

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

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

7 APPLICATION OF COG OPERATING, Case 15282  
8 LLC, for a nonstandard spacing  
9 and proration unit and compulsory  
10 pooling, Eddy County, New Mexico

ORIGINAL

11 APPLICATION OF COG OPERATING, Case 15283  
12 LLC, for a nonstandard spacing  
13 and proration unit and compulsory  
14 pooling, Eddy County, New Mexico

10

11 TRANSCRIPT OF PROCEEDINGS  
12 EXAMINER HEARING

13 BEFORE: MICHAEL McMILLAN, Hearing Examiner  
14 GABRIEL WADE, Legal Examiner

15 April 2, 2015

16 Santa Fe, New Mexico

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17 This matter came on for hearing before the New  
18 Mexico Oil Conservation Division, MICHAEL McMILLAN,  
19 Hearing Examiner, and GABRIEL WADE, Legal Examiner,  
20 on Thursday, April 2, 2015, in Santa Fe, New Mexico.

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23 REPORTED BY: PAUL BACA, CCR #112  
24 PAUL BACA COURT REPORTERS  
25 500 4th Street, NW, Suite 105  
Albuquerque, New Mexico 87102

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A P P E A R A N C E S

For the Applicant:

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1 HEARING EXAMINER McMILLAN: I would like  
2 to call Case Number 15282, application of COG  
3 Operating, LLC, for nonstandard spacing and  
4 proration unit and compulsory pooling, Eddy County,  
5 New Mexico.

6 Call for appearances.

7 MR. FELDEWERT: May it please the  
8 Examiner.

9 Michael Feldewert with the Santa Fe office  
10 of Holland & Hart appearing on behalf of the  
11 applicant.

12 In our prehearing statements we ask that  
13 this case be consolidated for hearing with the next  
14 case on the docket.

15 I can't find my docket sheet. I can't  
16 identify that case, but there's two cases remaining  
17 on your docket in our prehearing statement request.

18 HEARING EXAMINER McMILLAN: Okay. Thank  
19 you.

20 MR. FELDEWERT: We would ask that this  
21 case be consolidated with Case Number 15283.

22 HEARING EXAMINER McMILLAN: Okay. Case  
23 Number 15282 and Case Number 15283, application of  
24 COG Operating, LLC, for a nonstandard spacing and  
25 proration unit and compulsory pooling, Eddy County,

1 New Mexico, will be consolidated for hearing  
2 purpose, but separate orders will be issued.

3 MR. FELDEWERT: Mr. Examiner, I have two  
4 witnesses.

5 HEARING EXAMINER McMILLAN: Okay.

6 MR. FELDEWERT: One of which has not  
7 previously been sworn.

8 DYLAN C. PARK,  
9 after having been first duly sworn under oath,  
10 was questioned and testified as follows:

11 EXAMINATION

12 BY MR. FELDEWERT:

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

15 A. My name is Dylan Park. I work for COG  
16 Operating, LLC, as a petroleum landman.

17 Q. And how long, Mr. Park, have you been a  
18 petroleum landman with the company?

19 A. I've been with the company about eight  
20 months.

21 Q. And prior to that who did you work for?

22 A. Apache Corporation.

23 Q. As a landman?

24 A. Yes, sir.

25 Q. And how long were you with Apache?

1 A. Approximately six years.

2 Q. And did your responsibilities include the  
3 Permian Basin?

4 A. Yes, they did.

5 Q. Have you had the opportunity, Mr. Park, to  
6 previously testify before this division?

7 A. Yes, I have.

8 Q. And were your credentials as an expert in  
9 petroleum land matters accepted and made a matter of  
10 public record?

