

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 COG OPERATING, LLC CASE NO. 15896
FOR A NONSTANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 30, 2017

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
 DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, and David K. Brooks, Legal Examiner, on Thursday, November 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.

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APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

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1 (1:34 p.m.)

2 EXAMINER JONES: And let's begin with Case
3 Number 15896, application of COG Operating, LLC for a
4 nonstandard spacing and proration unit and compulsory
5 pooling, Lea County, New Mexico.

6 Call for appearances.

7 MR. RANKIN: Thank you, Mr. Examiner. Adam
8 Rankin on behalf of -- with Holland & Hart, on behalf of
9 COG Operating, LLC, two witnesses.

10 EXAMINER JONES: Other appearances?

11 MR. HALL: Scott Hall, with Montgomery &
12 Andrews, on behalf of Devon Energy Production Company.
13 No witnesses.

14 EXAMINER JONES: Any others? Other
15 appearances?

16 Okay. Will the witnesses please stand, and
17 will the court reporter swear the witnesses?

18 (Ms. Tipton and Mr. Bertalott sworn.)

19 MR. RANKIN: Call my first witness,
20 Ms. Megan Tipton.

21 MEGAN TIPTON,
22 after having been first duly sworn under oath, was
23 questioned and testified as follows:

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DIRECT EXAMINATION

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BY MR. RANKIN:

Q. Ms. Tipton, please state your name for the record.

A. Yes. My name is Megan Tipton.

Q. And by whom are you employed?

A. I'm employed by COG Operating, LLC.

Q. And what is your role with COG Operating, LLC?

A. I'm the landman, and I work southeastern Lea County, New Mexico.

Q. And how long have you been employed by COG Operating, LLC?

A. Two-and-a-half years.

Q. Have you previously had an opportunity to testify before the Oil Conservation Division?

A. Yes, I have.

Q. And have you previously had your credentials as an expert in petroleum land matters made a matter of record?

A. Yes.

Q. Are you familiar with the application that was filed in this case?

A. Yes, sir.

Q. And have you conducted a study of the lands that are the subject of this application?

1 A. Yes.

2 MR. RANKIN: Mr. Examiner, I tender
3 Ms. Tipton as an expert in petroleum land matters.

4 MR. HALL: No objection.

5 EXAMINER JONES: She is qualified as an
6 expert in petroleum land matters.

7 MR. RANKIN: Thank you very much.

8 **Q. (BY MR. RANKIN) Ms. Tipton, what is it that COG**
9 **is seeking with this application today?**

10 A. COG is seeking to create a 240-acre spacing and
11 proration unit in the east half-west half of Section 1
12 and -- oh, excuse me -- the west half-east half of
13 Section 1 and the west half-northeast quarter of Section
14 12, Township 26 South, Range 35 East, Lea County, New
15 Mexico and to pool uncommitted mineral interest owners
16 in the Wolfcamp Formation.

17 **Q. Thank you very much.**

18 **Are you also seeking to dedicate that**
19 **acreage to the Ushanka Fed Com 23H well?**

20 A. Yes.

21 **Q. And are you seeking to have COG Operating, LLC**
22 **be named as the operator of that proration unit?**

23 A. Yes.

24 **Q. Now, are there other -- how many mineral**
25 **interests -- or how many parties are you seeking to pool**

1 today?

2 A. Two.

3 Q. We'll talk about that in just a moment.

4 Turn to Exhibit Number 1, Ms. Tipton. Is
5 this a copy of the C-102 filed with the Division
6 designating the acreage to -- designating the acreage
7 that you're seeking to pool?

8 A. Yes. That is correct.

9 Q. Okay. And does it also show the locations of
10 the bottom hole and the surface hole for the proposed
11 well?

12 A. Yes, it does.

13 Q. And has an APD been approved for this well at
14 this point?

15 A. It's been submitted, but we're waiting for
16 approval.

17 Q. So there has been no assignment to a pool yet
18 at this point?

19 A. That is correct.

20 Q. And there is no API either?

21 A. Correct.

22 Q. Now, has -- with respect to the lands that are
23 being proposed for pooling here, what is the status of
24 the lands? What is the ownership here?

