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 ASCENT ENERGY, LLC CASE NOS. 16084, FOR APPROVAL OF A NONSTANDARD SPACING 16085, AND PRORATION UNIT AND COMPULSORY POOLING, 16086, LEA COUNTY, NEW MEXICO. 16087

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 3, 2018

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER SCOTT DAWSON, TECHNICAL EXAMINER DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, Michael McMillan, Chief Examiner, Scott Dawson, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, May 3, 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.

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- 1 (9:53 a.m.)
- 2 EXAMINER McMILLAN: At this time I would
- 3 like to call Case Number 16084, which is combined with
- 4 16085, 16086, 16087, application of Ascent Energy, LLC
- 5 for a non -- for approval -- excuse me -- of a
- 6 nonstandard spacing and proration unit and compulsory
- 7 pooling, Lea County, New Mexico.
- 8 Call for appearances.
- 9 MR. BRUCE: Mr. Examiner, Jim Bruce of
- 10 Santa Fe representing the Applicant. I have two
- 11 witnesses.
- 12 EXAMINER McMILLAN: Any other appearances?
- 13 Please proceed.
- 14 (Mr. Zink and Mr. Ward sworn.)
- 15 LEE ZINK,
- 16 after having been first duly sworn under oath, was
- 17 questioned and testified as follows:
- 18 DIRECT EXAMINATION
- 19 BY MR. BRUCE:
- Q. Would you please state your name and city of
- 21 residence for the record?
- 22 A. Lee Zink, Denver, Colorado.
- Q. Who do you work for and in what capacity?
- A. I am the land manager for Ascent Energy, LLC.
- 25 Q. Have you previously testified before the

- 1 Division?
- 2 A. I have.
- Q. And were your credentials as a petroleum
- 4 landman accepted as a matter of record?
- 5 A. Yes.
- 6 Q. Are you familiar with the land matters involved
- 7 in these applications?
- 8 A. Yes.
- 9 MR. BRUCE: Mr. Examiner, I tender Mr. Zink
- 10 as an expert petroleum landman.
- 11 EXAMINER McMILLAN: So qualified.
- MR. BRUCE: Mr. Examiner, first, the land
- 13 exhibits are stapled together. We'll run through these.
- 14 Q. (BY MR. BRUCE) Mr. Zink, could you refer to
- 15 Exhibit 1 and give us an overall view as to what Ascent
- 16 is doing in this area?
- 17 A. Okay. Exhibit 1 is a Midland Map Company plot
- 18 of the Big Bucks development unit. This unit is within
- 19 the Secretary's Potash Area.
- 20 Q. It's not a unit. It's a development area?
- 21 A. Area. Sorry. Area in the Secretary's Potash
- 22 Area, in Township 21 South, Range 32 East. This
- 23 development area covers all of Section 12 and the north
- 24 half-north half of Section 13.
- Q. Which is why you're asking for 200-acre

- 1 nonstandard units?
- 2 A. Correct.
- 3 Q. The wells will be located wholly within the
- 4 development area?
- 5 A. That's correct.
- 6 And this development area covers 800 gross
- 7 acres, and you have just -- the colors just illustrate
- 8 the lease makeup of that unit -- or that development
- 9 area.
- 10 Q. Okay. And page 2?
- 11 A. Page 2 is just an assent lease map of the Big
- 12 Bucks development area with the -- with the working
- owners illustrated in the bottom left.
- 14 Q. And in these development areas, the BLM
- 15 requires one operator only?
- 16 A. That's correct.
- Q. And page 3 -- or Exhibit 3?
- 18 A. Exhibit 3 is just a map of the BLM development
- 19 area, obviously showing that all of Section 12 and the
- 20 north half-north half of Section 13 are located in the
- 21 Big Bucks development area.
- Q. And could you refer to Exhibit 4 and discuss,
- you know, how you've been getting this prospect going?
- A. Exhibit 4 is just a summary of our interactions
- 25 with the BLM regarding the Big Bucks development area.

