

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

COPY

APPLICATION OF EOG RESOURCES, INC
FOR A NONSTANDARD SPACING AND PRORATION
UNIT, COMPULSORY POOLING, AND APPROVAL
TO SURFACE (POOL-LEASE) COMMINGLE, LEA
COUNTY, NEW MEXICO

CASE NO 15666

Consolidated with

AMENDED APPLICATION OF EOG RESOURCES,
INC FOR A NONSTANDARD SPACING AND
PRORATION UNIT, APPROVAL OF AN
UNORTHODOX WELL LOCATION, COMPULSORY
POOLING, AND APPROVAL TO SURFACE
(POOL-LEASE) COMMINGLE, LEA COUNTY,
NEW MEXICO

CASE NO 15667

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

March 30, 2017

Santa Fe, New Mexico

BEFORE PHILLIP GOETZE, CHIEF EXAMINER
WILLIAM V JONES, TECHNICAL EXAMINER
MICHAEL McMILLAN, TECHNICAL EXAMINER
DAVID K BROOKS, LEGAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, William V Jones and Michael McMillan,
Technical Examiners, and David K Brooks, Legal
Examiner, on Thursday, March 30, 2017, 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

PHILLIP GOETZE
WILLIAM V JONES
MICHAEL McMILLAN
DAVID K BROOKS

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APPEARANCES

FOR APPLICANT EOG RESOURCES, INC

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1	INDEX	
2		PAGE
3	Case Numbers 15666 and 15667 Called	4
4	EOG Resources, Inc 's Case-in-Chief	
5	Witnesses	
6	Gavin Smith	
7	Direct Examination by Ms Kessler	5
	Cross-Examination by Mr Bruce	14
8	Cross-Examination by Examiner Goetze	14
	Cross-Examination by Examiner Jones	16
9		
10	Lorraine Baline	
11	Direct Examination by Ms Kessler	18
	Cross-Examination by Examiner Jones	24
12	Cross-Examination by Examiner Goetze	26
13	Proceedings Conclude	28
14	Certificate of Court Reporter	29
15		
16	EXHIBITS OFFERED AND ADMITTED	
17	EOG Resources, Inc Exhibit Numbers 1 through 9	14
18	EOG Resources, Inc Exhibit Numbers 10 through 12	24
19		
20		
21		
22		
23		
24		
25		

1 (11 20 a m)

2 EXAMINER GOETZE Since we're on a roll, we
3 shall proceed for the next two cases, Case Number 15666,
4 application of EOG Resource, Inc for a nonstandard
5 spacing and proration unit, and compulsory pooling, and
6 approval to surface pool these commingling, Lea County,
7 New Mexico

8 Call for appearances

9 MS KESSLER Mr Examiner, Jordan Kessler,
10 from the Santa Fe office of Holland & Hart, on behalf of
11 the Applicant

12 MR BRUCE Mr Examiner, Jim Bruce of
13 Santa Fe, representing MRC Permian I have no
14 witnesses

15 EXAMINER GOETZE And do you wish to
16 combine this with Case Number 15667?

17 MS KESSLER That is correct

18 EXAMINER GOETZE Very well Then the two
19 cases will be heard together

20 Witnesses stand, identify yourself to the
21 court reporter and be sworn in, please

22 MS BALINE Lorraine Baline

23 MR SMITH Gavin Smith

24 GAVIN SMITH,

25 after having been first duly sworn under oath, was

1 questioned and testified as follows

2 DIRECT EXAMINATION

3 BY MS KESSLER

4 Q Mr Smith, please state your name for the
5 record and tell the Examiners by whom you're employed
6 and in what capacity?

7 A Gavin Smith I'm a landman for EOG Resources

8 Q Have you previously testified before the
9 Division?

10 A I have not

11 Q Can you please outline your educational
12 background?

13 A I graduated from the University of Oklahoma,
14 majored in energy management and graduated in 2013

15 Q What has your work history been since that
16 time?

17 A I hired on with EOG in 2013 and worked Barnett
18 Shale out of the Fort Worth office, and then was
19 transferred to Midland about two years ago to work
20 Permian

