Page 1

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

APPLICATION OF MEWBOURNE OIL COMPANY CASE NO. 15965 FOR A NONSTANDARD GAS SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

February 22, 2018

Santa Fe, New Mexico

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

This matter came on for hearing before the New Mexico Oil Conservation Division, Scott Dawson, Chief Examiner, William V. Jones, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, February 22, 2018, 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 MEWBOURNE OIL COMPANY: JAMES G. BRUCE, ESQ. 3 Post Office Box 1056 Santa Fe, New Mexico 87504 4 (505) 982-2043 5 jamesbruc@aol.com 6 7 FOR EOG RESOURCES, INC. AND EOG Y RESOURCES, INC.: 8 MICHAEL H. FELDEWERT, ESQ. HOLLAND & HART, LLP 9 110 North Guadalupe, Suite 1 Santa Fe, New Mexico 87501 (505) 988-4421 10 mfeldewert@hollandhart.com 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

		Page 3
1	INDEX	
2		PAGE
3	Case Numbers 15965 Called	4
4	Mewbourne Oil Company's Case-in-Chief:	
5	Witnesses:	
6	Trace Dilliner:	
7	Direct Examination by Mr. Bruce	6
8	Charles Crosby:	
9	Direct Examination by Mr. Bruce	14 18
10	Cross-Examination by Mr. Feldewert Cross-Examination by Examiner Jones	22
11	Cross-Examination by Examiner Dawson Recross Examination by Mr. Feldewert	23 24
12	Redirect Examination by Mr. Bruce	25
13	Proceedings Conclude	25
14	Certificate of Court Reporter	26
15		
16	EXHIBITS OFFERED AND ADMITTED	
17	Mewbourne Oil Company Exhibit Numbers 1 through 7	13
18	Mewbourne Oil Company Exhibit Numbers 8 through 15	18
19		
20		
21		
22		
23		
24		
25		

Page 4 1 (11:11 a.m.) EXAMINER DAWSON: We'll move on to the next 2 case, which is Case Number 15965. This is continued 3 from the February 8th, 2018 Examiner Hearing, and it's 4 application of Mewbourne Oil Company for a nonstandard 5 6 gas spacing and proration unit compulsory pooling Eddy County, New Mexico. 7 8 Call for appearances. MR. BRUCE: Mr. Examiner, Jim Bruce of 9 10 Santa Fe representing the Applicant. I have two witnesses. 11 EXAMINER DAWSON: Can your witnesses please 12 stand --13 MR. FELDEWERT: Mr. Examiner, Michael 14 15 Feldewert, of the Santa Fe office of Holland & Hart, 16 appearing on behalf of EOG Resources, Inc. and EOG Y 17 Resources, Inc. 18 EXAMINER DAWSON: Okay. Can your witnesses please stand and be 19 20 sworn in, Mr. Bruce? (Mr. Dilliner and Mr. Crosby sworn.) 21 EXAMINER DAWSON: You may call your first 22 23 witness, Mr. Bruce. MR. BRUCE: Mr. Examiner, before we begin, 24 there are three Mewbourne cases that all in the same 25

Page 5 Because of the land differences, I'm going to 1 area. 2 present the landman three times, but the geology is all similar. It involves the Purple Sage; Wolfcamp and the 3 same two zones in the Wolfcamp. So I intend to present 4 the geologist and have him go over everything in the 5 6 first case and then just briefly, in the next two cases, 7 we can waive the more direct geologic evidence. EXAMINER BROOKS: Do we have any exhibits? 8 MR. BRUCE: Yes. 9 10 And then one other matter, if you look at the docket sheet in each of the cases, the case refers 11 to Range 29 East. The wells are actually in 28 East. 12 I did correct that. And the cases are re-advertised for 13 March 8th also, but an amended application was filed in 14 15 each case, and we got the notice letters out in time. 16 So that's why we're going forward today. But the cases will have to be continued to March 8th. 17 EXAMINER DAWSON: So with that, Cases 18 15965, 15966 and 15967 will be continued to March 8th, 19 20 but we will continue with the testimony today. MR. BRUCE: Yes. 21 22 TRACE DILLINER, 23 after having been previously sworn under oath, was questioned and testified as follows: 24 25