- 1 Starting in January, we had an on-site meeting with the
- 2 BLM and Concho Resources to discuss the drill islands.
- 3 A month later, we had an actual on-site of our proposed
- 4 drill islands being on the north side of Section 12, and
- 5 then at the end of March, the BLM approved our drill
- 6 islands and the development area and Ascent was named as
- 7 operator.
- 8 Q. Okay. And what is Exhibit 5?
- 9 A. Exhibit 5 is the pooling unit for Case Numbers
- 10 16084 and 16085. That is the east half-east half of
- 11 Section 12 and the northeast quarter --
- 12 northeast-northeast quarter of Section 13 for 200 acres.
- 13 And as you can see, a list of the two wells, the Big
- 14 Bucks Fed Com 501H and the Big Bucks Fed Com 701H and
- 15 the parties, working interests, listed below.
- 16 O. And Exhibit 6?
- 17 A. Exhibit 6 is the pooling unit for Case Numbers
- 18 16086 and 16087 covering the west half of the east half
- 19 of Section 12 and the northwest quarter of the northeast
- 20 quarter of Section 13, again for 200 acres. This
- 21 interest covers -- there is a typo there. It should be
- 22 the Big Staff Fed Com 503H and the Big Staff Fed Com
- 23 703H, and then the working interests for the parties
- 24 below.
- 25 Q. Okay. And is Exhibit 7 a summary of your

1 communications with the working interest owners in the

- proposed wells?
- 3 A. That is correct. So it's the summary of our
- 4 communications with ConocoPhillips Company regarding
- 5 their interest in this Big Bucks development area.
- 6 Obviously, our first communication dated back in
- 7 November of 2016. We have made various attempts through
- 8 either trying to purchase term assignment or even
- 9 purchase their interest outright.
- And in April of 2017, they actually
- 11 marketed this interest, and it was a failed sale, so
- 12 they still own it.
- 13 And we have met with them in person,
- 14 discussed these wells and the development of this unit,
- 15 and right now we are working through a joint operating
- 16 agreement but have not come to terms yet.
- Q. And is Exhibit 8 the same with respect to
- 18 Chevron?
- 19 A. Exhibit 8 is the same summary of communications
- 20 with Chevron. We are -- we have met with them in person
- 21 regarding these wells. We have heard no communication
- 22 from them from the well proposals that were originally
- 23 sent on February 16th. Again, we have proposed an
- 24 operating agreement to them.
- Q. Okay. And in your opinion, has Ascent made a

1 good-faith effort to obtain the voluntary joinder of

- 2 these interest owners in the wells?
- 3 A. Yes.
- 4 Q. And all of the interest owners here are
- 5 locatable; is that correct?
- 6 A. Correct.
- 7 Q. Is Exhibit 9 simply copies of the well
- 8 proposals and other correspondence sent to Conoco and
- 9 Chevron?
- 10 A. Yes. Exhibit 9 covers our well proposals that
- 11 were all dated February 16th, 2018 obviously covering
- 12 the Big Bucks Fed Com 501H, the Big Stagg Fed Com 503H,
- 13 the Big Bucks Fed Com 503H and the -- I'm sorry; I
- 14 missed those wells -- covering the four wells for these
- 15 cases.
- Q. Okay. And finally on Exhibit 9, can you turn
- 17 to the last four pages? Are those the AFEs for the four
- 18 wells?
- 19 A. Those are the AFEs for the four wells.
- 20 Q. And are the dry-hole and the completed well
- 21 costs fair and reasonable and in line with the cost of
- 22 similar wells drilled in this area of New Mexico?
- 23 A. That's correct.
- 24 Q. Just roughly, without going into it, what is
- 25 the completed costs of a Bone Spring well and of a

