

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:

ORIGINAL

CASE 15301

APPLICATION OF MATADOR PRODUCTION COMPANY
FOR A NON-STANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

MAY 28, 2015

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
SCOTT DAWSON, ADJUNCT EXAMINER
GABRIEL WADE, LEGAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, William V. Jones,
Chief Examiner, Scott Dawson, Adjunct Examiner, and
Gabriel Wade, Legal Examiner, on May 28, 2015, 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: ELLEN H. ALLANIC
NEW MEXICO CCR 100
CALIFORNIA CSR 8670
PAUL BACA COURT REPORTERS
500 Fourth Street, NW
Suite 105
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1 A P P E A R A N C E S

2 FOR THE APPLICANT:

3 Earl E. DeBrine, Jr.
4 Modrall Sperling
5 500 Fourth Street NW
6 Bank of America Centre
7 Suite 1000
8 Albuquerque, New Mexico 87102

6

7

8 I N D E X

9 CASE NUMBER 15301 CALLED

10 MATADOR PRODUCTION COMPANY CASE-IN-CHIEF:

11 WITNESS TREY GOODWIN

12		Direct	Redirect	Further
	By Mr. DeBrine	5		

13

EXAMINATION

14	Examiner Dawson	15		
	Examiner Jones	16		

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16 WITNESS JERON WILLIAMSON

17		Direct	Redirect	Further
	By Mr. DeBrine	18		

18

EXAMINATION

19	Examiner Dawson	24		
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E X H I B I T I N D E X
Exhibits Offered and Admitted

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Matador Production Company Exhibit 11	15

1 (Time noted 10:12 a.m.)

2 EXAMINER JONES: I guess we'll go back to
3 the top of the docket here, and start on the Matador
4 wells. Let's call case 15301, Application of Matador
5 Production Company for a non-standard spacing and
6 proration unit and compulsory pooling in Eddy County,
7 New Mexico.

8 Call for appearances.

9 MR. DeBRINE: Good morning.

10 EXAMINER JONES: Good morning.

11 MR. DeBRINE: Mr. Examiner, we will try not
12 to be too confusing, because we've got two separate
13 cases involving compulsory pooling for Matador in the
14 same general area. One is for a 320 Wolfcamp Gas well,
15 and the other is for a 160 Bone Springs oil well spacing
16 unit. And it is more or less -- there is a little bit
17 of difference in the ownership and committed owners and
18 so we are going to do each case separately, but there's
19 going to be probably substantial overlap in the
20 testimony for each case.

21 EXAMINER JONES: Any other appearances in
22 this case?

23 (No response.)

24 EXAMINER JONES: Any witnesses?

25 MR. DeBRINE: Earl DeBrine with the Modrall

1 firm for Matador Production Company. The case is not
2 opposed. We are going to have two witnesses, the
3 landman, Trey Goodwin, and an engineer, Jason
4 Williamson.

5 EXAMINER JONES: Will the two witnesses
6 please stand and will the court reporter swear them in.

7 (Whereupon, the presenting witnesses were
8 administered the oath.)

9 MR. DeBRINE: I call Trey Goodwin at this
10 time.

11 TREY GOODWIN
12 having first been duly sworn, was examined and testified
13 as follows:

14 DIRECT EXAMINATION

15 BY MR. DeBRINE:

16 Q. Could you please state your name for the record.

17 A. Trey Goodwin.

18 Q. And who do you work for?

19 A. MRC Energy Company, an affiliate of Matador
20 Production Company.

21 Q. And what are your responsibilities as a landman
22 for MRC Energy?

23 A. I am a senior landman. I negotiate acquisition
24 of mineral interests, obtain surface use agreements
25 working with surface owners, as well as reviewing

1 abstracts, title opinions, curative.

2 Q. And have you previously testified before the
3 Division?

4 A. No.

5 Q. Could you give the Examiner some information with
6 regard to your educational background and prior work
7 history in the oil and gas industry.

