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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 CASE NO. 20592 COMPANY FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

## REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 22, 2019

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER KATHLEEN MURPHY, TECHNICAL EXAMINER DYLAN ROSE-COSS, TECHNICAL EXAMINER BILL BRANCARD, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner; Kathleen Murphy and Dylan Rose-Coss, Technical Examiners; and Bill Brancard, Legal Examiner, on Thursday, August 22, 2019, at the New Mexico Energy, Minerals and Natural Resources Department, Wendell Chino Building, 1220 South St. Francis Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

REPORTED BY: Mary C. Hankins, CCR, RPR New Mexico CCR #20 Paul Baca Professional Court Reporters 500 4th Street, Northwest, Suite 105 Albuquerque, New Mexico 87102 (505) 843-9241

Page 2 1 APPEARANCES 2 FOR APPLICANT MATADOR PRODUCTION COMPANY: 3 JAMES G. BRUCE, ESQ. Post Office Box 1056 Santa Fe, New Mexico 87504 4 (505) 982-2043 5 jamesbruc@aol.com б 7 INDEX 8 PAGE Case Number 20592 Called 9 3 10 Matador Production Company's Case-in-Chief: 11 Witnesses: 12 Robert Helbing: 13 Direct Examination by Mr. Bruce 3 Cross-Examination by Examiner Murphy 11 Cross-Examination by Examiner Coss 14 12 Cross-Examination by Examiner Brancard 13 15 Clark Collier: 16 Direct Examination by Mr. Bruce 15 17 Cross-Examination by Examiner Murphy 21 Cross-Examination by Examiner Coss 22 18 19 25 Proceedings Conclude 20 Certificate of Court Reporter 26 21 EXHIBITS OFFERED AND ADMITTED 22 Matador Production Company Exhibit Numbers 1 through 5 11 23 Matador Production Company Exhibit 24 Numbers 6 through 10 20 25

Page 3 (3:09 p.m.) 1 2 EXAMINER McMILLAN: Calling 20592? 3 MR. BRUCE: Yes, sir. EXAMINER McMILLAN: Let me find the file. 4 Is that combined? 5 6 MR. BRUCE: No. They're two separate 7 Matador cases. 8 EXAMINER McMILLAN: I would like to call 9 Case 20592, application of Matador Production Company for compulsory pooling, Eddy County, New Mexico. 10 11 Call for appearances. 12 MR. BRUCE: Mr. Examiner, Jim Bruce of 13 Santa Fe representing the Applicant. 14 I have two witnesses. 15 EXAMINER McMILLAN: Okay. 16 Any other appearances? 17 Get sworn in. 18 (Mr. Helbing and Mr. Collier sworn.) 19 ROBERT HELBING, 20 after having been first duly sworn under oath, was questioned and testified as follows: 21 22 DIRECT EXAMINATION BY MR. BRUCE: 23 24 Would you please state your name for the record 0. 25 and who you're employed by and in what capacity?

Page 4 Robert Helbing. I work for Matador Resources 1 Α. 2 Company. I'm a landman. 3 Q. Have you previously testified before the Division? 4 5 Α. No. 6 Well, let's start going through your Q. 7 educational and employment background. Where did you 8 get your undergraduate degree? 9 I got my energy commerce degree from Texas Tech Α. University, graduated in May 2018. 10 11 And what did you do thereafter? 0. 12 Α. I immediately came to work full time with 13 Matador and also spent a summer interning with Matador in 2017. 14 15 And during that time, have you always been ο. 16 working as a landman with responsibility in Eddy and Lea Counties, New Mexico? 17 18 Α. Yes. 19 Are you a member of any professional Q. 20 organizations? 21 Α. Yes, PBLA and AAPL. 22 Q. And as part of your employment with Matador, 23 are you also required to participate in at least 40 24 hours of continuing education each year? 25 Α. Yes.

Page 5 Are you familiar with the application filed in 1 0. 2 this case? 3 Α. Yes. 4 And are you familiar with the status of the ο. lands in this case? 5 6 Α. Yes. 7 MR. BRUCE: Mr. Examiner, I tender 8 Mr. Helbing as an expert petroleum landman. 9 EXAMINER McMILLAN: I just want you to know I've got my priorities in life set right. At 10 11 Thanksgiving, I'm going to see Tech play basketball. THE WITNESS: Good choice. 12 13 MR. BRUCE: Who are they playing? EXAMINER McMILLAN: They're playing in a 14 15 tournament in Vegas. 16 Q. (BY MR. BRUCE) Let's turn to Exhibit Number 1, Mr. Helbing. Does this exhibit show the unit Matador 17 18 seeks to pool in the application? 19 Α. Yes. 20 And what is the acreage description? Q. It is the east half 320 acres of Sections 28, 21 Α. 22 23 South, 29 East, Eddy County. 23 And are you seeking to force pool the Wolfcamp 0. 24 Formation? 25 Α. Yes.

