

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

APPLICATION OF COG OPERATING,  
LLC, FOR A NON-STANDARD  
SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

Case No. 15096

**COPY**

APPLICATION OF COG OPERATING,  
LLC, FOR A NON-STANDARD  
SPACING AND PRORATION UNIT  
AND COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

Case No. 15097

TRANSCRIPT OF PROCEEDINGS  
DOCKET EXAMINER HEARING

BEFORE: RICHARD EZEANYIM

March 20, 2014  
Santa Fe, New Mexico

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This matter came on for hearing before the New  
Mexico Oil Conservation Division, RICHARD EZEANYIM,  
Hearing Examiner, on Thursday, March 20, 2014, in  
Porter Hall, Santa Fe, New Mexico.

REPORTED BY: PAUL BACA, CCR #112  
PAUL BACA COURT REPORTERS  
500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102

A P P E A R A N C E S

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I N D E X

WITNESS:	PAGE:
MICHAEL WALLACE	
Examination by Mr. Feldewert	4
DAVID DAGIAN	
Examination by Mr. Feldewert	19
CERTIFICATE OF COURT REPORTER	28
EXHIBIT:	DESCRIPTION
1-7	12
8-11	24

1                   HEARING EXAMINER EZEANYIM: I call Case  
2     Number 15096. This is the application of COG  
3     Operating, LLC, for a nonstandard spacing and  
4     proration unit compulsory pooling in Lea County,  
5     New Mexico. It will be combined for purposes of  
6     testimony with Case Number 15097, the application of  
7     COG Operating, LLC, for a nonstandard spacing and  
8     proration unit and compulsory pooling in Lea County,  
9     New Mexico.

10                  I call for appearances, please.

11                  MR. FELDEWERT: May it please the  
12     examiner, Michael Feldewert with the Santa Fe office  
13     of the law firm of Holland & Hart appearing on  
14     behalf of the applicant.

15                  And I have two witnesses today.

16                  HEARING EXAMINER EZEANYIM: Any other  
17     appearances?

18                  Okay. You may proceed.

19                  MR. FELDEWERT: If it please Mr. Examiner,  
20     we will call our first witness.

21                  HEARING EXAMINER EZEANYIM: If you will  
22     please stand up and be sworn.

23

24

25

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

4                               EXAMINATION

5       BY MR. FELDEWERT:

6           Q.       Would you please state your name, identify  
7       by whom you are employed, and in what capacity?

8           A.       My name is Michael Wallace. I work for  
9       COG Operating, LLC, in Midland, Texas, and I'm a  
10      landman.

11          Q.       Mr. Wallace, you have previously testified  
12      before the division, correct?

13          A.       I have.

14          Q.       And your credentials as an expert in  
15      petroleum land matters were accepted and made a  
16      matter of public record?

17          A.       That is correct.

18          Q.       Are you familiar with the applications  
19      that have been filed by the company in these  
20      consolidated cases?

21          A.       Yes.

22          Q.       And are you familiar with the status of  
23      the lands that are the subject of these two cases?

24          A.       That's correct.

25                   MR. FELDEWERT: Mr. Examiner, I would

1 re-tender Mr. Wallace as an expert witness in  
2 petroleum land matters.

3 HEARING EXAMINER EZEANYIM: Mr. Wallace is  
4 so qualified.

5 Q. (By Mr. Feldewert) Would you please turn  
6 to what's been marked as COG Exhibit Number 1?

7 A. (Witness complies.)

8 Q. First identify the exhibit, what the  
9 colors show, and then please inform the examiner  
10 what the company seeks under this application --  
11 under these applications.

12 A. This is a land -- this is a plat depicting  
13 our Sebastian Fed Com Number 1H and 2H wells in the  
14 west half of Section 18, 24 South, 34 East.