21 Q So you've been working in the Permian
22 approximately two years?

23 A Yes

24 Q Do you have any professional certifications?

25 A Yes, my RPL

1 Q Registered Professional Landman?

2 A Yes

3 Q And are you a member of any professional
4 associations?

5 A AAPL and PBLA

6 Q Are you familiar with the applications filed in
7 this consolidated case?

8 A Yes

9 Q Are you familiar with the lands in the subject
10 area?

11 A Yes

12 MS KESSLER Mr Examiner, I tender
13 Mr Smith as an expert in petroleum land matters

14 EXAMINER GOETZE Mr Bruce?

15 MR BRUCE No objection

16 EXAMINER GOETZE He's so qualified

17 Q (BY MS KESSLER) Mr Smith, please explain what
18 EOG seeks under these two applications

19 A We seek to form two nonstandard spacing units,
20 240 acres each We also seek to pool the interest in
21 those units, and we also seek a nonstandard location for
22 the 602H well

23 Q Is it the acreage description the same for each
24 of these two wells?

25 A Yes The west half of the west half of Section

1 10 and the west half of the southwest quarter of Section
2 3

3 Q In Township 25 South, Range 34 East in Lea
4 County?

5 A Yes

6 Q And I understand that you're seeking to form a
7 spacing unit in the Bone Spring and in the Wolfcamp
8 Formation, is that correct?

9 A Correct

10 Q And you're seeking to pool the interest in each
11 of those two formations?

12 A Yes

13 Q Has EOG requested dismissal of this portion --
14 of the portion of the application related to
15 commingling?

16 A Yes, we have We'll pursue that
17 administratively

18 EXAMINER GOETZE So you are going to pull
19 off the surface pool-lease commingle aspect of both
20 cases?

21 MS KESSLER Of both cases

22 EXAMINER GOETZE Thank you

23 Q (BY MS KESSLER) Mr Smith, please turn to
24 Exhibit 1 and identify this exhibit for the Examiners

25 A This is the C-102 for the Osprey 10 602H

1 Q Do you seek to create a nonstandard 240-acre
2 spacing unit for this well?

3 A Yes

4 Q You seek to pool the uncommitted interest in
5 the Bone Spring Formation, is that correct?

6 A Correct

7 Q What is the AFI number -- APD -- API number?

8 A 3002543650

9 Q Has the Division identified a pool and pool
10 code?

11 A Yes, Red Hills, Bone Spring, East pool

12 Q Will this pool be subject to Division statewide
13 rules?

14 A Yes

15 Q And that would be 330-foot setbacks and 40-acre
16 spacing for oil wells?

17 A Yes

18 Q Is EOG also seeking a nonstandard location for
19 the 602H well?

20 A We are

21 Q Why is that?

22 A In this area, our current development plan for
23 the 3rd Bone Spring is three wells per half section

24 Q Is ownership in the east half of the west half
25 identical to the proposed spacing unit?

1 A That's correct

2 Q And I'll direct you to Exhibit 2 Does this
3 show the affected tracts for -- tracts affected by the
4 nonstandard location?

5 A Yes

6 Q And the entire east half of the west half is
7 identical ownership, correct?

8 A That's correct

9 Q And Tract 2 is operated by Energen Resources
10 Corporation?

11 A Yes

12 Q Did you provide notice of this hearing to
13 Energen?

14 A We did

15 Q And that notice will be reflected in a later
16 exhibit, correct?

17 A Yet

18 Q Is Exhibit 3 a C-102 for the 701H?

19 A Yes

20 Q Do you seek to create a nonstandard spacing
21 unit in the Wolfcamp Formation for this well?

22 A We do

23 Q And do you seek to pool uncommitted mineral
24 interests in the Wolfcamp?

25 A Yes

1 Q Has an APD been approved for this well?

2 A It has

3 Q Are each of these two wells comprised of fee
4 acreage?

5 A Yes

6 Q And has the Division identified a pool and pool
7 code for the 701H?

8 A Yes, Wildcat Wolfcamp, Pool Code 98116

9 Q That's reflected on the C-102?

10 A Yes

11 Q Is this pool also subject to the Division
12 statewide rules for oil wells?

13 A It is

14 Q But this well will be at a standard location,
15 correct?

16 A Correct

17 Q Does Exhibit 4 -- do Exhibits 4 and 5 identify
18 uncommitted interest owners for both the 602H and the
19 701H?

20 A Yes The interest owners are in bold

21 Q And that would be for each of the two wells?

22 A Correct

23 Q It looks like the total interest that you're
24 seeking to pool is approximately 17 6 percent?

25 A That's correct

1 Q And that would be for both wells, correct?

2 A Yes

3 Q Are Exhibits 6 and 7 copies of well-proposal
4 letters sent to the working interest owners for the 602H
5 and the 701H?