Page 6 1 What type of lands are involved with this Q. 2 application? It's federal lands, so two separate federal 3 Α. leases. 4 5 And they're highlighted in different colors on Q. 6 this plat? 7 Α. Yes. 8 Q. Are there any depth severances in the Wolfcamp 9 Formation in this well unit? 10 Α. No. 11 Move on to Exhibit 2. Can you identify -- I 0. 12 believe it's in two parts. Can you identify Exhibits 2A 13 and 2B? Yes. These are the draft C-102s for the 14 Α. Anderson Laing Fed Com 208H and 228H, again outlining 15 16 the east half of the 320 stand-up spacing unit. 17 Q. And are these wells in the Purple Sage; Wolfcamp Gas Pool? 18 19 Α. Yes. 20 And will the completed interval in each well Q. 21 comply with the setback requirements in the special pool 22 rules? 23 Α. Yes. 24 And is 2B simply the plat for the 228 well? Q. 25 Yes. Correct. Α.

Page 7 Is the 228 a slightly deeper target than the 1 Q. 2 Wolfcamp? It is. 3 Α. What is Exhibit 3? 4 ο. 5 This is a summary of the interests in the unit Α. showing that we're just seeking to pool XTO's 50 percent 6 7 interest. 8 We'll get to your proposal letters in a while, Q. 9 but has Matador been in contact with XTO? 10 Α. Yes. 11 What is the status of those discussions? 0. 12 Α. We're actively working on the -- voluntary 13 joinder, working on the JOA between the two parties. 14 Okay. And if you reach agreement on that, will 0. 15 you notify the Division so that XTO will not be subject 16 to a pooling order? 17 Α. Yes. What is -- there is a second page under Exhibit 18 Q. 19 3. What is that? 20 This second page is a list of the overriding Α. 21 royalty interest owners in the unit. 22 Q. And do you seek to pool them? 23 Α. Yes. 24 For communitization purposes? 0. 25 Yes, sir. Α.

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1	Q. And what are Exhibits 4A and B?
2	A. These are copies of the well proposals that
3	were sent to XTO Holdings with a copy of the AFEs for
4	the 208H and 228H attached.
5	Q. And did each letter contain or include an AFE
6	for each of the wells?
7	A. Yes.
8	Q. Just looking at the AFEs, what are the
9	approximate costs of the two wells?
10	A. For the Anderson Laing 208H, the approximate
11	cost listed is 7,805,007. And flipping to B, the
12	approximate cost for the Anderson Laing 228H is
13	8,236,305.
14	Q. And that well is somewhat deeper than the 208
15	well; is that correct?
16	A. Yes.
17	Q. And are the costs reflected on the two AFEs
18	fair and reasonable and consistent with the costs of
19	other similar wells drilled by Matador and other
20	operators in this area?
21	A. Yes.
22	Q. What overhead rates do you request?
23	A. We're requesting 8,000 per month drilling and
24	800 per month producing.
25	Q. And are these costs similar to what other

Page 9 operators in this area charge for wells of this type? 1 2 Α. Yes. 3 Q. And are these the costs that are also proposed in the JOA? 4 5 Α. Yes. 6 Do you request that these overhead rates be Q. 7 adjusted as provided by the COPAS accounting procedure? 8 Α. Yes. And did you inform me of the names to notice 9 0. 10 for this hearing? 11 Yes, I did. Α. 12 0. And is Exhibit 5 my Affidavit of Notice to the 13 working interest owner and the overriding royalty 14 interest owners in this well? 15 Α. Yes. 16 Now, there were a couple of returned envelopes, Q. 17 Primavera Resources and the Curtis Neeley Management Apparently, those are unlocatable interests? 18 Trust. 19 Yes. So those addresses we have are -- field Α. 20 brokers run title out there, and they check public records and give us a list of what people need to be --21 22 the current addresses for all the parties. 23 0. Okay. Check the public records. And do this 24 commonly check Internet records? 25 They'll also check Internet, so forth. Α. Yes.