15 And the yellow acreage is COG acreage.

16 Q. And what does the company seek under these  
17 two consolidated applications?

18 A. We seek to pool the Bone Spring formation,  
19 the mineral interests underlying this acreage.

20 Q. And in these two cases, are you creating  
21 two separate 160-acre nonstandard spacing units?

22 A. That is correct.

23 Q. Okay. Actually, one of the spacing units,  
24 I believe, is going to be about 158 acres?

25 A. That is correct, approximately.

1 Q. Has the division recently approved similar  
2 wells for the east half of this Section 18?

3 A. Yes. That was for Sebastian Fed Com 3H  
4 and 4H wells.

5 Q. And, Mr. Wallace, if I turn to what's been  
6 marked as COG Exhibit Number 2, is that one of the  
7 orders that was entered by the division in  
8 February of this year that approved the standup  
9 horizontal wells in the east half of Section 18?

10 A. That is correct.

11 Q. Okay. And getting back to this particular  
12 application, if I turn to what's been marked as COG  
13 Exhibit Number 3, are these the two C-102s that have  
14 been filed for your proposed wells in the west half  
15 of Section 18?

16 A. Yes, that is correct.

17 Q. And they provide the API number for each  
18 of the proposed wells?

19 A. That is correct.

20 Q. And it also identifies the pool for each  
21 of the proposed wells?

22 A. That is correct. The Red Hills Bone  
23 Spring North.

24 Q. And it also provides the examiner with the  
25 pool code, correct?

1 A. That is correct.

2 Q. Okay. Now, these C-102s show that the  
3 surface location will be at a nonstandard location  
4 from the north line, correct?

5 A. Yes.

6 Q. Will the completed interval for both of  
7 these wells comply with the division's setback  
8 requirements?

9 A. Yes, they will.

10 Q. Now with respect to the lands involved, is  
11 it a mixture of fee and federal lands?

12 A. Yes.

13 Q. If I turn to what's been marked as COG  
14 Exhibit Number 4, does this particular exhibit  
15 contain two lease tract maps, one for each well,  
16 that identify the interest owners first by tract and  
17 then by their total interest in the spacing unit?

18 A. That is correct.

19 Q. And if I, for example, look at the second  
20 page of Exhibit Number 4, that provides the unit  
21 recapitulation for the interest in the west half of  
22 the west half of Section 18, correct?

23 A. Yes, that is correct.

24 Q. Okay. And then you have the same listing  
25 of interest owners for the second spacing unit on

1 the last page of Exhibit 4?

2 A. That is correct.

3 Q. Now, there are bolded parties in each of  
4 these lists for each well.

5 Does that represent the interest owners  
6 that remain uncommitted at this point?

7 A. Yes.

8 Q. For either of these wells?

9 A. That is correct.

10 Q. Has there been -- if I look at Exhibit 4,  
11 last page, has there been a recent change in  
12 developments with respect to the interests that have  
13 voluntarily committed to the well?

14 A. That is correct. We received a lease from  
15 Realeza Del Spear, LLP, which is not reflected on  
16 this exhibit.

17 Q. So if we look at the last page of  
18 Exhibit 4, down at the bottom about halfway through  
19 your bolded list, there is a Realeza Del Spear  
20 interest of 3.14 percent that has now been committed  
21 to the well?

22 A. That is correct.

23 Q. Okay. The remaining parties on this list  
24 that are bolded at this point are uncommitted?

25 A. Correct.



1 Q. Did the company send well proposal letters  
2 for each of these two wells to all of the interest  
3 owners?

4 A. We did.

5 Q. And if I turn to what's been marked as COG  
6 Exhibit Number 5, does this contain the well  
7 proposal letters for each of the two wells that were  
8 sent to the working interest owners?

9 A. That is correct.

10 Q. And did each of these well proposal  
11 letters contain an AFE?

12 A. Yes, that is correct.

13 Q. And are the costs reflected on these AFEs  
14 consistent with what the company has incurred for  
15 drilling similar horizontal wells in this area?