6 A They are

7 Q Did you propose the wells separately?

8 A We did

9 Q So there is a separate election for each well?

10 A Yes

11 Q Did both of the well-proposal letters include
12 an AFE?

13 A They did

14 Q Are the costs reflected on these AFEs
15 consistent with what EOG has incurred for similar Bone
16 Spring wells in this area?

17 A Yes

18 Q What additional efforts did you undertake to
19 reach a voluntary agreement with the parties you're
20 seeking to pool?

21 A After we sent the well proposals to the
22 last-minute addresses for all the parties, we received
23 some back, and we have since gone forward trying to
24 reach an agreement in a JOA or trades And of the
25 parties that we either did not receive a response from

1 or were unlocatable, we hired a broker to do additional
2 research and got additional addresses and sent proposals
3 to those new addresses as well

4 Q And the brokers checked county records,
5 telephone records and did Internet searches?

6 A Yes

7 Q Have you estimated overhead and administrative
8 costs while drilling and producing these wells?

9 A Yes 7,000 while drilling and -- 7,000 a month
10 while drilling and 700 a month while producing

11 Q Is that in line with what EOG and other
12 operators in the area charge for similar wells?

13 A Yes

14 Q Do you ask that the costs be incorporated in
15 any order resulting from this hearing?

16 A We do

17 Q And that they be -- that those costs be
18 adjusted in accordance with the COPAS accounting
19 procedures?

20 A Yes

21 Q For any uncommitted interest owners, do you
22 request the Division propose a 200 percent risk penalty?

23 A Yes

24 Q Did EOG identify the offset operators or
25 lessees of record in the 40-acre tract surrounding the

1 proposed lease?

2 A We did

3 Q Is Exhibit 8 an affidavit prepared by my office
4 with attached letters providing notice for both
5 hearings -- both applications of the parties that you
6 seek to pool, the offsets, and then also the request for
7 nonstandard location?

8 A Yes

9 Q Did EOG publish notice of this hearing?

10 A We did

11 Q And is that because there were several parties
12 that were unlocatable?

13 A Yes

14 Q You mentioned before your efforts to obtain a
15 valid address for these parties?

16 A Yes

17 Q Are the unlocatable parties William Horvath,
18 Sally Ann Cooper, Leatrice Warren, E B Larue, Jr ,
19 Rochonne Brenneman, and Ferinez Phelps?

20 A Yes

21 Q And each of these affidavits of publication
22 specifically names those parties is that correct?

23 A Yes

24 Q Were Exhibits 1 through 7 prepared by you or
25 compiled under your direction and supervision?

1 A Yes

2 MS KESSLER Mr Examiners, I move into
3 the record Exhibits 1 through 9, which include my two
4 affidavits

5 EXAMINER GOETZE Mr Bruce?

6 MR BRUCE No objection

7 EXAMINER GOETZE Exhibits 1 through 9 are
8 so entered

9 (EOG Resources Exhibit Numbers 1 through 9
10 are offered and admitted into evidence)

11 EXAMINER GOETZE Mr Bruce, any questions?

12 MR BRUCE One question

13 CROSS-EXAMINATION

14 BY MR BRUCE

15 **Q Exhibits 4 and 5, Mr Smith, am I correct that**
16 **MRC Permian is not being pooled in either well?**

17 A That's correct

18 EXAMINER GOETZE Thank you That's all?

19 MR BRUCE That's it

20 EXAMINER GOETZE Okay

21 CROSS-EXAMINATION

22 BY EXAMINER GOETZE

23 **Q All right Since we're playing with two**
24 **different pools, two different formations, I'm going to**
25 **need a little more clarity The nonstandard location is**

1 for the Bone Spring? And that is based upon the
2 completed interval, or is this the -- why are we
3 going, I mean, for an unorthodox well location? I don't
4 see it clear here as to where I am going Why am I
5 asking for an unorthodox --

6 MS KESSLER If you turn to Exhibit 2,
7 Mr Examiner, you can see the approximate location of
8 the unorthodox location The footages are listed in the
9 application For some reason, the plat was not
10 contained on the C-102, but it is also on the Division's
11 Web site The version of the C-102 that has --

12 EXAMINER GOETZE You're making me go look
13 on the Division Web site? Okay

14 MS KESSLER The version of the C-102 that
15 has a plat did not have the pool code and API number

16 EXAMINER GOETZE So as far as completed
17 intervals, we're conforming to both the Wolfcamp and the
18 Bone Spring, the first take and last take?