- 1 Wolfcamp well in this area?
- 2 A. For a Bone Spring well -- 2nd Bone Spring wells
- 3 for this area, we have AFE costs of 7.4 million, and for
- 4 the Wolfcamp wells, we have a cost of approximately
- 5 8 million. And these are mile-and-a-quarter wells.
- 6 Q. And do you request that Ascent be appointed
- 7 operator of the wells?
- 8 A. Yes.
- 9 MR. RANKIN: Mr. Examiner, no questions.
- I just wanted to confirm that we had
- 11 entered an appearance in these combined cases on behalf
- of ConocoPhillips and Mr. Feldewert, with no objections
- 13 from Mr. Bruce.
- MR. BRUCE: No.
- 15 MR. RANKIN: I just wanted to confirm that
- 16 we're making an appearance and make my appearance on the
- 17 record.
- 18 EXAMINER McMILLAN: Okay.
- 19 Q. (BY MR. BRUCE) Do you have a recommendation on
- 20 the overhead rates?
- A. We do. It's \$7,000 for drilling and then \$700
- 22 for producing wells.
- Q. And are these rates fair and reasonable and in
- line with the costs charged by other operators in this
- 25 area?

- 1 A. Yes.
- 2 Q. And do you request that these rates be adjusted
- 3 periodically as provided by the COPAS accounting
- 4 procedure?
- 5 A. Yes.
- 6 Q. And if a party goes nonconsent, do you request
- 7 the maximum cost plus 200 percent risk charge be
- 8 assessed?
- 9 A. Yes.
- 10 Q. And were the parties being pooled notified of
- 11 this hearing?
- 12 A. They were.
- Q. And is that reflected in Exhibit 10A, my
- 14 Affidavit of Notice?
- 15 A. That's correct.
- MR. BRUCE: And for the record,
- 17 Mr. Examiner, both Chevron and ConocoPhillips did
- 18 receive actual notice.
- 19 Q. (BY MR. BRUCE) Looking at Exhibit 10B, my
- 20 Affidavit of Notice to the offsets, was notice given to
- 21 all of the offsets to these wells?
- 22 A. Yes, they were.
- MR. BRUCE: Mr. Examiner, the last page of
- 24 Exhibit 10B shows that EOG did not return a green card.
- THE WITNESS: We've actually -- since, I

- 1 think, we filed this, we've actually purchased that
- 2 interest from EOG, so we are the owner of that interest.
- Q. (BY MR. BRUCE) Oh, you have? The offsetting --
- 4 A. The offsetting interest.
- 5 EXAMINER McMILLAN: Okay.
- 6 Q. (BY MR. BRUCE) Were Exhibit 1 through 10B
- 7 either prepared by you or under your supervision or
- 8 compiled from company business records?
- 9 A. Yes.
- 10 Q. In your opinion, is the granting of this
- 11 application in the interest of conservation and the
- 12 prevention of waste?
- 13 A. That's correct.
- MR. BRUCE: Mr. Examiner, I'd move the
- 15 admission of Exhibits 1 through 10B.
- MR. RANKIN: No objections.
- 17 EXAMINER McMILLAN: Exhibits 1 through 10B
- 18 may now be accepted as part of the record.
- 19 (Ascent Energy, LLC Exhibit Numbers 1
- 20 through 10B are offered and admitted into
- 21 evidence.)
- MR. BRUCE: And I pass the witness.
- MR. RANKIN: No questions.
- 24 CROSS-EXAMINATION
- 25 BY EXAMINER McMILLAN:

- 1 Q. Okay. I have questions on -- the first
- question I have is in Case 16084. You have a geologist,
- 3 right?
- 4 A. Yes.
- 5 Q. What pool is this?
- 6 A. This is the -- I believe it's the Bone Spring
- 7 Wolfbone wildcat field.
- 8 Q. Well, we have this rule -- we have an extremely
- 9 complicated system, so you have to provide me the pool
- 10 code.
- 11 A. It's 97895 for the Bone Spring.
- 12 Q. Okay. Is that for 84? It's 97 what?
- 13 A. Case 84, for the Bone Spring, yes. It's 97895.
- 14 **Q.** 97895?
- 15 A. Correct.
- 16 Q. So that's the Bone Spring?
- 17 A. That's the Bone Spring. Yes.
- 18 Q. And the Wolfcamp -- just tell me the pool code.
- 19 No one gets the name right.
- 20 A. Yeah. It's -- for the Wolfcamp, it's 98033.
- 21 **Q.** 98033.
- 22 And 16086, that's Bone Spring, right?
- A. That's Bone Spring, correct.
- 24 Q. And it's 97895?
- 25 A. Correct.