16 A. Yes, that's correct.

17 Q. If I look at Exhibit Number 5 on the very  
18 first page, does that identify about halfway down  
19 the overhead and administrative costs while drilling  
20 this well and also while producing, if you are  
21 successful?

22 A. That is correct.

23 Q. And what are those numbers?

24 A. We are requesting 7,000 for drilling and  
25 700 a month for producing.

1 Q. And are these the overhead costs that the  
2 company requests be incorporated into any -- into  
3 the orders from these consolidated cases?

4 A. That is correct.

5 Q. Now in addition to sending these well  
6 proposal letters, what other efforts did the company  
7 undertake to reach voluntary agreement with the  
8 uncommitted interest owners?

9 A. We have contacted all of these uncommitted  
10 interest owners with the exception of Cloma Perkins.  
11 I am in the process of leasing the majority of these  
12 owners.

13 The others, we're negotiating leases  
14 currently.

15 Q. If I look at the list of uncommitted  
16 interest owners, I see in there the New Mexico  
17 Department of Transportation.

18 What is the circumstance with that  
19 particular interest?

20 A. They have no desire to participate in the  
21 wellbore, grant us a lease for this acreage.

22 Q. Okay. Now, you have mentioned that you  
23 were able to contact everyone except a Ms. Cloma  
24 Perkins.

25 A. That is correct.

1           Q.     What efforts did the company undertake to  
2     locate Ms. Perkins?

3           A.     We have searched on the internet. We've  
4     talked to other parties in this acreage. We also  
5     spoke with her -- some of her relatives, and no one  
6     knows where -- her whereabouts.

7           Q.     Okay. If I then turn to what's been  
8     marked as COG Exhibit Number 6, is this an affidavit  
9     of publication in the Lovington Leader for each of  
10    these two cases that is directed by name to Cloma  
11    Perkins?

12          A.     That is correct.

13          Q.     Now, Mr. Wallace, there's also a name on  
14    here, June Cook on this affidavit of publication.

15                 What is the circumstances with respect to  
16    that interest?

17          A.     We have recently taken a lease from June  
18    Cook.

19          Q.     So you were able to ultimately locate her  
20    and obtain a lease?

21          A.     That is correct.

22          Q.     Now, has the company also undertaken an  
23    effort to identify the interest in the 40-acre  
24    tracts surrounding your proposed nonstandard spacing  
25    units that are subject to leases?

1 A. We did.

2 Q. And did the company include these known  
3 leased mineral interest owners in the notice of this  
4 hearing?

5 A. We did.

6 Q. If I turn to what's been marked as COG's  
7 Exhibit Number 7, is this an affidavit prepared by  
8 my office with attached letters providing notice of  
9 this hearing to these affected parties?

10 A. It is.

11 Q. And it included the list of the parties  
12 that have been notified for purposes of pooling as  
13 well?

14 A. That's correct.

15 Q. Mr. Wallace, were COG Exhibits 1 through 7  
16 prepared by you or compiled under your direction and  
17 supervision?

18 A. That is correct.

19 MR. FELDEWERT: Mr. Examiner, at this time  
20 I would move the admission into evidence of COG  
21 Exhibits 1 through 7, which includes my notice  
22 affidavit.

23 HEARING EXAMINER EZEANYIM: COG Exhibits 1  
24 through 7 will be admitted.

25 MR. FELDEWERT: That concludes my

1 examination of this witness.

2 HEARING EXAMINER EZEANYIM: Thank you very  
3 much.

4 You gave notice to everybody, right?

5 THE WITNESS: I did.

6 HEARING EXAMINER EZEANYIM: And nobody was  
7 unlocateable. You located everybody?

8 THE WITNESS: I did not locate Cloma  
9 Perkins.

10 HEARING EXAMINER EZEANYIM: Oh.  
11 What happened?

12 THE WITNESS: As far as we know, even  
13 relatives have no idea of where she is located right  
14 now. We have done numerous searches on the  
15 internet.