19 MS KESSLER The first --

20 EXAMINER GOETZE Maybe that's your next
21 witness I'll save that

22 As far as the landman, I don't have any
23 other questions

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CROSS-EXAMINATION

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BY EXAMINER JONES

Q Is this B ownership all around?

A Yes

Q And the is Bone Spring NSO [sic], and so your Wolfcamp, you just try to get people to sign up? Do you have a difference of ownership between the Wolfcamp and the --

A No It's identical

Q All the way down?

A Yes, sir

Q Okay No JOA in this area?

A There is an existing JOA in Section 10 for some of the partners, and we are seeking to create a new one to include Section 3 And then for some of the ther partners, we are proposing a new JOA as well

Q Section 3 So that would be --

A The north portion

Q -- to the north?

A Yes, sir

Q What about -- what about other wells to the north of here in Section 3? Is there -- is there existing wells -- lay-down wells up there, or are there wells planned to go -- I know it's kind of a step-out question here, but we're supposed to ask these things

1 A Sure I'm not sure of the development farther
2 north Energen owns that north half of Section 3 there,
3 and we are talking with them to work out something in
4 the future But as far as further development, I can't
5 speak to that right now to the north

6 **Q So is Energen being pooled?**

7 A No They do not own within the south half of
8 3

9 **Q Okay But they were noticed, right, because**
10 **they were in Tract 1?**

11 A Because -- yes, sir, because of the
12 nonstandard

13 MS KESSLER Tract 2, Examiner Jones
14 EXAMINER JONES Tract 2? That makes
15 sense, north half of -- northwest quarter of Section 3,
16 looks like

17 **Q (BY EXAMINER JONES) Okay But you don't think**
18 **you're stranding any acreage by drilling -- proposing**
19 **these wells?**

20 A No, sir

21 **Q Thanks**

22 EXAMINER GOETZE Okay We're done with
23 this witness

24 Thank you very much

25 Please proceed with your next witness

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LORRAINE BALINE,

after having been previously sworn under oath, was questioned and testified as follows

DIRECT EXAMINATION

BY MS KESSLER

Q Please state your name for the record and tell the Examiner by whom you are employed and in what capacity?

A My name is Lorraine Baline, and I'm a lead geologist for EOG Resources in the Midland Division

Q Have you previously testified before the Division?

A No, I have not

Q Can you please outline your educational background?

A I have a bachelor's degree in geology from Colby College in Waterville, Maine I graduated in 2004 And I also have a master's degree in geology from the University of Texas at Austin I graduated in 2007

Q Have you worked for EOG since 2007?

A I have I've worked for EOG for ten years in three different divisions The Fort Worth Division, the Denver Division, and most recently, the Midland Division

Q Do your current responsibilities include the

1 **Permian Basin?**

2 A Yes, they do

3 **Q Are you a member of any professional**
4 **associations?**

5 A Yes I'm a member of the Geological Society of
6 America, the AAPG, the Rocky Mountain Association of
7 Geologists and the West Texas Geological Society

8 **Q Are you familiar with the two applications**
9 **filed in this consolidated case?**

10 A I am

11 **Q And did you conduct a geologic study of the**
12 **lands that are the subject of this application?**

13 A Yes, I did

14 MS KESSLER Mr Examiner, I tender
15 Ms Baline as an expert in petroleum geology

16 EXAMINER GOETZE Mr Bruce?

17 MR BRUCE No objection

18 EXAMINER GOETZE She is so qualified

19 **Q (BY MS KESSLER) What is the target interval**
20 **for each of the proposed wells?**

21 A For the Osprey 602, it's the 3rd Bone Spring
22 Sand, and for the Osprey 701, the Upper Wolfcamp

23 **Q Is Exhibit 10 a structure map of the Bone**
24 **Spring in this area?**

25 A Yes, it is It shows the structure of the Bone

1 Spring interval at a 100-foot contour The EOG acreage
2 is highlighted in yellow in the center of the map, and
3 then the two Osprey wells, the 602H and the 701H, are
4 also highlighted on the map as well

5 Q There is an existing EOG well also on this map,
6 is that correct?

7 A That's correct, the 601H

8 Q What do you see with respect to structure in
9 this section?

10 A So this structure is dipping down to the
11 southeast at about 1 degree

12 Q Do you see any faulting, pinch-outs or any
13 other geologic impediments?

14 A No, I do not

15 Q Is Exhibit 11 a structure map of the Wolfcamp
16 in this area?

17 A Yes, it is Again, the EOG acreage is
18 highlighted in yellow in the center of the map The two
19 Osprey wells, the 602H and the 701H, are highlighted
20 The 601H is also shown on the map The contour interval
21 for the Wolfcamp structure is also shown at 100 feet,
22 and the dip on the Wolfcamp is also 1 degree to the
23 southeast