11 A. Yes, sir, they were.

12 Q. Are you familiar, Mr. Park, with the  
13 applications that have been filed with these  
14 consolidated cases?

15 A. Yes, I am.

16 Q. And are you familiar with the status of  
17 the lands in the subject area?

18 A. Yes, I am.

19 Q. If I then turn, Mr. Park, to what's been  
20 marked as --

21 MR. FELDEWERT: I'm sorry. Let me step  
22 back.

23 I would like to tender Mr. Park as an  
24 expert witness in petroleum land matters.

25 HEARING EXAMINER McMILLAN: So accepted.

1 Q. (By Mr. Feldewert) With that said,  
2 Mr. Park, if you'll turn to what has been marked as  
3 COG Exhibit Number 1.

4 A. (Witness complies.)

5 Q. This contains two C-102 forms.  
6 Is that correct?

7 A. That is correct.

8 Q. Does it -- there's one for the 1H well and  
9 a second one for the 2H well?

10 A. That is correct.

11 Q. And this acreage involves the south half  
12 of Section 27?

13 A. Yes, sir.

14 Q. Okay. What is the -- what is -- what does  
15 the company seek under these two consolidated cases?

16 A. We're seeking an order creating two  
17 separate 160-acre nonstandard spacing units. We're  
18 also seeking to pool the uncommitted working  
19 interest owners from the top of the Yeso down to  
20 4,000 feet.

21 And we're also seeking for COG Operating,  
22 LLC, to be named the operator.

23 Q. Okay. Now in this south half of  
24 Section 27, do we have depth severance issues in the  
25 Yeso formation?

1 A. Yes, we do.

2 Q. And does the company actually own, in the  
3 Yeso formation, down to 4,000 feet?

4 A. Yes.

5 Q. And is that why you are seeking to pool  
6 for both of these wells only from the top of the  
7 Yeso down to 4,000 feet?

8 A. That is correct.

9 Q. Does Exhibit Number 1 provide the Examiner  
10 with the pool code for this particular acreage?

11 A. Yes, they do.

12 Q. And does it likewise provide an API number  
13 for each of the initial wells in the two proposed  
14 spacing units?

15 A. That is correct.

16 Q. And does this -- do both of these  
17 exhibits -- are both of these documents comprising  
18 Exhibit Number 1, do they reflect that the completed  
19 interval of both of these wells will comply with the  
20 division setback requirements?

21 A. Yes, they do.

22 Q. Is the south half of Section 27 all state  
23 lands?

24 A. That is correct.

25 Q. If I then turn to what's been marked as

1 COG Exhibits Number 2 and Number 3, do they identify  
2 the working interest owners in the south half of  
3 Section 27?

4 A. Yes, they do.

5 Q. If I first turn to what's been marked as  
6 COG Exhibit Number 2, which well does this relate  
7 to?

8 A. This is the Halberd 27 State Com 1H.

9 Q. Okay. Is that for the south half of the  
10 south half of the section?

11 A. Yes, sir. That's correct.

12 Q. How have you broken out the ownership for  
13 the Examiner in both of these COG exhibits, Number 2  
14 and 3?

15 A. I've shown the parties' interests at the  
16 tract level, and then also their interest within the  
17 unit.

18 Q. Okay. If I, for example, turn to COG  
19 Exhibit Number 2 and I go to the second page, I see  
20 a number of parties listed for the -- what you have  
21 identified as Tract 2?

22 A. Yes, sir.

23 Q. Okay. And that carries over onto the last  
24 page of Exhibit Number 2?

25 A. Yes, sir.

1 Q. And then you likewise show an interest  
2 owner in the Tract 3?

3 A. Correct.

4 Q. What is the significance of the  
5 highlighting in yellow?

6 A. Those are the parties we're seeking to  
7 pool.

8 Q. Okay. And if I'm trying to ascertain the  
9 percentage interest that these parties have in the  
10 proposed basin unit, where would I find that on this  
11 Exhibit Number 2?

12 A. It's the right two columns on the exhibit,  
13 the unit net working interest and the unit net  
14 revenue interest.

15 Q. Okay. And you've done the same thing,  
16 then, for COG Exhibit Number 3 for the north half of  
17 the south half of Section 27?