	Page 6
1	DIRECT EXAMINATION
2	BY MR. BRUCE:
3	Q. Would you state your name and city of
4	residence?
5	A. My name is Trace Dilliner. It's T-R-A-C-E,
6	D-I-L-L-I-N-E-R, and I live in Midland, Texas.
7	Q. Who do you work for and in what capacity?
8	A. I work for Mewbourne Oil Company as a petroleum
9	landman.
10	Q. Have you previously testified before the
11	Division?
12	A. No, sir, I have not.
13	Q. Would you please summarize your educational and
14	employment background?
15	A. Sure. I graduated from the University of
16	Oklahoma in 2013 from the Energy Management Program. I
17	began interning with Mewbourne Oil Company in a land
18	capacity in 2011 and began full time with them
19	immediately after my graduation in 2013. So I just had
20	my four-year anniversary of full-time employment there.
21	Q. Have you testified as an expert before any
22	other state commissions?
23	A. Yes, sir. I've been accepted as an expert
24	witness at the Oklahoma Corporation Commission.
25	Q. And you fairly recently arrived in the Midland

٦

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

-136

Page 7 1 office? 2 Α. Yes, sir. I moved in April of 2017. 3 Okay. And so you have been working the Permian Q. 4 Basin in New Mexico for close to a year at this point? Yes, sir. 5 Α. 6 And are you familiar with the land matters Q. 7 involved in this application and the other two 8 applications that are upcoming? 9 Α. Yes, sir, I am. 10 And your area of responsibility at Mewbourne Q. 11 includes these particular wells in this particular area? Yes, sir, it does. 12 Α. MR. BRUCE: Mr. Examiner, I tender 13 Mr. Dilliner as an expert petroleum landman. 14 15 EXAMINER DAWSON: Any objection? 16 MR. FELDEWERT: No objection. EXAMINER DAWSON: Mr. Dilliner will be 17 18 accepted as an expert petroleum landman at this point. 19 (BY MR. BRUCE) Mr. Dilliner, what is Exhibit 1? Ο. 20 Α. Exhibit 1 is a Midland Map Company plat showing the proposed 460-acre unit we wish to form. Outlined in 21 red are the two wells and the projected path that we 22 23 intend to follow. And we seek to pool any uncommitted owners in this unit. 24 25 And these are both Wolfcamp wells; are they Q.

Page 8 1 not? 2 Α. Yes, sir, they are. And they're in the Purple Sage; Wolfcamp Gas 3 Q. 4 Pool? Yes, sir. 5 Α. 6 And the next two cases involved are the two Q. 7 half sections immediately below the south half of 23 and 8 the south half of 24 and then the north half of 26 and 9 the north half of 25? 10 Α. That's correct. 11 Could you identify Exhibit 2 and describe who Q. 12 you seek to pool in this case? Exhibit 2 lists the interest owners in our 13 Α. proposed unit, and we seek to pool the owners with an 14 15 asterisk. 16 So you're only seeking to pool Chevron in this Q. 17 case? That's correct. 18 Α. 19 And what is Exhibit 3? ο. 20 Α. Exhibit 3 is a summary of communications that we've had with Chevron, as well as copies of our well 21 22 proposals to them dated January 5th, 2018. 23 Q. And you have had numerous contacts with them 24 since then? Yes, sir. I have been in contact with 25 Α.

Page 9 Stephanie Williams, and also my district exploration 1 2 manager, Drew Robison -- excuse me -- we've been in 3 contact with them proposing acreage trades and other ways that they could move out of this unit. 4 5 Mewbourne and Chevron have been in a lot of Ο. 6 wells together? 7 Α. Yes, sir, we have. And so you've been discussing acreage trades. 8 Q. 9 And will you continue to work with them? Yes, sir, we will. 10 Α. 11 And if you make an agreement with them, will 0. 12 you so notify the Division? Yes, we will. 13 Α. 14 In your opinion, has -- has Mewbourne made a Ο. 15 good-faith effort to obtain the voluntary joinder of 16 Concho in this well? 17 Α. Yes, sir, we have. 18 One point: Is ownership common throughout the Q. 19 Wolfcamp Formation? 20 Α. Yes, sir, it is. 21 And is the same true for the two upcoming 0. 22 cases? 23 Yes, it is. Α. 24 How long has Mewbourne been working in this 0. 25 area to develop this prospect?

