3 is for the Marbob 19 State Com 121H.
- Q. Okay. And Exhibit 4 is for the -- Exhibit 3 is
- 25 for the 121H, which is north half-north half?

- 1 A. Yes, sir.
- Q. And Exhibit 4 is the 122H?
- 3 A. That's correct.
- 4 Q. And that's the north half-south half?
- 5 A. That's the south half of the north half.
- 6 Q. Yes. I'm sorry. South half of the north half.
- 7 And Exhibit 5 is for the south half of the
- 8 south half for the 124H?
- 9 A. Yes, sir.
- 10 Q. Okay. I think I understand it all now.
- 11 And you've got a lot of -- are these
- 12 people -- you said uncommitted working interest owner.
- 13 Do these people own interests in oil and gas leases?
- 14 A. They -- yes, that's correct.
- 15 Q. So they're not unleased mineral interests?
- 16 A. Correct.
- 17 Q. That's true of all of them?
- 18 A. Yes. It's all state leases in that section.
- 19 Q. Okay. Very good. I think that's all I have.
- 20 Mr. Feldewert was very thorough in explaining the notice
- 21 issues.
- 22 CROSS-EXAMINATION
- 23 BY EXAMINER DAWSON:
- Q. Okay. The question I have, on your Exhibit 3,
- you were talking about the estate of Ralph E. Peacock,

- 1 deceased.
- 2 A. Yes, sir.
- 3 Q. And you said that there were some of his heirs
- 4 that you had tried to contact. Where are they on this
- 5 list? Are they on the list?
- A. Yes. Nancy Peacock Mackey appears down there.
- 7 Q. Oh, okay.
- 8 A. She also owns interest separate and apart from
- 9 the estate of Ralph Peacock.
- 10 Q. So you contacted all of the Ralph Peacock's
- 11 heirs?
- 12 A. We've contacted -- so his estate has not been
- 13 probated. We contacted the heirs we are able to
- 14 ascertain.
- 15 Q. Okay. And that also goes -- let's see. Same
- 16 with your other exhibits -- it doesn't look like Exhibit
- 17 4 has any deceased people in there?
- 18 A. That's correct.
- 19 Q. And Exhibit 5, the people that are listed as
- 20 deceased, you also tried to contact all their heirs?
- 21 A. The ones we were able to ascertain, yes, sir.
- 22 Q. That's all the questions I have. Thank you
- very much.
- MR. FELDEWERT: Thank you.
- We'll call our next witness.

- 1 JAMES A. JUETT,
- 2 after having been previously sworn under oath, was
- 3 questioned and testified as follows:
- 4 DIRECT EXAMINATION
- 5 BY MR. FELDEWERT:
- 6 Q. Would you please state your name, identify by
- 7 whom you're employed and in what capacity?
- 8 A. Yes. My name is James Andrew Juett. I'm a
- 9 senior staff geologist at Matador Resources Company.
- 10 Q. Mr. Juett, you have also previously testified
- 11 before this Division as an expert in petroleum geology?
- 12 A. Yes, I have.
- Q. Are you familiar with the applications filed by
- 14 Matador in these consolidated cases?
- 15 A. Yes, I am.
- 16 Q. And have you conducted a geologic study of the
- 17 Bone Spring Formation in the subject area?
- 18 A. Yes, I have.
- MR. FELDEWERT: Mr. Examiner, I would
- 20 retender Mr. Juett as an expert witness in petroleum
- 21 geology.
- 22 EXAMINER DAWSON: Mr. Juett will be
- 23 accepted as an expert witness in petroleum geology at
- 24 this time.
- Q. (BY MR. FELDEWERT) What is the target interval

1 for each of these wells that are the subject of these

- 2 three consolidated cases?
- 3 A. We are targeting the 2nd Bone Spring Sand
- 4 interval.
- 5 Q. And have you prepared a structure map and a
- 6 cross section that gives us some assistance in analyzing
- 7 this targeted zone?
- 8 A. Yes, I have.
- 9 Q. If I turn to what's been marked as Matador
- 10 Exhibit Number 15, is this a structure map that you have
- 11 put together?
- 12 A. Yes, sir, it is.
- Q. Why don't you please explain, first, what all
- 14 the symbols and colors show on here and explain to us
- 15 what you see with respect to the structure in this area?
- 16 A. Okay. The symbols, the orange attributes, on
- 17 this map are the 2nd Bone Spring horizontal wells that
- 18 are currently producing. On the map we have in red, our
- 19 3rd Bone Spring wells that are currently producing.
- 20 Also on here there are three boxes, red boxes, filled
- 21 with the green fill that are our project areas. The 121
- 22 well is in the north half of the north half of Section
- 23 19. The 122 well is in the south half of the north half
- 24 of Section 19, and the 124H well is in the south half of
- 25 the south half of Section.