18 A. That is correct.

19 Q. You have -- I'm looking at the second  
20 page. You have fewer interest owners, correct?

21 A. Yes, sir. That's correct.

22 Q. All right. Has the company been able to  
23 locate all of the interest owners?

24 A. No, we have not.

25 Q. Okay. Is that the case for both spacing

1 units or just for one?

2 A. That's the case just for the 1H.

3 Q. The 1H, which would correspond with  
4 Exhibit Number 2?

5 A. That's correct.

6 Q. Okay. What efforts did the company  
7 undertake to locate all of the interest owners in  
8 the -- in the south half of the south half of  
9 Section 27?

10 A. We searched our internal records to see if  
11 the parties may be in pay on another well. In that  
12 case we would have their address.

13 But if we did not, we searched public  
14 records, we use people find software. We also talk  
15 to relatives to try and locate the parties.

16 Q. Okay. If I then turn to what's been  
17 marked as COG Exhibit Number 4, is this the  
18 affidavit of publication in a newspaper, directed by  
19 name, each of the interest owners in the south half  
20 of the south half of Section 27 that the company has  
21 been unable to locate?

22 A. That is correct.

23 Q. And it advises those parties of the  
24 hearing here today?

25 A. Yes, sir.

1 Q. Okay. Then turning to the parties that  
2 you have been -- or were able to locate in both of  
3 these spacing units, if I turn to what's been marked  
4 as COG Exhibit Number 5, is that the well proposal  
5 letter that was sent to the interest owners in the  
6 south half of the south half of Section 27?

7 A. That is correct.

8 Q. Okay. And if I then turn to what's been  
9 marked as COG Exhibit Number 6, is that a copy of  
10 the well proposal letter that was sent to the  
11 interest owners in the north half of the south half  
12 of Section 27?

13 A. That is correct.

14 Q. Did both of these well proposal letters  
15 that went out contain an AFE?

16 A. Yes, they did.

17 Q. And the cost for both of these wells was  
18 the same, correct?

19 A. That is correct.

20 Q. And the costs that are reflected on these  
21 two AFEs, are they consistent with what the company  
22 has incurred for drilling similar horizontal wells  
23 in the area?

24 A. Yes, they are.

25 Q. Now aside from these two letters that have

1    been marked as COG Exhibits Number 5 and 6, what  
2    additional efforts did the company undertake to  
3    reach a voluntary agreement with the parties that  
4    they were able to locate?

5           A.     For those parties that I was able to  
6    locate, I've spoken to every party either by e-mail  
7    or telephone conversation explaining the proposal in  
8    the JOA and inviting their participation in the  
9    proposal.

10          Q.     Okay.  If I stay with Exhibit Number 6,  
11   and I look at the first page of that exhibit about  
12   halfway down, does that identify the estimated  
13   overhead and administrative costs while drilling  
14   this well, and also while producing, if you were  
15   successful?

16          A.     Yes, it does.

17          Q.     And what are those figures?

18          A.     7,000 for drilling and 700 for producing.

19          Q.     Okay.  Now these particular overhead  
20   rates, are there parties in these spacing units that  
21   have, indeed, executed a joint operating agreement  
22   for the development of this area?

23          A.     Yes, sir, there are.

24          Q.     And are these 7,000 per month while  
25   drilling and 700 per month while producing, are

1 those rates consistent with what the parties have  
2 agreed to that have executed the joint operating  
3 agreement?

4 A. That is correct.

5 Q. Okay. And that way, these rates will  
6 be -- and the pooling order will be consistent with  
7 the rates in the JOA if they were accepted by the  
8 division?

9 A. Correct.

10 Q. In the course of preparing for this  
11 hearing, did the company identify the operators in  
12 the 40-acre tracts surrounding each of the proposed  
13 nonstandard spacing unit?