Page 10 1 A. We've been working for approximately two years 2 to develop this Oxbow unit. 3 Q. Are there surface issues out there? 4 A. Yes, there are. There is a river that runs

5 through the unit. We initially tried to ascertain 6 north-south surface locations, and due to the river and 7 problems surrounding that, we've had to explore 8 different options. And now we're looking at east-west 9 surface locations as the best possible route to take.

Q. Are there -- are there some upcoming lease
exploration issues?

A. Yes, sir. November 1st of this year, we haveexpirations within the proposed unit.

Q. So you need to get moving on this because of
 the permitting and other issues with the BLM?

A. That's correct. Yes, sir.

16

Q. Would you identify Exhibit 4 and discuss the costs -- estimated costs of the proposed wells? A. Exhibit 4 are our AFEs for the two proposed wells. For the Oxbow 23/24 W2DA Fed Com #2H, the dry-hole costs, estimated, are \$3,358,300; estimated total completed well costs, \$10,520,600.

And then for the Oxbow 23/24 W1DA Fed Com #1H, the estimated dry-hole costs are \$3,206,700, and the completed well costs estimate is \$10,429,900.

Page 11 1 The first well, the W2DA, is slightly deeper Ο. 2 than the W1DA? Α. That is correct. 3 4 And are these costs in line with the costs of Q. 5 other horizontal wells drilled to this depth and this 6 length in southeast New Mexico? 7 Α. Yes, they are. 8 Q. Do you request that Mewbourne be appointed 9 operator of the well? 10 Α. Yes, we do. 11 And what is your recommendation for the amounts 0. 12 Mewbourne should be paid for supervision and 13 administrative expenses? \$8,000 a month for drilling the well and \$800 a 14 Α. 15 month for a producing well. 16 Ο. And are these amounts equivalent to those 17 normally charged by Mewbourne and other operators in 18 this area for wells of this type? 19 Α. Yes, they are. 20 Q. Do you request that these rates be periodically 21 adjusted by the COPAS accounting procedures? 22 Yes, we do. Α. 23 Q. And does Mewbourne request the maximum cost 24 plus 200 percent risk charge in the event a party goes 25 nonconsent in the wells?

PAUL BACA PROFESSIONAL COURT REPORTERS 500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

1999 - 1999 - 1999 - 1999

Page 12 Yes, we do. 1 Α. 2 MR. BRUCE: And, Mr. Examiner, the parties 3 were notified. Chevron was notified by Exhibit 5. And I don't have an Affidavit of Notice because a lot of the 4 green cards -- they were notified, but a lot of the 5 6 green cards are late in getting back, so I'll present 7 those at the next hearing. 8 EXAMINER DAWSON: Okay. 9 (BY MR. BRUCE) Mr. Dilliner, does Exhibit 6 Q. 10 reflect the offset operators or working interest owners 11 to these wells? 12 Α. Yes, sir. 13 MR. BRUCE: And, again, Mr. Examiner, 14 Exhibit 7 is my Affidavit of Notice. And checking with the post office, they all received notice, but I haven't 15 received all the green cards back, so I'll submit an 16 affidavit for green cards at the next hearing. 17 18 EXAMINER DAWSON: Okay. 19 (BY MR. BRUCE) Were Exhibits 1 through 7 ο. 20 prepared by you or under your supervision or compiled 21 from company business records? 22 Α. Yes, they were. 23 And in your opinion, is the application in the Q. 24 interest of conservation and the prevention of waste? 25 Α. Yes, sir.

Page 13 1 MR. BRUCE: Mr. Examiner, I move the 2 admission of Exhibits 1 through 7. 3 EXAMINER DAWSON: Any objection? MR. FELDEWERT: This is in Case 15965? 4 5 MR. BRUCE: Yeah. 6 EXAMINER DAWSON: Exhibits 1 through 7 in 7 Case 15965 will be admitted into the record. 8 (Mewbourne Oil Company Exhibit Number 1 9 through 7 are offered and admitted into 10 evidence.) 11 MR. BRUCE: No further questions. 12 EXAMINER DAWSON: Any other questions, Mr. Feldewert? 13 14 MR. FELDEWERT: In this case, no. EXAMINER BROOKS: No questions. 15 EXAMINER DAWSON: Questions? 16 17 EXAMINER JONES: No questions. 18 EXAMINER DAWSON: No questions from me. 19 You may be excused. Thank you, Mr. Dilliner. 20 Mr. Bruce, you may call your next witness. CHARLES CROSBY, 21 22 after having been previously sworn under oath, was 23 questioned and testified as follows: 24 25