16 HEARING EXAMINER EZEANYIM: So the letter  
17 was returned to you?

18 THE WITNESS: Yes. That's correct.

19 HEARING EXAMINER EZEANYIM: Okay. Can you  
20 tell me the locations of -- where I can get the  
21 locations of the wells here?

22 THE WITNESS: Yes.

23 HEARING EXAMINER EZEANYIM: What exhibit  
24 is that?

25 THE WITNESS: That's Exhibit 3.

1 HEARING EXAMINER EZEANYIM: Okay. Very  
2 good.

3 For both wells, right?

4 THE WITNESS: That is correct.

5 HEARING EXAMINER EZEANYIM: And do you  
6 have API numbers on here?

7 THE WITNESS: That is correct.

8 The Sebastian Fed Com Number 1H is 30025.

9 HEARING EXAMINER EZEANYIM: Okay. Don't  
10 worry about that.

11 And this is federal?

12 THE WITNESS: Yes, it's -- these are  
13 federal wells. It's federal land fee acreage.

14 HEARING EXAMINER EZEANYIM: Okay. Federal  
15 fee.

16 Okay. The division order number R-10109,  
17 or the revised, 10109A. And that was what brought  
18 you back to statewide rules, right? The A brought  
19 them back to statewide rules?

20 MR. FELDEWERT: Mr. Examiner, I'm not sure  
21 which order you are referring to, sir.

22 HEARING EXAMINER EZEANYIM: I'm referring  
23 to the order that you cited in your application.

24 MR. FELDEWERT: If I -- if you will take a  
25 look at Exhibit Number 2, is that the order you are

1     referencing, sir?

2                   HEARING EXAMINER EZEANYIM:   No, no.   I'm  
3     not referring to that.

4                   MR. FELDEWERT:   Oh, I'm sorry.   I see what  
5     you're saying.   Yes.

6                   HEARING EXAMINER EZEANYIM:   The red  
7     arrows, you know, was on that special pool.   You  
8     were asking for 150 feet from the center of the  
9     quarter-quarter section.

10                  What are they looking for?   How can an  
11    operator do that?

12                  So now -- but somebody went back and  
13    corrected it to the statewide rule, which is very  
14    good.

15                  MR. FELDEWERT:   You're correct.   The  
16    current --

17                  HEARING EXAMINER EZEANYIM:   If you are  
18    going to have to comply with the 150 from the center  
19    you can't drill this well.

20                  MR. FELDEWERT:   Fortunately, we don't have  
21    this situation here.

22                  HEARING EXAMINER EZEANYIM:   So that's the  
23    point I'm making, you know.   So if you have cited  
24    10109A -- because that's what I want to see.   I  
25    don't want to see 10109, because that would be

1     repealed because that 150 feet from the center of  
2     the quarter-quarter section is not -- at this point  
3     cannot walk.

4                 MR. FELDEWERT:  You're correct.  These --  
5     this area is covered by the 330-foot setback.

6                 HEARING EXAMINER EZEANYIM:  Because of the  
7     A?

8                 MR. FELDEWERT:  I think that's correct.

9                 HEARING EXAMINER EZEANYIM:  Okay.

10                Now this DOT, every time they come in  
11     here -- what's happening?  So are they working this  
12     place?  What are they -- what are DOT, the  
13     New Mexico DOT, what is the --

14                THE WITNESS:  They are -- in this  
15     particular case, as in the prior case that we have  
16     orders for here, they are middle landowners that we  
17     tried to lease, but they did not want to lease.  
18     They were conveyed minerals via warranty deed  
19     with -- and the minerals were not reserved.  So, in  
20     essence, they received the minerals.

21                HEARING EXAMINER EZEANYIM:  Okay.  Now, we  
22     are only addressing this well.  They are doing no  
23     consent, right?