Page 10 1 And based on what you've told me, has Matador 0. 2 either made a good-faith effort to obtain the voluntary 3 joinder of owners in the well or to locate those 4 interest owners? 5 Α. Yes. MR. BRUCE: And, Mr. Examiner, at the back 6 7 page of Exhibit 5 is the Affidavit of Publication in the 8 Carlsbad newspaper. That shows that all the interest 9 owners also received publication notice. 10 (BY MR. BRUCE) Do you request that Matador 0. 11 Production Company be designated operator of the well? 12 Α. Yes. 13 And do you request the maximum cost plus 200 0. 14 percent risk charge if XTO does not voluntarily join in the well? 15 16 Α. Yes. 17 And in your opinion, will the granting of this Q. application be in the interest of conservation and the 18 19 prevention of waste? 20 Yes. Α. 21 And were Exhibits 1 through 5 either prepared Q. by you or compiled under your direction and supervision 22 23 or compiled from company business records? 24 Α. Yes. 25 MR. BRUCE: Mr. Examiner, I move the

Page 11 admission of Exhibits 1 through 5. 1 2 EXAMINER McMILLAN: Exhibits 1 through 5 3 may now be accepted as part of the record. (Matador Production Company Exhibit Numbers 4 1 through 5 are offered and admitted into 5 evidence.) 6 7 MR. BRUCE: One thing. I did ask that 8 Mr. Helbing be recognized as an expert petroleum landman. I don't know if you ruled. 9 10 EXAMINER McMILLAN: So qualified. 11 MR. BRUCE: And I have no further questions 12 for the witness. 13 CROSS-EXAMINATION BY EXAMINER MURPHY: 14 15 Tab 3, the Summary of Interests, Matador has 50 ο. 16 percent interest? Yes, ma'am. Matador has a lease that covers in 17 Α. that east half of Section 28, the east half-east half, 18 19 and XTO has the west half-east half. 20 And so they have the other 50 percent? Q. 21 Α. Yes, ma'am. So these add up to 100 percent. 22 Q. And you have talked to them? 23 Yes. We're talking with them right now and Α. 24 actively working on a JOA with them. I spoke with their 25 landman before coming out here, and they mentioned they

Page 12 didn't have any problems with that, help move everything 1 2 along. 3 Q. Why didn't they help move it along and you 4 wouldn't be here? 5 And so the one well is a tad deeper, 1,000 6 feet more? 7 Α. Yes. The 228H, yes, ma'am. 8 Q. And it's the same pad? Yes, ma'am. 9 Α. 10 Q. Okay. 11 CROSS-EXAMINATION 12 BY EXAMINER COSS: 13 Q. Well, now I have questions. 14 So this Tab Exhibit 3 here, it says that 15 between these two owners that's 100 percent. What is on 16 the next page? 17 Those are just overriding royalty interest Α. 18 owners. 19 Can you explain to me what that means? Q. 20 They don't have a working interest in the unit, Α. 21 but --22 MR. BRUCE: It's a non-cost-bearing interest carved out of the working interest, and it's 23 24 necessary to join them in for purposes of a pooling 25 designation order or communitization agreement.

Page 13 1 (BY EXAMINER COSS) I had one more question. Q. 2 Those are all my questions. Thank you. 3 EXAMINER McMILLAN: Do you have anything? 4 CROSS-EXAMINATION 5 BY EXAMINER BRANCARD: 6 So does a special pool order require 320 Q. 7 minimum? 8 MR. BRUCE: The Purple Sage; Wolfcamp Gas 9 Pool is spaced on 320 acres with 330-foot setbacks. 10 EXAMINER BRANCARD: So it's a gas pool? 11 MR. BRUCE: Yes. 12 EXAMINER BRANCARD: Thanks. 13 EXAMINER COSS: Does it matter if you're intending to extract gas from these wells, not oil? 14 MR. BRUCE: The geologist can tell you, but 15 16 it produces both oil and gas. Depending on where you complete in the Wolfcamp, it might be more oily or more 17 18 gassy. 19 EXAMINER COSS: Does it matter if you 20 intend to produce oil from it --EXAMINER McMILLAN: Well, that's -- that's 21 22 an ugly mess. 23 MR. BRUCE: We don't want to talk about 24 that. 25 (Laughter.)