	Page 14
1	DIRECT EXAMINATION
2	BY MR. BRUCE:
3	Q. Will you please state your name for the record?
4	A. Charles Crosby.
5	Q. And where do you reside?
6	A. Midland, Texas.
7	Q. Who do you work for and in what capacity?
8	A. Mewbourne Oil Company. I'm a petroleum
9	geologist.
10	Q. Have you previously testified before the
11	Division?
12	A. Yes, I have.
13	Q. Were your credentials as an expert petroleum
14	geologist accepted as a matter of record?
15	A. Yes.
16	Q. And are you familiar with the geology involved
17	in this case and the subsequent two cases?
18	A. Yes.
19	MR. BRUCE: Mr. Examiner, I tender
20	Mr. Crosby as an expert petroleum geologist.
21	MR. FELDEWERT: No objection.
22	EXAMINER DAWSON: Mr. Crosby be admitted as
23	an expert petroleum geologist at this time.
24	Q. (BY MR. BRUCE) Mr. Crosby, what is Exhibit 8?
25	A. Are we starting with the W2 or the

Page 15

Q. W2DA.

1

This is a structure contour map on the top of 2 Α. 3 the Wolfcamp Formation showing continuous, consistent structural dip to the east. The proration unit for the 4 5 proposed well is highlighted by the black dashed logs, with the well itself shown by the dashed red arrow. 6 7 Wolfcamp Shale wells in the area are highlighted by the blue line and also highlighted as a cross section 8 9 reference line labeled -- excuse me -- A to A prime.

Q. Move to Exhibit 9 and discuss the cross
section.

So this is a cross section referenced 12 Α. previously representative of the entire Wolfcamp section 13 in the area of interest. Our delineated Wolfcamp zones 14 are labeled to the left of the cross section, and then 15 the landing point for the proposed well is shown by the 16 red arrow within the Wolfcamp D. This just shows that 17 this portion of the Wolfcamp D is consistent through the 18 19 area of interest.

Q. And is the -- would you anticipate each quarter
section within the well unit to be productive from the
W2 zone?
A. Yes.

24 Q. What is Exhibit 10?

A. So this is a table just showing production

PAUL BACA PROFESSIONAL COURT REPORTERS

500 FOURTH STREET NW - SUITE 105, ALBUQUERQUE, NM 87102

Page 16 statistics, locations, landing zone, et cetera for the 1 Wolfcamp wells in the area, and that also gives you a 2 completion date. And this just shows that the wells 3 that were drilled at a similar time with similar 4 5 completion sizes show very similar production rates. 6 Q. And there is no preferred well orientation? No, not in this area. 7 Α. And what is Exhibit 11? 8 Ο. 9 Α. This just shows the survey statistics for the proposed well with surface locations, bottom-hole 10 locations. 11 12 Will the producing interval of this well be at Q. orthodox locations? 13 14 Α. Yes. 15 ο. Let's move on then to the W1 well starting with 16 Exhibit 12, the structure map. Α. So this is just an identical structure map, 17 same cross-section reference. This just simply reflects 18 the location of the well, W1 well. 19 20 And Exhibit 13? Ο. Again, same cross section, but simply just 21 Α. 22 highlighting the proposed landing point within the Wolfcamp A zone for the W1DA. 23 24 And is the Wolfcamp A continuous across the Q. 25 well unit?

Page 17 1 Α. Yes. 2 Q. And do you expect each quarter section in the well unit to contribute more or less equally to 3 4 production? 5 Α. Yes. And in looking at this, does the same -- your 6 0. 7 conclusions as to the Wolfcamp A and the Wolfcamp B apply to the next two succeeding cases? 8 9 Α. They are consistent through the area. Yes. 10 And Exhibit 14, what is that? Q. It's just that same table with the production 11 Α. 12 statistics for the Wolfcamp Shale wells. And what is Exhibit 15? 13 Ο. 14 Α. Just survey data, location data for the 15 proposed well. 16 And when you put pen to paper, was the Q. 17 Wolfcamp -- will the well be at orthodox locations? 18 Α. Yes. 19 Were Exhibits 8 through 15 prepared by you or Q. 20 under your supervision? Α. Yes. 21 22 And in your opinion, is the granting of this Q. 23 application and the two succeeding applications in the 24 interest of conservation and the prevention of waste? 25 Α. Yes.