14 A. Yes, we did.

15 Q. And did the company include notice of this  
16 hearing to these affected parties as well as the  
17 parties that you seek to pool?

18 A. Yes, sir, we did.

19 Q. If I turn to what's been marked as COG  
20 Exhibits Number 7 and then Number 8, is that -- are  
21 those affidavits that were prepared by my office  
22 providing notice of the hearing in these two cases  
23 to these affected parties?

24 A. Yes, they are.

25 Q. Mr. Park, were COG Exhibits 1 through 6

1 prepared by you or compiled under your direction or  
2 supervision?

3 A. Yes, sir, they were.

4 MR. FELDEWERT: Mr. Examiner, I would move  
5 the admission into evidence of COG Exhibits 1  
6 through 8, which includes my two affidavits.

7 HEARING EXAMINER McMILLAN: Okay.  
8 Exhibits 1 through 8 may be accepted as part of the  
9 record.

10 MR. FELDEWERT: And that concludes my  
11 examination of this witness.

12 HEARING EXAMINER McMILLAN: Okay. Here's  
13 my question.

14 When I look at case 15281, which is a Yeso  
15 test, you're asking for 6,000 and 600.

16 Isn't that correct?

17 MR. FELDEWERT: In the prior case that's  
18 correct, Mr. Examiner.

19 HEARING EXAMINER McMILLAN: Yes. Is that  
20 true?

21 MR. FELDEWERT: That is true.

22 HEARING EXAMINER McMILLAN: Now, what --  
23 why should we grant you a higher drilling and  
24 overhead rate when it's the same geologic formation?

25 MR. FELDEWERT: I think, Mr. Examiner, the

1 prior case -- the rates in that particular matter  
2 are reflective of the agreements that have already  
3 been in place for that acreage, because there's  
4 other development in that particular case.

5 HEARING EXAMINER McMILLAN: Yes, but you  
6 haven't answered my question. That is fine.

7 But what geologic or engineering  
8 impediments require a higher drilling rate?

9 THE WITNESS: I would have to defer that  
10 to my geologist. I don't know the answer to that.

11 HEARING EXAMINER McMILLAN: Okay.

12 MR. FELDEWERT: The -- to get to the  
13 answer to your question, what I can tell you is that  
14 the -- I think you'll see in the division's records  
15 that the division is -- almost routinely now  
16 accepting the 7,000 and 700 as the overhead. That's  
17 Number 1.

18 And then Number 2, as the witness  
19 testified, there are parties who have executed a  
20 joint operating agreement in this case, and the  
21 rates that are reflected in that joint operating  
22 agreement are 7,000 on drilling and 700 while  
23 producing.

24 Normally you want the -- you would hope  
25 that the pooling order and the JOA would have

1 consistent rates and terms.

2 HEARING EXAMINER McMILLAN: You are  
3 correct for the Bone Spring.

4 But if you go back and you look at the  
5 Yeso, the OCD has been giving 6,000 and 600.

6 There's a clear pattern to that.

7 MR. FELDEWERT: I think what you're seeing  
8 is that the parties that have -- that are entering  
9 into voluntary agreements in this area, as reflected  
10 in this case, they are recognizing that the rates  
11 have -- that are consistent and that are appropriate  
12 are 7,000 and 700, as reflected in the JOA that's  
13 been executed for this acreage.

14 HEARING EXAMINER McMILLAN: But I want --  
15 for the record, the OCD has been giving 6,000 and  
16 600 for Yeso tests.

17 MR. FELDEWERT: My only point here is that  
18 there has been an increase in those rates, and that  
19 those have been accepted under JOAs, joint operating  
20 agreements, by other operators.

21 HEARING EXAMINER McMILLAN: Remember --  
22 but remember in the previous case you had two  
23 different AFEs, and in the latest AFE the costs have  
24 gone down.

25 So why are you -- so I can turn around and

1 way, Well, you know, you have established the  
2 decreased drilling rates. Why are -- why, all of a  
3 sudden, are you asking for this well for a higher  
4 rate?