8 A. Yes. I graduated with a degree in business
9 administration from Oklahoma State University in 2008.
10 I also have a degree in energy management from the
11 University of Tulsa which I received in May of 2012.

12 Q. Are you familiar with the application that has
13 been filed by Matador in this case?

14 A. Yes.

15 Q. Are you familiar with the status of the lands
16 that are the subject of this application?

17 A. Yes.

18 MR. DeBRINE: We tender the witness as an
19 expert in petroleum land matters.

20 EXAMINER JONES: He is so qualified.

21 Q. If you could turn to Exhibit 1 and take a look at
22 that.

23 A. Exhibit 1, this is a copy of the C-102 plat that
24 was attached to our approved permit for the Janie Conner
25 124H.

1 Q. Could you explain what Matador is seeking through
2 its application in this case?

3 A. Yes. We are seeking to form a 160-acre project
4 area comprising of the Bone Springs Formation.

5 Q. And what is this portion of the section?

6 A. This is an old well.

7 Q. What is the location of the proposed well?

8 A. In section 13, township 24 south, range 28 east.

9 Q. And what is the name of the well?

10 A. This is the Janie Conner 124H.

11 Q. Is the well going to be drilled and completed in
12 standard locations?

13 A. Yes.

14 Q. And so you are asking the Division to pull the
15 mineral interests underlying the project area in the
16 Bone Springs Formation for the well?

17 A. Yes.

18 Q. Are all of the working interest owners in the
19 project area committed to the well?

20 A. No.

21 Q. You prepared an exhibit that indicates the
22 committed interests or the percentage of committed
23 interests and the parties you are seeking to pool?

24 A. Yes.

25 Q. You can turn to that exhibit.

1 A. Okay. If we take a look at Exhibit 2, I provided
2 a mineral interest summary with a breakdown of our
3 committed and non-committed interest owners. As you can
4 see a committed working interest percentage of 76.53
5 percent and a non-committed interest of 23.46 percent.

6 Q. And so Exhibit 2 reflects that you're seeking to
7 pool both some uncommitted working interest owners and
8 some uncommitted mineral interest owners as well?

9 A. Yes.

10 Q. With regard to the well, the Janie Conner
11 13-24S-28E 124H well, what is the API number for that
12 one?

13 A. 30-015-43039.

14 Q. What is the pool involved in the application?

15 A. This is the Pierce Crossing Bone Springs.

16 Q. What is the pool number for that pool?

17 A. 50371.

18 Q. Are there any special rules applicable for that
19 pool?

20 A. There's no special pool rules.

21 Q. And you indicated earlier that there are regular
22 normal setbacks of 330 feet under statewide rules for
23 the completed interval?

24 A. Yes. Setbacks are normal, 330 feet.

25 Q. What's the surface at bottom hole locations for

1 the well?

2 A. The surface hole location is located in lot P of
3 section 14, township 24 south, 28 east; 415 feet from
4 the south line, 255 feet from the east line.

5 And the location of the bottom hole is in section
6 13, lot P, 24 south, 28 east, 331 feet from the south
7 line, 240 feet from the east line.

8 Q. And the completed interval for the well, it will
9 be in compliance with the 330-foot setback requirements,
10 correct?

11 A. Yes.

12 Q. Let's talk about your efforts to seek voluntary
13 approval of the interest owners and mineral interest
14 owners to participate in the well.

15 If you look at Exhibit 2, which you just
16 identified who those owners are --

17 A. Yes.

18 Q. -- could you explain to the Examiner what efforts
19 were undertaken by you and others at Matador in order to
20 reach voluntary agreement prior to bringing your
21 application?

22 A. Yes. We sent well proposals and leases to each
23 of these individuals. And we also engaged with a third
24 party company to help us locate additional addresses and
25 telephone numbers.