24 Q There is a line of section on this exhibit,
25 correct?

1 A That's correct That's a cross section from A
2 to A prime running north to south in the Osprey area

3 **Q And you used three wells for this cross-section**
4 **exhibit?**

5 A Yes, I did

6 **Q Do those wells -- are those the Bone Spring and**
7 **the Wolfcamp in this area?**

8 A Yes, they do [sic]

9 **Q Let's turn to Exhibit 12 Can you identify the**
10 **wells that you used for your cross-section exhibit?**

11 A Yes So this is the cross section that's shown
12 on the previous two maps, A to A prime running north to
13 south The three wells are the Page 3 Com #2, the
14 Warren 3 #1, and the Javelina Basin Unit #2

15 **Q And you mentioned this covers both the Bone**
16 **Spring and the Upper Wolfcamp, correct?**

17 A Yes So it shows from just above the top of
18 the 1st Bone Spring all the way down through the upper
19 part of the Wolfcamp, showing -- including the 3rd Bone
20 Spring interval as well

21 **Q Can you please identify your target intervals?**
22 **I don't see that they're marked on this exhibit**

23 A Sure So the target interval for the 602H
24 would be the lower part of the 3rd Bone Spring interval
25 As you can see, the 3rd Bone Spring top is marked in the

1 black line across all three wells That is at the --
2 where the resistivity decreases, as you get out of the
3 carbonates overlying the target, around about 12,000
4 feet on all three wells So our target interval would
5 be below that top 3rd Bone Spring Sand in the lowermost
6 part of that interval

7 Also marked on there is the top of the
8 Wolfcamp That is, again, across all three wells You
9 see an increase in the resistivity at the top of the
10 Wolfcamp marker there And our target interval for the
11 Wolfcamp would be the underlying -- clastic packages
12 just below the top of the Wolfcamp

13 **Q For the targets in the 3rd Bone Spring**
14 **Formation, do you identify the target interval as being**
15 **continuous throughout the nonstandard spacing units?**

16 A Yes, I do The thickness is very similar
17 across all three wells in the 3rd Bone Spring Sand, and
18 the target interval looks very similar across all three
19 wells

20 **Q What about for your Wolfcamp targets?**

21 A Same thing The target, again, for the
22 upper -- is the Upper Wolfcamp and the low resistivity
23 section in about the upper 100 feet or so, and that is
24 consistent with all these wells on the cross section

25 **Q Do you believe that this area can be**

1 efficiently and economically developed by
2 mile-and-a-half horizontal wells?

3 A Yes, I do

4 Q In both the Bone Spring and the Wolfcamp?

5 A Yes

6 Q Do you believe that each of the proposed
7 nonstandard units will, on average, contribute more or
8 less equally to the production of the well?

9 A Yes, I do

10 Q And will the granting of each of EOG's
11 applications be in the best interest of conservation,
12 for the prevention of waste and the protection of
13 correlative rights?

14 A Yes

15 Q Final question With respect to the Bone
16 Spring completed interval, the completed interval will
17 be an unorthodox location, is that correct?

18 A Uh-huh

19 Q So it will be closer than 330 feet to -- I
20 believe it's the east line of the project area, is that
21 correct?

22 A That's correct

23 Q The Wolfcamp completed interval will be at an
24 orthodox location?

25 A That's right

1 **Q** **Were Exhibits 10 through 12 prepared by you or**
2 **compiled under your direction and supervision?**

3 A Yes

4 MS KESSLER Mr Examiners, I'd moved
5 admission of Exhibits 10 through 12

6 EXAMINER GOETZE Exhibits 10 --

7 Well, Mr Bruce?

8 MR BRUCE No objection

9 EXAMINER GOETZE Sorry Didn't mean to
10 impose upon you

11 MR BRUCE Didn't mean to wake me up?

12 EXAMINER GOETZE Your client's not here
13 Very good timing

14 Exhibits 10 through 12 are so entered
15 (EOG Resources Exhibit Numbers 10 through
16 12 are offered and admitted into evidence)

17 EXAMINER GOETZE Do you want to ask
18 questions first?

19 EXAMINER JONES Just quickly, because I'm
20 not a geologist, so, you know, I promise not to ask too
21 many questions

22 CROSS-EXAMINATION

23 BY EXAMINER JONES

24 **Q** **Did you draw the contour map that you're**
25 **showing, the contour maps, or does the machine draw**

1 those? You just put in the control points and let it
2 run?