24                THE WITNESS:  That's correct.

25                HEARING EXAMINER EZEANYIM:  So what -- you



1 know, when would they start getting their share of  
2 the production after the penalties? There are no  
3 working interests?

4 THE WITNESS: I'm sorry?

5 HEARING EXAMINER EZEANYIM: There are no  
6 working interests, right?

7 THE WITNESS: Right.

8 HEARING EXAMINER EZEANYIM: So when do  
9 they start getting their royalties? They are no  
10 consent, right?

11 THE WITNESS: I guess they're  
12 participating with the mineral interest, and if  
13 there's an order granted, it would be the  
14 200 percent plus.

15 HEARING EXAMINER EZEANYIM: They would  
16 have to go to it before. Okay.

17 MR. FELDEWERT: Mr. Examiner, this has  
18 come up a number of times, as you are aware.

19 HEARING EXAMINER EZEANYIM: Yeah.

20 MR. FELDEWERT: And the company has  
21 approached the Department of Transportation. They  
22 have been informed that the department, at this  
23 point, is not in a position to either lease or  
24 participate. Hopefully the Department of  
25 Transportation will get that rectified, but they

1 are -- as -- they have informed the company that  
2 they simply can't act on our pooling.

3 HEARING EXAMINER EZEANYIM: Yeah, of  
4 course. But I mean, I don't know what is going on.

5 MR. FELDEWERT: I do not.

6 HEARING EXAMINER EZEANYIM: I see. It's  
7 like you're putting the state land office -- you  
8 know. I don't know how that works.

9 MR. FELDEWERT: I've seen this before with  
10 other state agencies, you know, particularly the  
11 Department of Transportation.

12 But I can't -- I would be speculating as  
13 to why they can't deal with these types of  
14 transactions, but they have indicated they cannot.

15 HEARING EXAMINER EZEANYIM: Okay.

16 Are you finished with this witness?

17 MR. FELDEWERT: Yes, sir.

18 HEARING EXAMINER EZEANYIM: You may be  
19 excused.

20 THE WITNESS: Thank you.

21 MR. FELDEWERT: Mr. Examiner, we will call  
22 our second witness.

23 Go ahead.

24

25

1                                 DAVID DAGIAN,

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

4                                 EXAMINATION

5     BY MR. FELDEWERT:

6             Q.     Would you please state your name, identify  
7     by whom you are employed, and in what capacity?

8             A.     My name is David DaGian. I'm employed by  
9     COG Operating, LLC, in Midland, Texas. I'm a  
10    geologist with focus in the Delaware Basin.

11            Q.     And, Mr. DaGian, you have previously  
12    testified before this division and had your  
13    credentials as an expert in petroleum and geology  
14    accepted and made a matter of public record,  
15    correct?

16            A.     Yes, that's correct.

17            Q.     Are you familiar with the applications  
18    that have been filed in these consolidated cases?

19            A.     Yes.

20            Q.     And have you conducted a geologic study of  
21    the lands that are the subject of these two  
22    consolidated cases?

23            A.     Yes.

24                   MR. FELDEWERT: Mr. Examiner, I would once  
25    again tender Mr. DaGian as an expert witness in

1 petroleum geology.

2 HEARING EXAMINER EZEANYIM: Mr. DaGian is  
3 so qualified.

4 Q. (By Mr. Feldewert) Would you be so kind  
5 as to turn to -- well, let me ask you first,  
6 Mr. DaGian.

7 What is the target interval for the  
8 proposed wells in each of these two consolidated  
9 cases?

10 A. The target interval in these cases is the  
11 second Bone Spring sand.

12 Q. Okay. Have you put together a structure  
13 map for the second Bone Spring sand?

14 A. Yes, I have.

15 Q. If I turn to what's been marked as COG  
16 Exhibit Number 8, is that your structure map?

17 A. Yes, it is.

18 Q. Would you please explain the colors on  
19 this and then tell us what it shows?

20 A. Sure. This is a second Bone Spring sand  
21 structure map covering Section 18 of 24 South, 34  
22 East. And it shows that the contour interval is 100  
23 feet with COG's acreage in Section 18 displayed in  
24 yellow, with both of our Sebastian wells, the  
25 Sebastian Federal Com Number 1H and the Sebastian

1 Federal Com Number 2H displayed in Section 18 in the  
2 north half, the surface locations as squares, red  
3 squares, and bottom hole locations in the south half  
4 of 18 as red circles.