1 And we continue to correspond with those that we
2 could get in touch with and worked out an agreement with
3 many of them. And the ones that we weren't able to get
4 in touch with or reach agreements are the ones we see
5 listed here.

6 Q. If you turn to Exhibit 3, is that copies of the
7 well proposal letters that were sent out back in
8 September of 2014 concerning the well?

9 A. Yes. These are the well proposals that we sent
10 out for each of the individuals that we wished to force
11 pool.

12 Q. Did your proposal include an AFE estimating the
13 cost of drilling, completing the well?

14 A. Yes. And I have a copy of the AFE as the -- it's
15 the last page in this exhibit.

16 Q. Does Exhibit E include the dry hole and
17 completion costs and could you tell the examiner what
18 those are?

19 A. Yes. The dry hole costs are \$2,539,322.
20 Completion costs are \$4,145,024.

21 Q. After sending the proposal letter to the working
22 interest and proposed leases to the unleased mineral
23 owners, what else did you do to try to obtain their
24 voluntary joinder in the well?

25 A. We received additional correspondence from

1 parties wishing to participate and we made additional
2 attempts to contact and negotiate with individuals.

3 Q. And in your opinion, did you make a good faith
4 effort to seek voluntary joinder by the interest owners
5 and the mineral owners before filing your application?

6 A. Yes.

7 Q. Let's look a little bit closer at the well costs
8 that are proposed on the AFE in Exhibit 3. Have you
9 also estimated what the overhead costs while drilling
10 and producing the well will be?

11 A. Yes. We estimate that our drilling overhead cost
12 will be \$7,000 and production overhead cost of \$700.

13 Q. Are those costs consistent with charges made by
14 Matador on similar wells and other operators in the area
15 who are drilling wells of similar length and depth?

16 A. Yes.

17 Q. Are you asking the Division to include these
18 amounts for administrative and override costs in any
19 order resulting in this case?

20 A. Yes.

21 Q. Are you also requesting the Division to adjust
22 those costs in accordance with the Copas accounting
23 procedures?

24 A. Yes.

25 Q. Are you also requesting the Division to impose a

1 200 percent risk charge for anyone who goes nonconsent
2 with regard to the well, for risk?

3 A. Yes.

4 Q. With regard to notice of this proceeding, if you
5 turn to Exhibit 6, that's my affidavit of notice with
6 regard to the notice that was provided of Matador's
7 application of this proceeding.

8 Have you prepared a list of offset owners of the
9 surrounding 40-acre standard spacing units who were
10 provided notice of Matador's application?

11 A. Yes, we have.

12 Q. And is that Exhibit 5?

13 A. Yes, it is.

14 Q. If you look at Exhibit 6, it includes the letters
15 that were sent out to the offset owners and to the
16 owners within the proposed project area and contains a
17 list of them and the return receipt cards that were sent
18 out and received in response to the notice.

19 Were you able to locate all of the working
20 interests and mineral interest owners, to find them and
21 provide notice of this proceeding?

22 A. Some cards came back as undeliverable. And,
23 again, we engage with third-party companies to locate
24 all addresses, but, yes, we did provide notice to
25 everyone.

1 Q. Did you also publish notice of this proceeding in
2 the Carlsbad Current-Argus in advance of the
3 application?

4 A. Yes. And there's a copy of that, the affidavit
5 of notice that was published as the last page in this
6 exhibit.

7 Q. I noticed on Exhibit 6, one of the parties who is
8 listed as an offset owner is Oxy U.S.A. Inc.?

9 A. Yes.

10 Q. And did their status change with regard to the
11 position they were taking concerning the application?

12 A. Yes. We were working with Oxy as a potential
13 participant in the well. And they took some time
14 reviewing the well. And they reached out to us, letting
15 us know that they did not want to participate in the
16 well and indicated that they would allow their acreage
17 to be force pooled.