25 A. All federal.

1 Q. All federal.

2 A. Two separate federal leases, to clarify.

3 Q. Okay. Now, are the -- is it your understanding
4 that this acreage will be governed by statewide rules?

5 A. Yes. 330-foot setbacks will apply.

6 Q. Okay. And is the well that you're proposing
7 within the 330-foot setbacks for the entire length of
8 the well?

9 A. Yes. That is correct.

10 Q. So the well will be at an entirely orthodox
11 location?

12 A. Correct.

13 Q. Are there any depth severances or any other
14 severances at issue within the land -- the lands you're
15 seeking to pool here?

16 A. No. There are not.

17 Q. Now, with respect to the parties that you're
18 seeking to pool, have you identified who those parties
19 are and the interests that are at issue in the proration
20 unit?

21 A. Yes.

22 Q. Are those identified n Exhibit Number 2?

23 A. Yes. That is correct.

24 Q. Will you review for the Examiners what exactly
25 Exhibit Number 2 depicts?

1 A. Yes, sir. On the first page of Exhibit 2, it
2 displays the proposed spacing and proration unit.
3 They're composed of Tract 1 in Section 1 and then Tract
4 2 in Section 12, so total of 240 acres. And then on the
5 next page is an ownership breakdown of the unit
6 recapitulation. And so the only parties are COG
7 Operating, COG Production and then Devon and Chevron.

8 **Q. And the parties that you're seeking to pool**
9 **with this application are only Devon Energy Production,**
10 **L.P. and Chevron; is that correct?**

11 A. That is correct.

12 **Q. And were well-proposal letters and an AFE sent**
13 **to those parties?**

14 A. Yes, they were.

15 **Q. And is a copy of that well-proposal letter**
16 **contained in Exhibit Number 3?**

17 A. Yes, sir, it is.

18 **Q. And the AFE that was included with that letter,**
19 **is a copy of that behind the AFE proposal letter?**

20 A. Yes, it is.

21 **Q. Are the costs reflected on this AFE consistent**
22 **with what COG has incurred for drilling horizontal wells**
23 **in the area?**

24 A. Yes, they are.

25 **Q. Now, with respect to each of the pooled**

1 parties, will you please recount for the Examiners what
2 efforts you undertook to reach a voluntary agreement
3 with each of the parties, Devon and Chevron, taking each
4 in turn?

5 A. Yes, sir. Well, regarding our negotiations
6 with Devon, after they received their initial well
7 proposal, we went back and forth for a couple of months
8 and negotiated their requested modification to our
9 proposed operating agreement. And we went back and
10 forth, and most of it we agreed upon, but we could just
11 not agree on final terms. And so we explored other
12 avenues to reach an agreement such as a term assignment
13 or a farm-out, but in the end, we just could not reach
14 an agreement.

15 And then regarding our negotiations with
16 Chevron, we are still currently negotiating their
17 proposed changes to our operating agreement, and
18 hopefully we can get something signed, an operating
19 agreement, after the hearing.

20 Q. So with respect to both parties that you're
21 seeking to pool, if you're able to reach voluntary
22 agreement either after this hearing or subsequent to
23 pooling, will you notify the Division if you reach
24 voluntary agreement?

25 A. Yes, sir.

1 Q. With respect to the costs that are proposed,
2 have you estimated the overhead and the administrative
3 costs while drilling the well and while operating?

4 A. Yes, \$7,000 a month while drilling and \$700 a
5 month while producing.

6 Q. Are these costs in line with what COG and other
7 operators have incurred for drilling similar wells in
8 the same area?

9 A. Yes, sir, they are.

10 Q. Do you ask these costs be incorporated into any
11 pooling order resulting from this hearing?

12 A. Yes, we do.

13 Q. And do you ask as well that those costs be
14 adjusted in accordance with COPAS accounting procedures?

15 A. Yes.

16 Q. And with respect to the uncommitted working
17 interest owners that you're seeking to pool, do you
18 request the Division impose a 200 percent risk penalty
19 for all costs?

20 A. Yes, we do.

21 Q. Now, did you also identify, in addition to the
22 pooled parties, the offsetting mineral interest owners
23 surrounding the proration unit you're proposing to pool?