Page 14 EXAMINER McMILLAN: Yeah, we don't want to 1 2 talk about that. 3 If a well produces any -- if a well produces any gas from a gas pool, it's considered a gas 4 5 well. EXAMINER COSS: Okay. But they're --6 7 EXAMINER McMILLAN: Right. So --8 MR. BRUCE: In this formation, they will 9 produce both. 10 EXAMINER MURPHY: This is a special one. 11 EXAMINER McMILLAN: Yeah. This is a 12 special one. That's what you have to realize about 13 drilling rights. 14 EXAMINER COSS: Seems like everyone is special. 15 16 EXAMINER MURPHY: There you go. 17 (Laughter.) EXAMINER BRANCARD: So this would be --18 19 this would be a -- this would be a standard horizontal 20 spacing unit for a horizontal gas well. 21 MR. BRUCE: It would actually be a standard --22 23 EXAMINER McMILLAN: Spacing unit. 24 MR. BRUCE: -- spacing unit for a vertical 25 gas well.

Page 15 1 EXAMINER McMILLAN: Yeah. 2 EXAMINER COSS: Is the intent to capture 3 and sell gas? MR. BRUCE: Hardly. Hardly. Sure. It 4 5 pays the bills. 6 EXAMINER McMILLAN: These operations. 7 Okay. Thanks. THE WITNESS: Thank you. 8 9 CLARK COLLIER, 10 after having been previously sworn under oath, was 11 questioned and testified as follows: 12 DIRECT EXAMINATION BY MR. BRUCE: 13 14 Q. Would you please state your name and city of residence for the record? 15 16 Α. My name is Clark Collier. I live in Dallas, 17 Texas. 18 Who do you work for and in what capacity? Q. 19 Α. I work for Matador Resources Company as a 20 qeologist. 21 Q. And Matador Resources and Matador Petroleum are related entities; is that correct? 22 23 Α. Yes, sir. 24 How long have you been with Matador? Q. 25 For -- I guess since the spring of 2015, so Α.

Page 16 1 three or four years. 2 What are your responsibilities in the Permian 0. 3 Basin? I work on a team who manages the development 4 Α. 5 and acquisition of properties in Eddy and Lea Counties. 6 Have you previously testified before the Q. 7 Division? 8 Α. I have. And were your credentials as an expert 9 Q. petroleum geologist accepted as a matter of record? 10 11 Α. Yes. 12 0. Were your credentials -- excuse me. 13 And are you familiar with the application 14 filed in this case? 15 Α. Yes. 16 And have you conducted a geologic study of the Q. lands that are the subject of this application? 17 18 Α. Yes. 19 MR. BRUCE: Mr. Examiner, I tender 20 Mr. Collier as an expert petroleum geologist. 21 EXAMINER McMILLAN: So qualified. 22 (BY MR. BRUCE) Mr. Collier, what is Exhibit 6? 0. 23 This is the locator map identifying the project Α. 24 area for the Anderson Laing wells in Eddy County. 25 And what is Exhibit 7? 0.

Page 17 This is a structure map on the top of the 1 Α. 2 Wolfcamp, and you can see our project area highlighted in yellow. And we've indicated where the wellbore 3 locations are. In this case there is only one well 4 5 there because the wellbores are stacked. You can see 6 the contour intervals are in 50-foot increments, and 7 they're dipping gently to the east at about 1 to 2 8 degrees. I've also indicated the control points. Those black dots with the Z values and negative subsea values 9 should correlate with the structure map. I've also 10 11 indicated offset well -- offset Wolfcamp producers that 12 are highlighted in orange on this map. 13 And all the nearby wells are stand-up wells? 0. They are in this case. Yes. 14 Α. 15 But in this general area, there are a lot of ο. 16 lay-down wells also; is that correct? 17 There are, yes, if you were to extend out this Α. map. And we have drilled a lot of lay-down wells a few 18 19 miles to the east -- excuse me -- to the west. 20 So it appears in this place -- in this area --Q. 21 in this immediate area that stand-up wells are favored, 22 but there is really no firm conviction either way in the 23 Wolfcamp in this general area? 24 Α. I would agree with that. 25 Is there any faulting in this area? **Q**.