Page 18 MR. BRUCE: Mr. Examiner, I move to admit 1 Exhibits 8 through 15. 2 EXAMINER DAWSON: Any objection? 3 MR. FELDEWERT: No objection. 4 EXAMINER DAWSON: Exhibits 8 through 15 5 will be admitted to the record at this time. 6 7 (Mewbourne Oil Company Exhibit Numbers 8 through 15 are offered and admitted into 8 9 evidence.) MR. BRUCE: And I have no further questions 10 11 of the witness. EXAMINER DAWSON: Okay. Mr. Feldewert, do 12 13 you have questions? 14 CROSS-EXAMINATION 15 BY MR. FELDEWERT: 16 So, Mr. Crosby, the geologic exhibits for the Q. 17 other two cases, 15966 and 15967, are the same? 18 Α. Yes. The map and the cross section are the It'll just reflect the different locations for 19 same. the wells. And then the table's the same, and then the 20 21 survey will just reflect the individual well. But 22 they're all the same. Would you look at -- would you turn to Exhibit 23 Q. 24 Number 8, please? I don't care which case, I guess the 25 one you're looking at, 15965. That's your cross

Page 19 1 section? 2 Α. Yes, sir. 3 Q. Okay. Now --MR. BRUCE: Exhibit 9. 4 5 MR. FELDEWERT: The map. MR. BRUCE: You said the cross section. 6 7 Q. (BY MR. FELDEWERT) I'm sorry. I mean the map, 8 Exhibit 8. 9 Α. Okay. 10 Now, you have identified on here the existing Q. 11 Wolfcamp wells? 12 Α. Yes, sir. 13 And are there any Wolfcamp Sand wells on here? ο. Α. Not in the immediate area. 14 15 Okay. So the only Wolfcamp wells we have on Q. here are the ones with the dark sticks? 16 17 Α. Navy blue, yes, sir. Those are Wolfcamp Shale wells. 18 19 Am I correct that those all are oriented north Q. 20 to south? 21 Α. Yes, sir. 22 Q. The remaining sticks that you show on here, 23 what do they reflect? They're a mix, primarily 2nd Bone Spring Sand. 24 Α. 25 That would be the deepest of the remaining horizontals.

Page 20 1 You also have a couple 1st Sand wells, as well as Avalon 2 Shale wells. 3 These would be Bone Spring wells? ο. 4 Α. Yes. 5 And they likewise show, at least in this area, 0. as I view it, the orientation being north to south? 6 7 Primarily. There are several that are Α. east-west as well. 8 9 Okay. In fact, there is that well in Section Q. 10 14 that's north to south, correct? Α. Yes. 11 12 Q. That's a Wolfcamp Shale well? 13 Α. Yes, sir. 14 Q. Who drilled that well? Α. That was a Cimarex well. 15 16 Ο. Has that well been successful? 17 Α. Yes. 18 Why did you choose to step out and do something Q. 19 different and do a lay-down well? 20 It's mainly for land purposes. I believe the Α. 21 landman testified to that, surface issues. And in this area of Eddy County, the stress regimes are such that 22 23 there are no major differences in north-south or east-west orientations. 24 25 And that's based on what data? Q.

Page 21 There's regional stress studies that have been 1 Α. done that are generally accepted. And then the 2 production data -- you pull wells -- production on wells 3 that are east-west and north-south and you can't 4 ascertain any differences for wells that show similar 5 completions. 6 7 On a regional basis? 0. In southern Eddy, yes, in the immediate area 8 Α. 9 surrounding this area of interest. 10 But in this particular area I'm looking at Q. here, which involves a number of sections, they're all 11 12 stand-up wells, correct? 13 Α. Right. 14 The company is proposing to drill -- let's see. Q. I think they proposed these wells as two separate well 15 proposals, right, one for the Wolfcamp A and one for the 16 17 Wolfcamp B? 18 I believe so, yes. Α. 19 Okay. Does the company intend to drill and Q. 20 complete one before starting the other? I believe -- the best of my knowledge, we'll 21 Α. drill and then walk to the next one and drill that one 22 before completing the first one. 23 24 Will there be an election time between the two 0. 25 In other words, will there be an opportunity to wells?