24 A. Yes, sir.

25 Q. That's a lot of Ps (laughter).

1 Now, in Exhibit Number 4, in your exhibit
2 packet, is that a copy of an affidavit prepared by me
3 indicating that we have provided notice to the parties
4 who are being pooled into the offsetting interest
5 owners?

6 A. Yes, sir, it is.

7 Q. And behind that affidavit is a copy of a notice
8 letter that was sent out by my office providing notice
9 of the pooling hearing today?

10 A. Yes, it is.

11 Q. And also a copy of the offsetting letter sent
12 out to the offsetting operators as well?

13 A. That is correct.

14 Q. And a list of the parties who received
15 notice -- to whom -- to whom notice was sent and then a
16 copy of the green cards and the green-card receipts
17 following that, correct?

18 A. That is correct.

19 Q. Same with respect to each of the offsetting
20 interest owners, as you flip through each of the pages
21 here in Exhibit Number 4?

22 A. That is correct.

23 Q. Okay. Did COG also publish notice in a
24 newspaper of general circulation within the county that
25 it is seeking to pool these interests and giving notice

1 to all the offsetting operators as well?

2 A. Yes, we did.

3 Q. And a copy of that affidavit publication is
4 contained in Exhibit Number 5?

5 A. Yes, it is.

6 Q. Ms. Tipton, did you either prepare or oversee
7 the preparation of Exhibits 1 through 3?

8 A. Yes.

9 MR. RANKIN: Mr. Examiner, move to admit
10 into the record Exhibits 1 through 5, which includes my
11 affidavit and the Notice of Publication from the Hobbs
12 newspaper.

13 EXAMINER JONES: Objections?

14 MR. HALL: No objection.

15 EXAMINER JONES: Exhibits 1 through 6?

16 MR. RANKIN: Oh.

17 EXAMINER JONES: Is that correct?

18 MR. RANKIN: No, 1 through 5.

19 EXAMINER JONES: 1 through 5, which
20 includes your --

21 MR. RANKIN: Yup. Yup. 6 is coming up.

22 EXAMINER JONES: We'll wait for 6.

23 Exhibits 1 through 5 are admitted.

24 (COG Operating, LLC Exhibit Numbers 1
25 through 5 are offered and admitted into

1 evidence.)

2 EXAMINER JONES: Pass the witness?

3 MR. RANKIN: Mr. Examiner, pass the
4 witness.

5 CROSS-EXAMINATION

6 BY EXAMINER BROOKS:

7 Q. Looks like you got green cards from Chevron
8 and --

9 A. Yes, sir. We've been in constant communication
10 with them.

11 Q. They are the only unpooled party?

12 A. Yes. They are the only other party in this
13 well.

14 Q. I guess I don't have to ask any other
15 questions.

16 EXAMINER BROOKS: Pass the witness.

17 CROSS-EXAMINATION

18 BY EXAMINER JONES:

19 Q. How did COG obtain interest in this -- in this
20 well?

21 A. Well, in Section 12, we are 100 percent owner
22 in that 80-acre tract. And then in Section 1, we have
23 underlying contractual agreements with Devon and Chevron
24 where we receive our interests.

25

1 **Q. To clarify, this is on 40-acre spacing, right?**

2 MR. RANKIN: It hasn't yet been assigned to
3 a pool.

4 EXAMINER BROOKS: Well, it is 40-acre
5 spacing because of the wildcat?

6 MR. RANKIN: Right.

7 EXAMINER BROOKS: Go ahead.

8 CONTINUED CROSS-EXAMINATION

9 BY EXAMINER JONES:

10 **Q. But it's Wolfcamp, and you don't have a**
11 **corresponding Bone Spring in the application here, just**
12 **a Wolfcamp well?**

13 A. Just a Wolfcamp well, yes, sir.

14 **Q. And located close to the southeastern --**
15 **extreme southeastern New Mexico; is that correct?**

16 A. I do not know that.

17 **Q. It's 26 South, 35 East, so it's pretty close**
18 **to --**

19 A. Yeah. It's close to the southeastern -- about
20 8.3 miles southwest of Jal.

21 **Q. Southwest of Jal.**

22 EXAMINER BROOKS: Well, it's not going to
23 be in the Purple Sage, then, because the Purple Sage is
24 quite a bit west of there.