18 And I would like to direct you to Exhibit 11 --

19 Q. And if you could --

20 MR. DeBRINE: If I could approach,
21 Mr. Examiner.

22 EXAMINER JONES: Yes.

23 Q. This is an Exhibit that's not in your notebook,
24 but it's Matador Exhibit 11, which is a written
25 communication with Oxy.

1 A. In our communications with Oxy, the entire time
2 we were communicating with them while they were
3 reviewing the well and deciding whether or not they
4 wanted to participate in the well or not, they wanted to
5 ensure that they didn't hold us up in any way from force
6 pooling if that was what they choose to do.

7 And this e-mail was one that we received
8 yesterday from Oxy allowing us to -- giving us the
9 go-ahead to go ahead and list them on the forced pool
10 for the Janie Conner wells.

11 Q. So Oxy had actual notice to this proceeding and
12 then they asked to just be included as one of the
13 parties --

14 A. Yes.

15 Q. -- that would be force pooled rather than
16 participate in the well?

17 A. Yes.

18 Q. Were Exhibits 1 through 6 prepared by you or from
19 the business records of Matador under your direction and
20 supervision?

21 A. Yes.

22 Q. Is the granting of Matador's application in the
23 interest of conservation and prevent waste and protect
24 correlative rights?

25 A. Yes.

1 MR. DeBRINE: We would ask that Exhibits 1
2 through 6 and 11 be admitted into evidence and present
3 the witness for cross by the Examiners.

4 EXAMINER JONES: Exhibits 6 through 11?

5 MR. DeBRINE: Exhibits 1 through 6 and 11.

6 EXAMINER JONES: Exhibits 1 through 6 and 11
7 are admitted.

8 (Whereupon, Matador Production Company
9 Exhibits 1 through 6 and Exhibit 11 were offered and
10 admitted.)

11 EXAMINATION BY EXAMINER DAWSON

12 EXAMINER DAWSON: Good morning, Mr. Goodwin.

13 THE WITNESS: Good morning.

14 EXAMINER DAWSON: The question I have of you
15 is on this lease breakdown in section 13, do you know --
16 I didn't see a map in here documenting the leases. Is
17 it half and half or how does that lay out?

18 THE WITNESS: Yes, this area, this is
19 located right near the town of Malagar, right inside of
20 that Malagar town, so there's a lot of subdivided
21 interests.

22 So for this particular section, you have, in
23 the south half only you have, you know, 20 tracts. And
24 within those 20 tracts, there were, you know, several
25 working interest owners in the underlying tracts.

1 EXAMINER DAWSON: Okay. And they are all
2 documented on this exhibit, too?

3 THE WITNESS: Yes, sir.

4 We have bundled up our committed working
5 interests from those, so there are several tracts where
6 we had committed working interests. But within that
7 same tract, there might have been individuals that we
8 could not have located that had a smaller working
9 interest. And those are the individuals that we have
10 listed here.

11 EXAMINER DAWSON: I have no further
12 questions then.

13 EXAMINATION BY EXAMINER JONES

14 EXAMINER JONES: Mr. Goodwin, the bottom
15 hole location of the well seems to have changed a bit.
16 But did you -- now it's 331 from the south and 240 from
17 the east. Will the completed interval of the well be
18 standard?

19 THE WITNESS: Yes. The completed interval
20 will be standard. The first perforation point is
21 located 330 feet off the south line, 330 feet off the
22 west line of section 13. And the last perforation point
23 is located 330 off the south line and 330 feet off the
24 east line.

25 MR. DeBRINE: And, Mr. Examiner, another

1 witness is going to address it, but if you look at
2 Exhibit 10, is a well diagram that shows that in greater
3 detail.

4 EXAMINER JONES: Okay. There it is. Thank
5 you.

6 So Oxy is running out of money or what?

7 THE WITNESS: (Laughter.)

8 EXAMINER JONES: What's up with them?

9 THE WITNESS: I reached out to them several
10 times, asking why, you know, they didn't want to
11 participate in the well. And they never gave me an
12 answer, so I can't speak on their behalf on why they
13 didn't want to.