1 Also on this map is the -- the orange line

- 2 is the line of cross section that goes through --
- 3 designated as A and A prime. We also have our surface-
- 4 and bottom-hole locations for each of these wells.
- 5 We're going to be drilling from a surface location on
- 6 the west side of the section and drilling to the east
- 7 side of the section.
- 8 Q. The wells that you show on here as producing
- 9 from either the 2nd Bone Spring or the 3rd Bone
- 10 Spring -- and maybe I misspoke -- are they actually
- 11 producing wells? Have they been drilled?
- 12 A. They have been drilled, and they are producing.
- 13 Q. All right. And what do you observe with
- 14 respect to the structure here as we move across Section
- 15 **19?**
- 16 A. This is a subsea structure map on top of the
- 17 2nd Bone Spring Sand. And when I look at this map, we
- 18 can see that the Bone Spring dips to the east-southeast
- 19 and that we don't see any major faulting occurring in
- 20 here or any pinch-outs. So we don't expect any
- 21 impediments to drilling horizontal wells.
- 22 Q. In the early location that you've chosen for
- 23 the wells, is that consistent for the wells in this
- 24 area?
- 25 A. Yes, they are.

- 1 Q. Okay. Now, you mentioned your cross section, A
- 2 to A prime. How many wells are involved in that cross
- 3 section?
- 4 A. There are three wells involved in the cross
- 5 section. And one is off in Section 24, on the map, to
- 6 the west, and then two of them are -- of the
- 7 cross-section wells are actually across the unit.
- Q. Located in the north half of the north half?
- 9 A. Yes, sir.
- 10 Q. Okay. Why did you choose these three
- 11 particular wells?
- 12 A. These three wells are similar to the wells in
- 13 the area. Some -- some of the wells in the south --
- 14 most of the wells that we have the data points were
- 15 drilled for the Morrow Formation, and they didn't run
- 16 logs -- a full suite of logs over some of the Bone
- 17 Spring intervals here. A couple of them, they didn't
- 18 run induction logs. We just have a gamma ray and, in
- 19 some cases, porosity logs. So these were more
- 20 representative of -- there is a well in the center of --
- 21 that we could have included, but it's similar to the two
- 22 wells that are on the cross section.
- 23 Q. Okay. Then if I turn to what's been marked as
- 24 Matador Exhibit Number 16, is this a stratigraphic cross
- section that corresponds with you're a to A prime on

- 1 Exhibit 15?
- 2 A. Actually, this is a structural cross section.
- 3 Q. Structural cross section. I'm sorry.
- A. Well, it is a stratigraphic. Excuse me. It is
- 5 a stratigraphic. It's hung on the Wolfcamp Formation at
- 6 the base of the 3rd Bone Spring, and it shows the three
- 7 Bone Spring Sand intervals that we see across the unit.
- 8 The 1st Bone Spring is designated by the green formation
- 9 top. The second Bone Spring is designated by the orange
- 10 formation top, and that is our target interval. And the
- 11 3rd Bone Spring is designated by the red formation top.
- 12 Q. So you do identify your targeted interval on
- 13 here with the green line?
- 14 A. Yes, sir. That green line through there is our
- 15 proposed landing zone and where we would like to land
- 16 these wells.
- 17 Q. And what do you observe about the continuity of
- 18 this particular zone across Section 19?
- 19 A. What this cross section shows us is that the
- 20 sands are consistent across the unit that we're drilling
- 21 and that we expect to have about 275 to 300 gross feet
- 22 of the sand across this unit, and all quarter-quarter
- 23 sections should be productive.
- Q. In your opinion, is this -- is the Bone Spring
- 25 Formation in this area suitable for development by

- 1 horizontal wells?
- 2 A. Yes, it is.
- 3 Q. And is the proposed orientation of the
- 4 horizontal wells appropriate for this particular area?
- 5 A. Yes, it is.
- 6 Q. And finally, in your opinion, is the granting
- 7 of this application in the best interest of
- 8 conservation, the prevention of waste and the protection
- 9 of correlative rights?
- 10 A. Yes, it is.
- 11 Q. Were Matador Exhibits 15 and 16 prepared by you
- or compiled under your direction and supervision?
- 13 A. Yes, they were.
- MR. FELDEWERT: Mr. Examiner, I would move
- 15 the admission into evidence of Matador Exhibits 15 and
- 16 16.
- 17 EXAMINER DAWSON: Exhibits 15 and 16 will
- 18 be admitted to the record.
- 19 (Marathon Oil Permian, LLC Exhibit Numbers
- 20 15 and 16 are offered and admitted into
- 21 evidence.)
- MR. FELDEWERT: And that concludes my
- 23 examination of this witness.
- 24 EXAMINER DAWSON: Thank you.
- 25 Mr. Brooks?