5 MR. FELDEWERT: And I think one of the --  
6 well, one of the questions that you have to ask is  
7 whether you want your pooling orders, where you can,  
8 to be consistent with -- in terms of the rates and  
9 costs with what the parties have agreed to under  
10 voluntary agreements.

11 So it's my understanding, and it's always  
12 been a practice, to try to keep that consistency so  
13 that you don't have two different accounting  
14 records, you know, one for those that are subject to  
15 a JOA and one for those that are subject to a  
16 pooling order.

17 Generally, it's -- you want to try to keep  
18 the accounting consistent, so that would be our  
19 point there.

20 And I think, also, our geologist can  
21 explain this. This well is actually going to be  
22 landing deeper in the formation, so I think that  
23 comes into play as well.

24 MR. WADE: I -- you know, I think there's  
25 an issue with the notice, and I just want to clarify

1 Exhibit 4. Or actually, let's start with Exhibit 3.

2 I think you have identified some  
3 unidentif- -- unlocatable interest owners.

4 Is that correct?

5 MR. FELDEWERT: I think for Exhibit  
6 Number 3 there are no unlocatable.

7 MR. WADE: Okay. So it's only Exhibit 4  
8 that identifies those?

9 MR. FELDEWERT: It's only Exhibit 4.

10 MR. WADE: With the --

11 MR. FELDEWERT: Let me step back.

12 It would be Exhibit Number 2 --

13 MR. WADE: Exhibit 2.

14 MR. FELDEWERT: -- that has parties. So  
15 that would be the south half of the south half.

16 MR. WADE: Oh, okay. And those are in  
17 yellow?

18 MR. FELDEWERT: Those are in yellow.

19 MR. WADE: Okay. And those are the ones  
20 that you identify in Exhibit 4?

21 MR. FELDEWERT: Correct.

22 MR. WADE: And you know, I just reread the  
23 rule, and that would be 19.15.4.12B.

24 And the way I'm reading it is that the  
25 notice by publication needs to be at least 10 days

1 before the hearing. This is the 10th day.

2 So I think that these two cases -- and  
3 actually going back to Case 15281 -- would probably  
4 need to be continued for two more weeks just to hear  
5 this issue.

6 MR. FELDEWERT: Okay. So your concern is  
7 that the paper didn't get published in time?

8 MR. WADE: That's just what the rule says,  
9 you know. In going back it does say, if you read  
10 it, that legal advertisement published at least 10  
11 days before the hearing.

12 MR. FELDEWERT: Your point, to meet that  
13 requirement, we need to continue for two weeks.

14 MR. WADE: For two weeks. We can hear all  
15 the evidence today. But...

16 MR. FELDEWERT: I understand.

17 MR. WADE: Okay. So after we're done with  
18 these two cases, we can go back to 15281 real  
19 quickly.

20 HEARING EXAMINER McMILLAN: I have no  
21 further questions at this time. Thank you very  
22 much.

23 THE WITNESS: Thank you.

24 MR. FELDEWERT: We'll call our next  
25 witness.

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

4 EXAMINATION

5 BY MR. FELDEWERT:

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

8 A. Greg Clark, COG Operating, LLC, as a  
9 petroleum geologist.

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

14 A. Yes.

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

17 A. I am.

18 Q. And have you conducted a study of the  
19 lands that are the subject of these applications?

20 A. Yes, I have.

21 MR. FELDEWERT: I once again tender  
22 Mr. Clark as an expert witness in petroleum geology.

23 HEARING EXAMINER McMILLAN: So accepted.

24 Q. (By Mr. Feldewert) Mr. Clark, what is the  
25 target of both of the proposed wells under these two

1 consolidated cases?

2 A. The Yeso formation -- the Paddock member  
3 of the Yeso formation.

4 Q. Have you prepared a structural map and a  
5 cross-section for this interval?

6 A. Yes, I have.

7 Q. If I turn to what's been marked as COG  
8 Exhibit Number 9, is that the regional structure map  
9 that you have created for this area?