14 But all I know is that they didn't want to
15 and they gave us the go ahead to force pool, that's kind
16 of where we are at today.

17 EXAMINER JONES: There's no indication they
18 might, even after the order is issued within the 30 days
19 after they get the costs, go ahead and decide to
20 participate?

21 THE WITNESS: If that happens, if they
22 decide to participate, then we will submit that and take
23 them off the forced pooling.

24 EXAMINER JONES: Okay. So it was quite a
25 land intensive play here.

1 THE WITNESS: This was very land intensive.

2 EXAMINER JONES: And the guy you work with
3 named Pierce -- what is his last name?

4 THE WITNESS: Pierce Thomas.

5 EXAMINER JONES: So he didn't name this?
6 Obviously, this was Pierce Crossing before he --

7 THE WITNESS: He probably would like to
8 think it was named after him.

9 EXAMINER JONES: Yeah. Okay. I don't have
10 any more questions.

11 EXAMINER WADE: I have no questions.

12 EXAMINER JONES: Thank you very much.

13 MR. DeBRINE: My next witness, Mr. Examiner,
14 is Jeron Williamson.

15 JERON WILLIAMSON

16 having been first duly sworn, was examined and testified
17 as follows:

18 DIRECT EXAMINATION

19 BY MR. DeBRINE:

20 Q. Would you please state your name for the record.

21 A. My name is Jeron Williamson.

22 Q. Who do you work for, Mr. Williamson?

23 A. I'm employed by the MRC Energy Company, an
24 affiliate of Matador Production Company.

25 Q. And what is your position with MRC Energy

1 Company?

2 A. I am employed as a senior staff reservoir
3 engineer.

4 Q. What are your duties and responsibilities as a
5 senior staff engineer for MRC?

6 A. So I am associated with the southeast New Mexico
7 development team, their goals being to optimize our
8 development or acreage position in Lea and Eddy
9 counties.

10 Q. As an engineer, do you also work with the geology
11 division within MRC in targeting wells and making your
12 decisions with regard to the drilling of wells?

13 A. That's correct.

14 Q. Could you describe your educational background
15 and prior work history before you joined MRC?

16 A. Sure. I was -- I earned a bachelor of science
17 degree in petroleum engineering from Texas A&M in 1996.
18 In 2002, I received a master's of business
19 administration from Robert Morris University in
20 Pittsburgh, Pennsylvania.

21 I was employed by Schlumberger Data and
22 Consulting Service, formerly S.A. Holich & Associates,
23 for 13-plus years.

24 I have been employed by Talisman Energy for four
25 years in the Pittsburgh, Pennsylvania office, and, for

1 the last ten months, by MRC Energy Company.

2 Q. Do you hold any certifications or belong to any
3 professional organizations?

4 A. I am a member of the Society of Petroleum
5 Engineers.

6 Q. Have you previously testified before the
7 Division?

8 A. Yes.

9 Q. Were your credentials accepted and made a matter
10 of record in that case?

11 A. They were.

12 Q. Are you familiar with the application that has
13 been filed my Matador in this case?

14 A. Yes, I am.

15 Q. Are you also familiar with the status of the
16 lands involved in the application?

17 A. Yes.

18 Q. And the APD for the Janie Conner 13-24S-28E RB,
19 No 124 well?

20 A. I am, yes.

21 Q. Have persons working with you or under your
22 direction and control -- or your direction and
23 supervision conducted a geological and engineering study
24 with regard to the project area for the Janie Conner
25 124H well?

1 A. Yes.

2 MR. DeBRINE: We will tender the witness as
3 an expert in both petroleum and geological engineering
4 matters.

5 EXAMINER JONES: Mr. Williams is qualified
6 as an expert in petroleum engineering and geological
7 matters.

8 Q. If you could turn to what's been marked as
9 Exhibit 7, Mr. Williamson, and explain to the Examiner
10 what is represented by that map.