25 THE WITNESS: Yes. We're still awaiting

1 that pool.

2 EXAMINER JONES: Until we -- until we grow
3 the Purple Sage over the whole state, then we can --

4 (Laughter.)

5 EXAMINER JONES: We'll let you and Ocean do
6 that.

7 MS. MUNDS-DRY: No, thank you.

8 Q. (BY EXAMINER JONES) So basically no NSL issues
9 here?

10 A. Correct.

11 Q. And this is federal, and there is no API yet.
12 So is the surface location going to change at all, you
13 think?

14 A. I cannot attest to that fact, since I'm not a
15 geologist or deal with that, but I don't have any reason
16 at this time to believe it would change.

17 Q. It's federal surface and federal --

18 A. It's already been on-sited, and we're waiting
19 for it to be permitted, per our geologist who told me
20 that ten minutes ago.

21 Q. Okay. It's probably pretty close then.

22 Okay. Thanks very much.

23 A. Thank you very much.

24 MR. RANKIN: Mr. Examiner, I'd like to call
25 my second witness.

1 EXAMINER JONES: We didn't ask if Mr. Hall
2 wanted to ask questions of the witness.

3 MR. RANKIN: That's true.

4 EXAMINER JONES: I am so sorry, Mr. Hall.

5 MR. HALL: That's all right. I have no
6 questions, so it works out.

7 EXAMINER JONES: I apologize for that.

8 MR. RANKIN: With that, Mr. Examiner, I'll
9 call my second witness, Mr. John Bertalott.

10 JOHNNY R. BERTALOTT,
11 after having been previously sworn under oath, was
12 questioned and testified as follows:

13 DIRECT EXAMINATION

14 BY MR. RANKIN:

15 Q. Mr. Bertalott, will you please state your full
16 name for the record?

17 A. John Richard Bertalott.

18 Q. And by whom are you employed?

19 A. COG Operating.

20 Q. And what is your job with COG Operating?

21 A. I'm a geologist responsible for conducting
22 geologic assessments in southeast New Mexico.

23 Q. How long have you been employed by COG in that
24 capacity?

25 A. A little over three years.

1 Q. And previously have you had the opportunity to
2 testify before the Division and were your credentials as
3 an expert in petroleum geology made a matter of record?

4 A. Yes, they were.

5 Q. And are you familiar with the application
6 that's filed today with respect to this pooling request?

7 A. Yes, sir, I am.

8 Q. And have you made -- conducted a study of the
9 lands that are subject to the pooling?

10 A. Yes, I have.

11 Q. Are you prepared to review with the Examiners
12 your opinions regarding your study of the land?

13 A. Yes, I am.

14 Q. Will you please review for the Examiners what
15 has been marked as Exhibit Number 6 in your exhibit
16 packet?

17 A. Exhibit Number 6 is a location map. The yellow
18 being highlighted is the acreage that we're seeking to
19 pool for the Ushanka Fed Com 23H. The surface-hole
20 location is on the northern part of Section 1
21 highlighted by the solid pink circle. The dashed line
22 is where the Ushanka Fed Com 23H will be drilled from
23 north to south.

24 Q. And I note that there are no other wells
25 identified within this nine-section map. Is there a

1 **reason why there are no other wells identified?**

2 A. For this Wolfcamp well, there are wells to the
3 west but not within this locator map.

4 **Q. Okay. So COG is stepping out a little bit**
5 **here --**

6 A. Yes.

7 **Q. -- in terms of the development of this**
8 **interval?**

9 A. That is correct.

10 **Q. Now, looking at your next exhibit, Number 7,**
11 **what does this map depict?**

12 A. Exhibit 7, once again we see the location map
13 with the acreage seeking to be pooled with the Ushanka
14 Fed Com 23H. What is being shown with it is a subsea
15 structure map of the Wolfcamp. Using this structure
16 map, I observed that there is no structural complexity
17 in the area, and we will be drilling slightly downdip
18 from north to south.

19 **Q. Did you also prepare a cross section**
20 **identifying the proposed target interval?**

21 A. Yes, sir, I did.

22 **Q. Okay. Has that been -- did you prepare a map**
23 **showing the basis for your cross section?**

24 A. Yes. So Exhibit 8, I once again put the
25 locator map on there. The cross section, A to A prime,

1 going from northwest to southeast, contains three wells
2 that are representative of the area, and those will be
3 on the following exhibit.