3 A It's both

4 Q Both?

5 A Uh-huh Yeah We have a lot of input into the
6 contour maps, but the computer also does the contouring
7 in an algorithm that it uses

8 Q Okay I noticed that you've got a little nose
9 sticking out here in the southwest quarter of Section --
10 the section to the south, you know So is that why you
11 chose these locations, or -- did you choose this
12 location, or is this land driven? Obviously, it's not
13 land driven with so much complexity in the land It
14 must be geology driven

15 A I would say, you know, all the -- all the
16 disciplines have input, obviously We have AN acreage
17 position here, but we just try to plan the wells so they
18 best develop the area without waste

19 Q Okay

20 A Uh-huh

21 Q So there is no advantage to drilling here as to
22 drilling around the eastern side of the section?

23 A The plan right now is to develop the whole
24 section, but we're just starting on the western side

25 Q Do you already have a well there, and you want

1 to put it close to the tank battery or something?

2 A So we already have a producing well there in
3 the 3rd Bone Spring, and we want to minimize depletion

4 Q Oh, okay

5 And this is not Wolfbone even though
6 they're both real close together vertically, it seems
7 like?

8 A There is a bit of vertical separation between
9 the two

10 Q And I see Paul didn't put it in the Wolfbone,
11 thankfully (laughter)

12 EXAMINER GOETZE Thank you

13 CROSS-EXAMINATION

14 BY EXAMINER GOETZE

15 Q So just for clarity on my part, the 601H is the
16 Bone Spring?

17 A 3rd Bone Spring

18 Q 3rd Bone Spring?

19 A Uh-huh

20 Q Okay And we've settled that the Bone Spring
21 is the one with the nonstandard because of its proximity
22 to the east side of the project area?

23 A That's correct

24 MS KESSLER Just to reiterate, also,
25 Mr Examiner, the ownership is identical for both the

1 Bone Spring and the Wolfcamp in the entire west half

2 EXAMINER GOETZE Thank you

3 Q (BY EXAMINER GOETZE) And average thickness of
4 the pay for each of your targets for your Bone Spring
5 and Wolfcamp are --

6 A So the 3rd Bone Spring target would be at
7 approximately the 100 lowermost 3rd Bone Spring
8 interval, and then the Wolfcamp target would be
9 approximately in the upper 100 feet of the Wolfcamp

10 Q So you don't have any feeling that it's going
11 to end up with any communication as a result of the
12 simulation or completion of the well?

13 A No There should be enough vertical separation
14 between the wells

15 Q And you will keep us informed if there is such
16 a --

17 MS KESSLER Uh-huh Of course

18 EXAMINER GOETZE Of course

19 Q (BY EXAMINER GOETZE) And just one more point,
20 looking at your Midland Map So what I'm seeing on
21 Exhibits 10 and 11, the density of wells is fairly
22 representative in this area? There's not much activity
23 going on?

24 A Yeah This is the -- the verticals are
25 controlled There are some other horizontal wells

1 primarily over to the west They are not -- one is
2 shown just on the far side of Exhibit 10

3 Q Yeah That's fairly off, the section away?

4 A Yes Yes

5 Q But other than that, we have no existing
6 players in the area as far as a preference north-south,
7 east-west So this is pretty much a development play
8 based upon what you're finding?

9 A That's right

10 EXAMINER GOETZE I have no further
11 questions for this witness

12 MS KESSLER Thank you, Mr Examiner Ask
13 that these cases be taken under advisement

14 EXAMINER GOETZE Very good Thank you
15 very much

16 Case Number 15666 and Case Number 15667
17 have been taken under advisement

18 Come on back at 1 00 It won't be your
19 show It will be mostly compliance, and then Black
20 Mountain will be after that

21 (Case Numbers 15666 and 15667 conclude,
22 11 47 a m)

23 (Lunch Recess, 11 47 a m to 1 11 p m)
24 p m)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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CERTIFICATE OF COURT REPORTER

I, MARY C HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No 20, and Registered Professional Reporter, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings that were reduced to printed form by me to the best of my ability

I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects the exhibits, if any, offered by the respective parties

I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or attorneys in this case and that I have no interest in the final disposition of this case

MARY C HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No 20
Date of CCR Expiration 12/31/2017
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