Page 18 Not to our knowledge. 1 Α. 2 ο. Are there any pinch-outs in the Wolfcamp? 3 Α. Not to our knowledge. And do you see any other geologic impediments 4 Q. 5 to drilling horizontal wells in this area? 6 Α. No. 7 What is Exhibit 8? 0. 8 Α. This exhibit is a copy of the map -- the structure map from the previous exhibit, but in this 9 case, we're highlighting the three-well cross section 10 that will be on the next exhibit. So it's from A to A 11 12 prime, roughly from south to north through the Laguna Grande Unit #1, Cochiti 28 Federal 1 and the Laguna 13 Salado South Unit #1. 14 Are these logs from older deeper gas wells? 15 ο. I believe -- I believe so. 16 Α. Yes. I actually 17 don't know what formations they're produced from, but 18 they cover our zone of interest. 19 0. Probably Morrow gas wells? 20 Probably. Α. 21 And do these well logs which -- moving on to Q. 22 Exhibit 9, do they, in your opinion, accurately reflect the Wolfcamp Formation in this area? 23 Yes, sir. 24 Α. 25 Could you discuss the cross section for the Q.

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1	examiner?
2	A. Sure. So this cross section I believe it's
3	Exhibit 10; is that right? Exhibit 9. Sorry.
4	Q. 9.
5	A. So this is that three-well section. And as you
6	can see, we've indicated the top of the Wolfcamp and the
7	base of the Wolfcamp. The well in the middle actually
8	didn't penetrate or at least the logs didn't cover the
9	entirety of the Wolfcamp, but it did cover our Wolfcamp
10	A zone there, so we include it in this cross section.
11	We've also highlighted the two intervals that we're
12	interested in in drilling here. So we have a Wolfcamp A
13	zone at the top and then our deeper what we call the
14	Wolfcamp B zone at the bottom.
15	Q. Is that an approximately 1,000 feet difference?
16	A. It is.
17	Q. And is each of the zones you intend to test in
18	the Wolfcamp continuous across the length of the
19	wellbore?
20	A. Yes, they are.
21	Q. And in your opinion, will each quarter section
22	in the well unit contribute more or less equally to
23	production from each well?
24	A. Yes.
25	Q. And from a geologic perspective, can the
1	

Page 20 acreage be efficiently and economically developed by 1 2 horizontal wells? 3 Α. Yes. 4 And finally, what is shown on Exhibit 10? Q. So this is a wellbore schematic showing the 5 Α. Anderson Laing #208H, and we've indicated the 6 7 surface-hole location, as well as the boundaries for the 8 project area. And we are showing that we will be 9 abiding by the setbacks as per the Purple Sage Pool. 10 In your opinion, will the granting of this Q. 11 application be in the interest of conservation and the 12 prevention of waste? 13 Α. Yes. 14 And were Exhibits 6 through 10 prepared by you 0. 15 or under your supervision? 16 Α. Yes. 17 MR. BRUCE: Mr. Examiner, I move the 18 admission of Exhibits 6 through 10. 19 EXAMINER McMILLAN: Exhibits 6 through 10 20 may now be accepted as part of the record. (Matador Production Company Exhibit Numbers 21 6 through 10 are offered and admitted into 22 23 evidence.) 24 MR. BRUCE: I have no further questions of 25 the witness.

Page 21 1 CROSS-EXAMINATION 2 BY EXAMINER MURPHY: 3 Q. On Exhibit 9, Wolfcamp A and B --Yes, ma'am. 4 Α. 5 -- and you have a target interval in red? Q. 6 Α. Yes. 7 How thick is that? About 75 feet or no? ο. Ι 8 can't tell. I'm sorry. 9 Right. So are you asking about the -- both of Α. them in this case? 10 11 Yeah. Yeah. 0. 12 Α. Okay. So we've highlighted kind of a general 13 target for what we target in the A. And then in the B, I think I probably have 14 about 100 feet covered there on the bottom, maybe 50 15 16 feet up there, 50 to 75 feet on the -- on the top. When we actually get to drilling -- we'll focus in on a 17 18 narrower target when we drill the well, probably about 19 20 to 40 feet on both of those. 20 So is that a sandstone? Q. The upper target in the Wolfcamp A, our primary 21 Α. 22 target there is a sandstone, but the Wolfcamp B is 23 primarily a shale. 24 Q. Okay. 25