4 **Q. And is there a reason why you chose those three**
5 **wells for purposes of developing your cross section?**

6 A. Yes. These three wells -- you'll see on the
7 next exhibit -- are a good representation of the
8 reservoir in the area.

9 **Q. So turn to Exhibit Number 9. This is a**
10 **depiction of the cross section obtained from each of**
11 **those three wells?**

12 A. Yes, sir. So from the previous exhibit, A to A
13 prime is northwest to southeast, so left to right on
14 your exhibit. The datum is the top of the Wolfcamp
15 Shale. I've highlighted where we intend to place our
16 lateral. The lateral interval itself or the target
17 interval is consistent throughout the area.

18 **Q. So have you identified any impediments**
19 **producing across the lateral -- across the entire extent**
20 **of your lateral?**

21 A. No, sir.

22 **Q. No pinch-outs or disconform- -- nonconformities**
23 **across the area?**

24 A. No, sir.

25 **Q. Based on your geologic study, in your opinion,**

1 can the area that you're seeking to pool be efficiently
2 and economically developed --

3 A. Yes, sir.

4 Q. -- by this horizontal well?

5 A. Yes, sir.

6 Q. In your opinion, will the well effectively
7 drain each of the 40-acre units that are contributing to
8 this well?

9 A. Yes, it will.

10 Q. Do you believe that each tract, on average,
11 will contribute more or less equally to the production
12 from the well?

13 A. I do.

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

18 A. Yes, sir.

19 Q. Were Exhibits 6 through 9 under your direction
20 and supervision?

21 A. Yes, they were.

22 MR. RANKIN: Mr. Examiner, with that, I
23 would move the admission of COG Exhibits 6 through 9.

24 EXAMINER JONES: Objections?

25 MR. HALL: No objection.

1 MR. RANKIN: And then pass the witness.

2 MR. HALL: And I have no questions.

3 EXAMINER JONES: Exhibits 6 through 9 are
4 admitted.

5 (COG Operating, LLC Exhibit Numbers 6
6 through 9 are offered and admitted into
7 evidence.)

8 EXAMINER BROOKS: No questions.

9 CROSS-EXAMINATION

10 BY EXAMINER JONES:

11 Q. Okay. So you're drilling -- you're drilling a
12 toe-down well? So, basically, it's going to slope
13 down --

14 A. Yes, sir.

15 Q. -- along the toe?

16 So is this considered more of a
17 steeper-dipping Wolfcamp than in other areas? In other
18 words, are you right on the edge of the Central Basin
19 Platform here?

20 A. We're getting closer to the Central Basin
21 Platform. COG has experienced in the area drilling
22 Wolfcamp extended laterals further to the west that
23 weren't on the map. The dip is similar, but the dip
24 isn't a concern at this time as far as targeting and
25 maintaining a lateral in the interval.

1 **Q. Okay. What about preferred drilling direction?**
2 **What is the reasoning for north-south?**

3 A. A lot of COG's wells that we've had economic
4 success with and encouraging results were all drilled in
5 the north-to-south or south-to-north in the general
6 area. So based off of the results, not only from us but
7 other operators, we're sticking to what works.

8 **Q. Okay. And so this is in the -- is it the**
9 **Wolfcamp Y like some of the people were talking this**
10 **morning?**

11 A. No. It's just in the Wolfcamp Shale.

12 **Q. Shale?**

13 A. Yeah. Earlier, the X and Y, I believe, was
14 referring to different lithology of targets.

15 **Q. More of a sand. This is more of a shale?**

16 A. Yes, sir.

17 **Q. Is this high in organic-rich shale, or did you**
18 **do maturity studies on the Wolfcamp to determine where**
19 **to drill in the shale?**

20 A. We feel, based off, you know, just looking at
21 the logs, it's an organic-rich shale, and it's a target
22 that we like. And a lot of other operators seem to be
23 targeting the same interval in the area.