5 The second Bone Spring sand subsea values  
6 are displayed in red on the wells they correspond  
7 to.

8 And this shows that the structure is  
9 dipping to the south.

10 Q. Now, Mr. DaGian, you show two wells on  
11 Exhibit Number 8 in the west half of Section 18, two  
12 standup wells, correct?

13 A. That is correct.

14 Q. Those are the proposed wells under these  
15 consolidated cases?

16 A. That is correct.

17 Q. Has the company also obtained approval  
18 from the division to drill two standup wells in the  
19 east half of Section 18?

20 A. That's correct. We have.

21 Q. And that would be reflected in what's been  
22 marked as one of the two orders as COG Exhibit  
23 Number 2?

24 A. That is correct.

25 Q. Okay. Now with respect to the structure

1 here, do you see any geologic impediments to  
2 developing this section using horizontal wells?

3 A. No, we do not. We do not see any  
4 pinch-outs, faulting, or any other anomalies or  
5 geologic impediments that would prevent us from  
6 drilling these successful wells.

7 Q. If I turn -- or have you prepared a  
8 cross-section for the examiner?

9 A. I have.

10 Q. If I turn to what's been marked as COG  
11 Exhibit Number 9, does this identify the wells that  
12 you've utilized to put together your cross-section?

13 A. Yes, it does.

14 Q. And are the wells that you have chosen,  
15 are they representative of this area?

16 A. Yes, they are.

17 Q. With that in mind, if I go to then what  
18 has been marked as COG Exhibit Number 10, does that  
19 contain the well logs that correspond with the  
20 cross-section A to A prime that's shown on Exhibit  
21 Number 9?

22 A. Yes, it does.

23 Q. Okay. Why don't you walk us through,  
24 then, your structural cross-section that's been  
25 marked as COG Exhibit Number 10.

1           A.     Sure. This is a structural cross-section  
2     of A to A prime, A corresponding to the west, and A  
3     prime corresponding to the east, that covers our  
4     section and -- and concern here in Section 18.

5                     It's a three-well cross-section with the  
6     second Bone Spring sand top in orange displayed on  
7     the cross-section, and the second Bone Spring sand  
8     face displayed in black in the cross-section, with  
9     our estimated lateral interval shown in the middle  
10    of the second Bone Spring sand on the well in the  
11    middle of the cross-section.

12          Q.     And does this reflect that there is  
13    continuity of the reservoir that you are targeting  
14    across the west half of Section 18?

15          A.     Yes. This displays continuity, and we see  
16    no geological impediment that would prevent us from  
17    drilling and utilizing this section horizontally.  
18    And we think that we can efficiently and  
19    economically develop this section utilizing  
20    horizontal wells, in that each quarter-quarter will,  
21    on average, contribute equally to the production of  
22    these wells.

23          Q.     Now, you were here for the testimony that  
24    the completed interval for each of these wells will  
25    comply with the setback requirements?

1           A.     That is correct.

2           Q.     If I turn to what's been marked as COG  
3     Exhibit Number 11, does this contain a diagram for  
4     each of the two proposed wells demonstrating  
5     compliance with the 330-foot setbacks that are  
6     applicable to each of these wells?

7           A.     Yes, it does.

8           Q.     In your opinion, will the granting of this  
9     application be in the best interest of conservation  
10    and prevention of waste and the protection of  
11    correlative rights?