Page 22 1 CROSS-EXAMINATION 2 BY EXAMINER COSS: 3 Q. What other -- and maybe this is common 4 knowledge and practice in the basin, but what other 5 attributes of those logs makes you hone in on those two 6 zones? 7 Α. So the porosity track is on the far right. And 8 on the logs that show porosity over our target 9 intervals, we're highlighted a 10 percent cutoff in red. So you might have to squint and zoom in there, but we 10 11 generally see a higher porosity in those zones. The 12 sandstones that continue through the Wolfcamp A in the area, we call those the X and the Y. Sometimes you see 13 a Z sand. We've drilled numerous wells in those zones, 14 and they're some of our best. So we believe those sand 15 16 packages carry higher relative porosity and permeability and act as very good reservoirs that get charged by the 17 18 surrounding source rock in the Wolfcamp. 19 And then the deeper Wolfcamp B wells, 20 primarily a shale. It's high TOC, a very good source 21 rock. And, again, we've -- we've drilled a lot of wells 22 in that zone, and they've been economic, successful wells for us. 23 24 And what happens when you go into -- it looks 0. 25 like there are sands above and below that zone. What

Page 23

1 happens if you go into those?

2 A. In the sands above and below the -- which3 target?

Q. The lower one.

4

5 The lower one? So the lower gamma ray there, I Α. don't believe those are sandstones. There is a lot of 6 7 carbonate debris deposits in the -- in the Wolfcamp B, 8 and those tend to read lower on the gamma ray. I assume 9 that's what you're seeing there. Yeah. And it also has 10 a higher resistivity signature, and the porosity drops 11 as well. So those are -- those are tighter carbonate --12 0. Those are limestones? 13 Those are limestones. Yes, sir. Α. 14 0. Okay. Did you hang this cross section on any 15 interval. 16 Α. This is a structural cross section, so it's 17 just hung on zero subsea. 18 Q. Okay. And do you have any hypotheses on why 19 it's gas -- more gas rich in the area versus oil rich and what type of marker you're seeing to suggest that? 20 21 Α. So why is the Wolfcamp gassier in Eddy County? Is that -- is that your question? 22 23 0. Yeah. 24 Α. So I think it has to do with the regional 25 heat -- the heat flow, and Eddy County seems to be

Page 24 higher than it is in Lea County. So that might have to 1 do with -- it's kind of -- it's a broader tectonic 2 explanation, I guess, if you want to go -- go down that 3 route. But we believe that there is a higher thermal 4 maturity on -- in -- on the west side of the basin than 5 the east side. So the source rock is just more mature. 6 7 There's been more gas that's been expelled into the --8 into the reservoirs. 9 Okay. I know that's kind of -- I don't know 0. that it has any bearing on what we're talking about. 10 11 Oh, and third on this well design, the 10A, 12 it seems as though the well pad -- I don't know if this 13 is oriented. It veers to the right of the page and back 14 on the left. Is that intentional? Okay. The back-build? 15 Α. 16 Uh-huh. Q. Α. 17 Is that what you're -- yes. That's a technique 18 we usually employ in our wells. It allows us to 19 maximize our horizontal length within the setback area. 20 So we actually won't produce behind that dashed line, which is at the edge of the -- which is the setback. 21 So 22 we just back-build as far as we can without getting off 23 of our lease, and that way we can maximize the 24 producible horizontal length. 25 Q. Thank you. Those are all my questions.

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1	MR. BRUCE: I have nothing further to
2	present, Mr. Examiner. I'd ask that the matter be taken
3	under advisement.
4	EXAMINER McMILLAN: Case Number 20592 shall
5	be taken under advisement.
б	Thank you.
7	(Case Number 20592 concludes, 3:34 p.m.)
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Page 26 1 STATE OF NEW MEXICO 2 COUNTY OF BERNALILLO 3 CERTIFICATE OF COURT REPORTER 4 5 I, MARY C. HANKINS, Certified Court Reporter, New Mexico Certified Court Reporter No. 20, 6 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 a true and correct transcript of those proceedings that 10 were reduced to printed form by me to the best of my 11 12 ability. 13 I FURTHER CERTIFY that the Reporter's Record of the proceedings truly and accurately reflects 14 the exhibits, if any, offered by the respective parties. 15 16 I FURTHER CERTIFY that I am neither employed by nor related to any of the parties or 17 18 attorneys in this case and that I have no interest in 19 the final disposition of this case. 20 DATED THIS 13th day of September 2019. 21 22 MARY C. HANKINS, CCR, RPR 23 Certified Court Reporter New Mexico CCR No. 20 Date of CCR Expiration: 12/31/2019 24 Paul Baca Professional Court Reporters 25