10 A. Yes, it is.

11 Q. Would you please walk us through what this  
12 shows?

13 A. Sure. This -- as stated, this is a  
14 regional structure map on top of the -- subsea  
15 structure map on top of the Paddock formation.

16 You will see a general east-to-west  
17 structural trend. We're going deeper, as you start  
18 going to the east, structurally.

19 And then you'll notice, as you go to the  
20 southern part of the map, you'll see that there is a  
21 structural anticlinal nose to where the dip starts  
22 to change more to a southeasterly direction, which  
23 is indicative of what we call the Yeso shelf edge,  
24 and the dip goes structurally deeper as you go into  
25 the Delaware Basin.

1           The contour interval is 25 feet. You will  
2 see that the known producing fields are highlighted  
3 in blue rectangles, as the Lohman Draw and Red Lake  
4 areas.

5           The Paddock producing wells are  
6 representative with a red circle, and the Blinebry  
7 producers are representative with the blue circle.

8           You will note that the Halberd 27 State  
9 Number 1H and 2H are demarcated by the red  
10 projection lines, with the red square being the  
11 surface hole location and the red circle being the  
12 bottom hole locations.

13           The purpose of this structure map is to  
14 show that there are no major geologic features, as  
15 faultings or major foldings, that would keep us from  
16 developing this area using full section horizontal  
17 wells.

18         Q.     Mr. Clark, you mentioned that there's an  
19 anticlinal ridge in this area.

20         A.     Yes.

21         Q.     Does that include the south half of  
22 Section 27?

23         A.     The south -- it's an overall anticlinal  
24 ridge. So it's an anticlinal nose that is dipping  
25 as you're going -- going to the east, and you are in

1 that feature in Section 27. You are more on the  
2 southern flank of that anticlinal ridge.

3 Q. Does that mean, then, you're a little  
4 deeper, in terms of landing in the area of the well?

5 A. A little deeper compared to --

6 Q. Compared, for example, to other wells in  
7 the Yeso formation in the shelf area.

8 A. Yes. As you go to the west and as you go  
9 to the southwest you're structurally higher. So as  
10 you start going regionally in this area to the north  
11 and more to the east you start getting structurally  
12 deeper; so, therefore, landing depths are deeper  
13 compared to areas that are to the south and to the  
14 west in the same Yeso formation.

15 Q. Okay. And I believe previously we've been  
16 here before the division for horizontal wells that  
17 are outside of this anticlinal ridge area.

18 Is that fair?

19 A. Yes. In reference to a previous case  
20 where the well is more to the south and to the west  
21 regionally, we are landing in the similar  
22 stratigraphic interval where we're at for these  
23 wells, but we are structurally about a thousand feet  
24 deeper.

25 Q. Okay. In this particular case?

1           A.     In this particular case for these  
2 particular wells.

3           Q.     Okay. Now you've created a cross-section  
4 for this area, correct?

5           A.     Yes, I have.

6           Q.     If I turn to what's been marked as COG  
7 Exhibit Number 10, does this identify the wells that  
8 you have utilized to create your stratigraphic  
9 cross-section?

10          A.     Yes, it does.

11          Q.     And does this -- the wells that you have  
12 chosen, in your opinion, are they representative of  
13 the area in question?

14          A.     Yes, they are.

15          Q.     If I then turn to what's been marked as  
16 COG Exhibit Number 11, is this a stratigraphic  
17 cross-section for the wells that correspond to  
18 Exhibit Number 10?

19          A.     Yes.

20          Q.     Okay. Would you explain please, to us,  
21 what Exhibit Number 11 shows?

22          A.     Sure. This is a cross-section that is  
23 hung on top of the Paddock interval. It's been  
24 flattened, so you can see the stratigraphic  
25 relationship of the areas that are representative of

1 the Yeso formation.