12          A.     Yes.

13          Q.     Were COG Exhibits 8 through 11 prepared by  
14    you or compiled under your direction and  
15    supervision?

16          A.     Yes, they were.

17                 MR. FELDEWERT:  Mr. Examiner, at this time  
18    I would move the admission into evidence of COG  
19    Exhibits 8 through 11.

20                 HEARING EXAMINER EZEANYIM:  COG Exhibits 8  
21    through 11 will be admitted.

22                 MR. FELDEWERT:  And that concludes my  
23    examination of this witness.

24                 HEARING EXAMINER EZEANYIM:  Thank you,  
25    Counselor.



1           The two other wells that we just approved,  
2   have you spotted those wells, those two wells? Have  
3   they been spotted?

4           THE WITNESS: No. No, sir, they have not.

5           HEARING EXAMINER EZEANYIM: Are you going  
6   to drill a fifth well in that section?

7           THE WITNESS: We do not plan a fifth well  
8   at this time.

9           HEARING EXAMINER EZEANYIM: Okay. I just  
10   wanted to know.

11          Okay. Now, you're a geologist, right?

12          THE WITNESS: Yes, sir.

13          HEARING EXAMINER EZEANYIM: Okay. Now,  
14   this is the second Bone Spring sand, right?

15          THE WITNESS: Yes, sir.

16          HEARING EXAMINER EZEANYIM: What is  
17   happening with the fourth Bone Spring and the fifth  
18   Bone Spring? They are not prospective?

19          THE WITNESS: It's not that they are not  
20   prospective. But we believe at this time, to  
21   utilize production at its greatest potential, that  
22   the second Bone Spring should be the first target in  
23   this section.

24          HEARING EXAMINER EZEANYIM: Okay. I hope  
25   you might explore the first Bone Spring sand and the

1 second Bone Spring sand. They are here on the top,  
2 you know. There might be production in certain  
3 areas of either of the formations, you know.

4 Everybody is going to that second Bone Spring sand.

5 I don't blame you for going there. But I  
6 just wanted to know whether you guys are trying to  
7 go to that fourth Bone Spring sand and third Bone  
8 Spring sand.

9 THE WITNESS: Not right away. But it is  
10 on our radar, yes, sir.

11 HEARING EXAMINER EZEANYIM: Okay. Nothing  
12 further.

13 THE WITNESS: Thank you, Mr. Hearing  
14 Examiner.

15 HEARING EXAMINER EZEANYIM: You may step  
16 down.

17 MR. FELDEWERT: Mr. Examiner, that  
18 concludes our presentation.

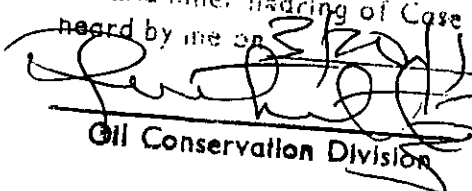
19 HEARING EXAMINER EZEANYIM: Thank you,  
20 Counselor.

21 Okay. At this point these two cases, Case  
22 Number 15096 and Case Number 15097, will be taken  
23 under advisement.

24 HEARING EXAMINER EZEANYIM: This concludes  
25 the morning portion of the hearing today.

(Proceedings concluded.)

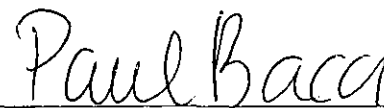
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I do hereby certify that the foregoing is  
a complete record of the proceedings at  
the Examiner hearing of Case No. 18074  
heard by me on 3/20/17  
  
Oil Conservation Division Examiner

## CERTIFICATE

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I, Paul Baca, RPR, CCR in and for the  
State of New Mexico, do hereby certify that the  
above and foregoing contains a true and correct  
record, produced to the best of my ability via  
machine shorthand and computer-aided transcription,  
of the proceedings had in this matter.



PAUL BACA, RPR, CCR  
Certified Court Reporter #112  
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