Page 22 1 elect in the second well after you drill the first well? 2 Α. I'm not positive. 3 So at this time, are you allowing for the 0. separate elections or sequential elections here? 4 5 Α. I'm not sure what you mean. 6 I mean, you're not opposed to a party making an 0. election on the first well, see how that goes and then 7 make an election on the second well? 8 Α. I'm not sure on that. 9 10 Q. Okay. MR. FELDEWERT: That's all the questions I 11 12 have. EXAMINER DAWSON: Mr. Brooks? 13 14 EXAMINER BROOKS: No questions. 15 EXAMINER DAWSON: Mr. Jones? 16 CROSS-EXAMINATION 17 BY EXAMINER JONES: 18 So the stress regime is similar in the D and Q. 19 the A? So how much vertical depth difference is there? The vertical separation, you mean? I mean, 20 Α. we're looking at several hundred up to a thousand foot 21 22 of vertical separation. Uh-huh. 23 But you're going to drill which one first? Did Q. 24 you say? I believe the W2 would be our first one. 25 Α.

Page 23 1 0. Which is the D? 2 Α. Yes, sir. 3 Okay. And you'll drill them both from the same Ο. 4 pad? Yeah. I believe the -- they'd be 15 foot 5 Α. apart, the surface locations. 6 7 Q. So are you going to watch these wells? You're 8 the --9 Α. Yes. 10 Q. Were they your proposals? No. Actually, I've only been out here for 11 Α. 12 about a year. These -- there's -- as the landman testified to, they have been working on this area for 13 14 about two years and change. So I just started working southern Eddy when I got out to Midland. 15 16 Q. Which one do you think is going to be the best 17 well of the two? 18 Hopefully both of them are equally awesome. Α. 19 Thanks. Q. 20 CROSS-EXAMINATION BY EXAMINER DAWSON: 21 22 You guys have any other Wolfcamp A wells in the Q. 23 area? So Wolfcamp A, not in this immediate area of 24 Α. 25 the map, but to the east, we have -- we have several.

Page 24 1 Q. And they're commercial wells? 2 Α. Yes. 3 Are they pretty similar in production to the Q. Wolfcamp B wells? 4 5 Α. Give or take, yes. But they're all commercial? 6 Q. 7 Α. Yes, sir. 8 That's all the questions I have. Thank you. Q. 9 MR. FELDEWERT: I have one other question, 10 if I may. EXAMINER DAWSON: Okay, Mr. Feldewert. 11 12 RECROSS EXAMINATION 13 BY MR. FELDEWERT: 14 Mr. Crosby, the Wolfcamp wells to the east, how Q. 15 far are they from this area? About a township, I believe, for the Mewbourne 16 Α. 17 wells. 18 And those are -- how do you describe those? Q. 19 What are they called? Those would be the Fuller wells. 20 Α. 21 Ο. Fuller? Fuller, F-U-L-L-E-R. And I believe -- to the 22 Α. best of my knowledge, those are our closest Wolfcamp A 23 24 wells. 25 And are those drilled stand-up or lay-down Q.

	Page 25
1	orientation?
2	A. Those are stand-up.
3	Q. Okay. Stand-up. Okay. Thank you.
4	REDIRECT EXAMINATION
5	BY MR. BRUCE:
6	Q. Mr. Crosby, I have one more question. The area
7	of Wolfcamp development is just to the north in 24
8	South, 28 East?
9	A. Right.
10	Q. And up there, they're building both ways
11	A. Yes.
12	Q north-south, east-west?
13	A. Yes.
14	Q. Thank you.
15	EXAMINER DAWSON: Okay. So you are
16	requesting this case to be continued to March 8th?
17	MR. BRUCE: March 8th, for notice and to
18	let the time elapse on the filing requirements of the
19	Division.
20	EXAMINER DAWSON: Okay. So this case will
21	be continued to March 8th for notice and filing, and
22	that will conclude Case Number 15965.
23	(Case Number 15965 concludes, 11:36 a.m.)
24	f the benalty contry that the foregoing he g complete record of the proceedings in
25	the Acominer hearing at Case No heard by me ca

	Page 26
1	STATE OF NEW MEXICO
2	COUNTY OF BERNALILLO
3	
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.
20	DATED THIS 9th day of March 2018.
21	
22	Mary C. Hankins, CCR, RPR
23	Certified Court Reporter New Mexico CCR No. 20
24	Date of CCR Expiration: 12/31/2018 Paul Baca Professional Court Reporters
25	raut baca rioressional court Reporters

4.00