11 A. Matador Exhibit 7 is a structure map of the top
12 of the Second Bone Spring, a subC structure map, in the
13 Pierce Crossing Bone Spring pool area.

14 Noted on the map in yellow are the Matador
15 acreage blocks. In the center of the map, in blue, is
16 the Matador Janie Conner 124H well, designated there
17 with a surface hole location in the southeast quarter of
18 section 14. The well is being drilled from west to east
19 with the bottom hole location in the southeast quarter
20 of section 13.

21 The contour intervals on this map are 25 feet.
22 And you will notice that the top -- or the Second Bone
23 Spring is dipping to the east at about a one-degree dip.

24 Also located on this map are offset-producing
25 Second Bone Spring horizontal wells. And those are

1 noted with the orange circle attributes.

2 Q. Did you identify if there were any geological
3 impediments to drilling the Janie Conner No. 124 well?

4 A. There do not appear to be any.

5 Q. Did you prepare a cross section of logs to
6 determine the relative thickness in porosity of the
7 Second Bone Spring formation in this area?

8 A. Yes.

9 Q. If you could turn to Exhibit 8, and explain to
10 the Examiner what is shown there.

11 A. Matador Exhibit 8 is a structural cross section,
12 A to A prime. You will notice down at the bottom center
13 of the page is the map showing where these wells are
14 located, so there's wells designated as No. 1 and No. 2.
15 Those are the Oxy U.S.A. Inc. Lightfoot No. 1 and
16 Lightfoot No. 2 wells.

17 In section 14, designated number 3, is the Devon
18 Energy Harrison CL-13 No. 1 well. This cross section
19 shows the top of the Second Bone Spring Sand, there with
20 the maroon-colored line, and the Third Bone Spring
21 carbonate top in the purple line. So you will notice
22 that there is a well above 350 feet of thickness in the
23 Second Bone Spring Sand.

24 The left tracts on the logs are gamma ray and
25 resistivity, with the right tract being the compensating

1 neutron density logs showing in the shaded area of
2 crossover, in red. The cutoff that we are using there
3 is 8 percent porosity, so there's continuous development
4 of the sand across the area that we are going to develop
5 with this well, with porosity ranging from eight to
6 15 percent.

7 Q. And what conclusions have you drawn from your
8 geological and engineering study of the area?

9 A. We have concluded that this formation is
10 continuous, no impediments to drilling a horizontal well
11 in the area. And we do believe that drilling a
12 horizontal well will most effectively develop this
13 acreage.

14 Q. And will each quarter, quarter section of the
15 proposed project area be productive in the Second Bone
16 Spring Formation and contributing to the well?

17 A. Yes, we expect it will be.

18 Q. If you could turn to Exhibit 9. And some of this
19 was incorporated into your earlier testimony. But if
20 you could just explain to the Examiner what that depicts
21 and how that factors into your conclusions.

22 A. Yes, Matador Exhibit 9 is just an isopach map of
23 the Second Bone Spring Sand that shows that the
24 formation is continuous with thicknesses in excess of
25 350 and 375 feet in the area where the Janie Conner's

1 124 will be drilled.

2 Q. If you could turn to Exhibit 10, which is the
3 well bore diagram for the Janie Conner 124. Does that
4 show the completed interval for the well?

5 A. Yes.

6 Q. And is the completed interval within the 330-foot
7 setback requirements under statewide rules?

8 A. Yes, it is.

9 Q. Mr. Williamson, in your opinion will the granting
10 of Matador's application be in the best interests of
11 conservation and the prevention of waste and protection
12 of correlative rights?

13 A. Yes, I believe it will.

14 MR. DeBRINE: We would move for the
15 admission of Exhibits 7 through 10, Mr. Examiner.

16 EXAMINER JONES: Exhibits 7 through 10 will
17 be admitted.

18 (Whereupon, Matador Production Company
19 Exhibits 7 through 10 were offered and admitted.)