1 CROSS-EXAMINATION

- 2 BY EXAMINER BROOKS:
- Q. On Exhibit 15, are all the wells that you
- 4 show -- well, the light blue lines, those are horizontal
- 5 wells that have been drilled, correct?
- A. Yes, sir. There are a couple of wells up to
- 7 the north that are permanent wells, but they do not have
- 8 attributes on them. You can see the long lateral line?
- 9 Q. Yeah.
- 10 A. They don't have attributes, and their permits
- 11 have not been drilled yet.
- 12 Q. Okay. And so nothing has been developed in the
- 13 northeastern portion of the map -- well, Section 14 has
- 14 been. It looks like, though, that the path of
- 15 development -- would it be correct to assume that the
- 16 path of development is moving from southeast to
- 17 northwest?
- 18 A. Yes, sir. Most of the wells drilled out here
- 19 were drilled from 2015 and before. The newest wells are
- 20 to the west of this section, the newer wells.
- Q. Yeah. My impression just generally over this
- 22 whole resource play has been 19 South is fairly far
- 23 toward the north end of where the really intensive
- 24 activity is going on; is that correct? Is that a
- 25 generalization?

1 A. It's a generalization. There is activity to

- 2 the north of here. There are some SST wells, some
- 3 Baller [sic; phonetic] wells that are to the north of
- 4 here, and we're starting to see more activity to the
- 5 north of here as well. And those would be -- these
- 6 permitted wells that are in the north, there will be
- 7 some additional activity to the north.
- 8 Q. Okay. Now, these -- these wells that are the
- 9 subject of this proceeding have not been drilled yet?
- 10 A. No, sir.
- 11 Q. And they have not been spudded?
- 12 A. No, they have not.
- 13 Q. That's all I have. Thank you.
- 14 CROSS-EXAMINATION
- 15 BY EXAMINER DAWSON:
- 16 Q. Mr. Juett, in looking at your map on Exhibit
- 17 15, the well to the west in Section 24, on the map,
- 18 that's -- sorry -- that's a south-to-north well; is that
- 19 correct?
- 20 A. That's correct.
- Q. Do you see any difference in drilling this
- 22 formation north-south or east-west?
- 23 A. No. There are a few north-south -- well,
- 24 there's -- I want to say probably 25 percent of the
- 25 wells in this area are north-south, and we don't see a

1 lot of difference between the north-south or east-west,

- 2 no pressure [sic] difference.
- 3 Q. It looks like most operators are drilling
- 4 west-east or east-west?
- 5 A. Yes, sir.
- 6 Q. And there are some two-mile laterals to the
- 7 north of you --
- 8 A. There are some --
- 9 Q. -- that are proposed?
- 10 A. -- that are proposed, and there are some
- 11 mile-and-a-half laterals that are producing north of us.
- 12 Q. In your review of this, do you see any
- difference between the two-mile or mile-and-a-half
- 14 laterals?
- 15 A. Yes, we do. And it -- in most cases, we see an
- 16 increase in the lateral length because we're able to
- 17 actually get more stages of rock in for the completion.
- 18 Q. And on your cross section, A to A prime, those
- 19 are all vertical wells, correct?
- 20 A. Yes, sir, they are.
- Q. And those were drilled, like you said, back
- 22 in -- for the Morrow wells?
- 23 A. Yes, sir.
- Q. Or Morrow tests, I should say.
- 25 A. Yes, sir.

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1	Q. All right. That's all the questions I have.
2	Thank you very much, Mr. Juett.
3	A. Thank you.
4	MR. FELDEWERT: Mr. Examiner, that
5	concludes our presentation for these consolidated cases.
6	EXAMINER DAWSON: So at this point, Case
7	Numbers 15927, 15928 and 15929 will be taken under
8	advisement.
9	Thank you, Mr. Feldewert.
10	MR. FELDEWERT: Thank you.
11	(Case Numbers 15927, 15928 and 15929
12	conclude, 9:29 a.m.)
13	EXAMINER DAWSON: At this point, let's take
14	a ten-minute break. We'll be back at 9:40.
15	(Recess, 9:28 a.m. to 9:44 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 9th day of March 2018.
21	$\sim \sim 11$
22	Mary C. dankers MARY C. HANKINS, CCR, RPR
23	Certified Court Reporter New Mexico CCR No. 20
24	Date of CCR Expiration: 12/31/2018 Paul Baca Professional Court Reporters
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