2           The structural component has been taken  
3 out so you can focus on the similarities and the  
4 stratigraphy. You'll see that there's no major  
5 thinning or thickening within the Paddock formation,  
6 that the characteristics, in terms of the porosity  
7 and the gamma ray reading are very similar  
8 throughout the area, which goes across the area, and  
9 which we intend to drill the proposed wells here  
10 today.

11           And you will note that the red rectangles  
12 in the depth track of the well are representative of  
13 vertical wells that have been perforated and  
14 completed within the Paddock interval.

15           And our landing interval is noted by the  
16 red bracket on the well that's to the right, which  
17 is the closest to the wells which we intend to drill  
18 in this area.

19           And also, if I might add real quick --  
20 sorry, Mike.

21           Q.     That's all right. Go ahead.

22           A.     The well to the left is a vertical well  
23 that's representative of two wells that we've  
24 drilled within the last year that are within this  
25 same interval, and are really good producers for COG

1 at this time, which are also in the east/west  
2 direction.

3 Q. I think you've testified that there's no  
4 geological impediments to developing this area using  
5 full section horizontal wells.

6 A. I did.

7 Q. What other conclusions have you drawn?

8 A. That this area can be efficiently and  
9 economically developed using full section  
10 horizontals, and that each part of the nonstandard  
11 unit will produce on average more or less equally to  
12 the total production of the well.

13 Q. In your opinion, will the granting of this  
14 application be in the best interest of conservation,  
15 prevention of waste, and protection of correlative  
16 rights?

17 A. Yes.

18 Q. Were COG Exhibits 9 through 11 prepared by  
19 you or compiled under your direction and  
20 supervision?

21 A. Yes, they were.

22 MR. FELDEWERT: Mr. Examiner, at this time  
23 I would move the admission into evidence of COG  
24 Exhibits 9 through 11?

25 HEARING EXAMINER McMILLAN: Exhibits 9

1 through 11 may be accepted as part of the record.

2 MR. FELDEWERT: And that concludes my  
3 examination of this witness.

4 HEARING EXAMINER McMILLAN: Okay.

5 I want to go back, and I want to look at  
6 the Marbob Energy well. It's the second one from  
7 the right.

8 THE WITNESS: Okay.

9 HEARING EXAMINER McMILLAN: Now, the  
10 reason I picked this well is this well is kind of  
11 the closest thing to the proposed wells. And -- if  
12 you go back and look at Section 10.

13 Now where, exactly, in the Marbob Energy  
14 Corp. would you pick the top of the Yeso? Is that  
15 the top of the Paddock?

16 THE WITNESS: Yes.

17 HEARING EXAMINER McMILLAN: The top of the  
18 Yeso is the Paddock, correct?

19 THE WITNESS: Yes, correct.

20 HEARING EXAMINER McMILLAN: Okay. That --  
21 I just needed some clarification when the order is  
22 written.

23 THE WITNESS: Yes.

24 HEARING EXAMINER McMILLAN: And that's  
25 what I was attempting to do.

1 I have no question.

2 Do you have any questions?

3 MR. WADE: No questions.

4 HEARING EXAMINER McMILLAN: Okay. Then  
5 Cases Number 15282 and 283 will be continued.

6 Now with that in mind --

7 MR. FELDEWERT: Mr. Examiner, if I may  
8 interrupt.

9 Continued for two weeks?

10 HEARING EXAMINER McMILLAN: Two weeks.

11 MR. FELDEWERT: Thank you.

12 (The proceedings concluded at 9:26 a.m.)

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I do hereby certify that the foregoing is  
a complete record of the proceedings of  
the Examiner hearing of Case No. \_\_\_\_\_  
heard by me on \_\_\_\_\_

\_\_\_\_\_, Examiner  
Oil Conservation Division

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.



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PAUL BACA, RPR, CCR  
Certified Court Reporter #112  
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