20 MR. DeBRINE: And I present the witness for
21 further examination.

22 EXAMINATION BY EXAMINER DAWSON

23 EXAMINER DAWSON: Good morning,

24 Mr. Williamson. I just have a few questions. On the
25 proposed well path going from west to east, I notice a

1 lot of those wells that are southwest of there were
2 drilled north, south.

3 How come you guys decided to go -- and the
4 ones east of there are drilled, it looks like, west to
5 east probably.

6 THE WITNESS: That's right.

7 EXAMINER DAWSON: But is there a reason why
8 you guys decided to make that a west to east instead of
9 north, south?

10 THE WITNESS: Yes, we don't really notice a
11 marked difference in the production results from the
12 wells in this area, in the Second Bone Spring.

13 Really, we've got an existing pad location
14 in section 14 with two other wells already on it.
15 So we're going to basically minimize the surface
16 disturbance by drilling those same wells in that same
17 pad location and drill east, west from that pad.

18 EXAMINER DAWSON: Did you have to obtain a
19 special lease agreement for that pad? I don't know what
20 -- is that federal acreage or is that --

21 THE WITNESS: I would be speaking out of
22 turn, but I believe it's fee acreage.

23 EXAMINER DAWSON: Fee.

24 And 13, the south half of 13, the south
25 half, south half is also fee?

1 THE WITNESS: Yes.

2 EXAMINER DAWSON: That's all the questions I
3 have.

4 MR. DeBRINE: That concludes our
5 presentation.

6 EXAMINER JONES: I don't have any questions.

7 EXAMINER WADE: Neither do I.

8 EXAMINER JONES: Okay. That's it for this
9 presentation.

10 MR. DeBRINE: Mr. Examiner, I was just going
11 to indicate there's some level of urgency with regard to
12 the drilling of this well and then in the next case that
13 we're going to present, so we just ask that the Division
14 act as expeditiously as it can given its difficult
15 workload that I know that it has.

16 EXAMINER JONES: Thanks for --

17 EXAMINER DAWSON: Do you have short-term
18 leases within that?

19 MR. DeBRINE: No. It's primarily driven by
20 the schedule, who's going to be there, and they're going
21 to be drilled next to each other.

22 EXAMINER DAWSON: Okay.

23 EXAMINER JONES: Okay. With nothing else in
24 this case, we'll take the case under --

25 UNIDENTIFIED VOICE FROM THE REAR: I'd like

1 to say that we do have lease expirations in September,
2 September 15th. So that's one of the reasons why the
3 drill schedule and why it's urgent. We do have lease
4 expiration issues.

5 EXAMINER DAWSON: Okay.

6 EXAMINER JONES: We will take case 15301
7 under advisement.

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9 (Time noted 10:41 a.m.)

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I do hereby certify that the foregoing is
a correct record of the proceedings in
the examiner hearing of Case No. _____
heard by me on _____
_____, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO)
 2) ss.
 3 COUNTY OF BERNALILLO)
 4
 5
 6

7 REPORTER'S CERTIFICATE

8
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR
 10 No. 100, DO HEREBY CERTIFY that on Thursday, May 28,
 11 2015, the proceedings in the above-captioned matter were
 12 taken before me, that I did report in stenographic
 13 shorthand the proceedings set forth herein, and the
 14 foregoing pages are a true and correct transcription to
 15 the best of my ability and control.

16
 17 I FURTHER CERTIFY that I am neither employed by
 18 nor related to nor contracted with (unless excepted by
 19 the rules) any of the parties or attorneys in this case,
 20 and that I have no interest whatsoever in the final
 21 disposition of this case in any court.

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ELLEN H. ALLANIC, CSR
 NM Certified Court Reporter No. 100
 License Expires: 12/31/15