24 **Q. Okay. And before I forget, your surface**
25 **location to the north, is that because you have**

1 facilities there, or are you going to create brand-new
2 facilities? This is on a federal lease, so --

3 A. As to why it was placed along the northern
4 section line of Section 1, I can't speak to. I don't
5 know if that was driven by land reasons. I can't speak
6 as to why that was selected as a surface-hole location.

7 Q. Okay. For some reason, you list that as Lot
8 Number 2, I think, but our system doesn't show that as a
9 lot. But maybe that's being resurveyed -- BLM
10 resurveyed some lands there or something. But our
11 system is not totally reliable as far as acreage goes.
12 But it shows 40 acres there in that Unit Letter B. I
13 know this is probably not a geology question, but --

14 EXAMINER BROOKS: I would say it's not a
15 geology question. It sounds like a land question.

16 EXAMINER JONES: It sounds like I forgot to
17 ask it.

18 Q. (BY EXAMINER JONES) But you're listing the
19 well as being --

20 MR. RANKIN: Mr. Examiner, I think we can
21 address that if you'd like to bring up the land witness
22 just to address the issue on that, if you'd like to have
23 that question be answered.

24 EXAMINER JONES: Okay. Can she just answer
25 it from there?

1 MS. TIPTON: Oh, that's great. I love
2 that.

3 Yes, sir. Originally, when we sent out the
4 well proposal, we believed it was a lot because Section
5 1 is on a township line.

6 EXAMINER JONES: Oh, okay.

7 MS. TIPTON: But later, upon further
8 investigation, there are no lots, and it's just the west
9 half-east half instead of Lot 2, and it's a different
10 description.

11 EXAMINER JONES: So it's just two 40
12 acres --

13 MS. TIPTON: Yes. So it's --

14 EXAMINER JONES: -- 240 acres?

15 MS. TIPTON: -- exactly 240 acres, no lots.

16 EXAMINER JONES: Exactly 240. Okay. That
17 helps. Thank you very much.

18 THE WITNESS: Sorry I couldn't answer that.

19 **Q. (BY EXAMINER JONES) So 10,000 times 1,000 for**
20 **the costs here, so it's a very expensive well. It's a**
21 **step-out quite a ways?**

22 A. I wouldn't say quite a ways, but it is a
23 step-out. Our nearest well is just a little bit --
24 3 miles to the west, and it's an extended lateral
25 targeting the Wolfcamp Shale.

1 Q. So it's 3 miles away from the nearest well --

2 A. Yeah.

3 Q. -- from your nearest well?

4 A. Yes.

5 Q. Do you know if that's from any nearest well
6 or --

7 A. Targeting the Wolfcamp Shale in this Area, 3
8 miles in any direction is probably the closest well,
9 whether it's ours or another operator's.

10 Q. Okay. So you would call this a wildcat. You
11 can book the reserves as wildcat reserves.

12 A. As far as booking reserves, I don't -- I'm not
13 part of that. I just find the rock.

14 Q. Okay. Well, that's -- but you help -- do you
15 help supply the data that goes into the reserve
16 calculations? You said it's an organic-rich shale. So
17 engineers are not real good about figuring that out.

18 A. It's a collaborative effort to make sure we
19 make the best decision we can using geologic and
20 engineering.

21 Q. You're very diplomatic (laughter).

22 EXAMINER BROOKS: Around here you have to
23 be a jack-of-all-trades, so I won't go any farther with
24 that.

25 EXAMINER JONES: We went to a talk in

1 Farmington recently on the Mancos and the organic-rich
2 shales there, and the geologist with Logos [phonetic]
3 was talking about the maturity windows and the
4 calculations. He has a paper on how to calculate the
5 reserves in that general area. That's why I was asking.
6 I'm always reaching out with questions.

7 Q. (BY EXAMINER JONES) Are you going to watch the
8 well drill or watch it from home?

9 A. I plan on it.

10 Q. Okay.

11 A. Yeah.

12 Q. Thanks very much.

13 A. Thank you.

14 MR. RANKIN: No further witnesses,
15 Mr. Examiner, and no further questions.

16 EXAMINER JONES: Okay. We'll take Case
17 15896 under advisement.

18 (Case Number 15896 concludes, 1:58 p.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
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
10 a true and correct transcript of those proceedings that
11 were reduced to printed form by me to the best of my
12 ability.

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

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

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