- 1 Q. Wolfcamp is?
- 2 A. 98033.
- 3 **Q. 98033.**
- 4 A. Correct.
- Q. Any depth severances?
- 6 A. There are not.
- 7 Q. I don't have any questions.
- 8 EXAMINER McMILLAN: Go ahead, Scott.
- 9 CROSS-EXAMINATION
- 10 BY EXAMINER DAWSON:
- 11 Q. So on the drill island, Ascent was named
- 12 operator on the drill island?
- 13 A. Yes. So the process is, before you can propose
- 14 a development area, we have to get an approved drill
- 15 island, and we did that back in January with an on-site
- 16 with the BLM, who approved our drill islands. And we
- 17 sent out a notification of development area, and we were
- 18 named operator of the development area.
- 19 Q. So you're not sharing that drilling island with
- any other operators?
- 21 A. We are not, no. These drill islands, we are
- 22 not.
- 23 Q. I know some of them out there are sharing drill
- 24 islands.
- 25 A. Yeah. And without going too much into it,

1 yeah, these will be Ascent-operated drill islands.

- Q. And on your Exhibit 1 map --
- 3 A. Yes.
- q Q. -- there's a lot of -- on that.
- 5 A. Yes.
- 6 Q. And we need to look at -- that's your leases --
- 7 A. That's our Midland Map. Yeah.
- 8 EXAMINER McMILLAN: Where are the C-102s?
- 9 MR. BRUCE: Mr. Examiner, our geologist got
- 10 them, I believe, late yesterday, and I will provide
- 11 those to you.
- 12 Q. (BY EXAMINER DAWSON) Can you also provide
- 13 the -- fix the typo on Exhibit 6 and provide that to us?
- MR. BRUCE: Sure.
- 15 EXAMINER DAWSON: That's all the questions
- 16 I have.
- 17 THE WITNESS: Gotcha.
- 18 EXAMINER McMILLAN: Thank you.
- 19 EXAMINER BROOKS: No questions.
- 20 MATTHEW WARD,
- 21 after having been previously sworn under oath, was
- 22 questioned and testified as follows:
- 23 DIRECT EXAMINATION
- 24 BY MR. BRUCE:
- 25 Q. Will you please state your name and city of

- 1 residence?
- 2 A. Yes. Matthew Ward, Golden, Colorado.
- 3 Q. And who do you work for and in what about
- 4 capacity?
- 5 A. I am the chief operating officer of Ascent
- 6 Energy, LLC.
- Q. And what is your technical training and --
- 8 A. Geology.
- 9 Q. Have you previously testified before the
- 10 Division as a geologist?
- 11 A. No, I have not.
- 12 Q. Could you please summarize your educational and
- employment background for the hearing examiner?
- 14 A. Sure. I graduated from Virginia Tech with a
- 15 Bachelor of Science in Geology in 1997. Subsequently, I
- 16 gained work as a mud-logger in the Permian Basin. I did
- 17 that for about a year, and then in the subsequent 19
- 18 years, I worked for numerous small private companies, as
- 19 well as larger independents such as Cabot Oil & Gas,
- 20 Fidelity Exploration & Production and Western Gas
- 21 Resources. My previous role prior to this was vice
- 22 president of exploration for Juneau Energy, as in the
- 23 city in Alaska. And after that, we put together Ascent
- 24 Energy, and I manage all technical aspects of the
- 25 company.

1 Q. And does your area of responsibility at Ascent

- 2 include this portion of southeast New Mexico?
- 3 A. Yes, it does.
- 4 Q. And are you familiar with the geology involved
- 5 in these applications?
- 6 A. Yes, I am.
- 7 MR. BRUCE: Mr. Examiner, I tender the
- 8 witness as an expert petroleum geologist.
- 9 MR. RANKIN: No objections.
- 10 EXAMINER McMILLAN: So qualified.
- 11 Q. (BY MR. BRUCE) Mr. Ward, you basically have two
- 12 exhibits, one for the Bone Spring and one for the
- 13 Wolfcamp. Would you turn to the Bone Spring exhibits
- 14 marked Exhibit 11, and let's run through these. Tell
- 15 the Examiner what they show.
- 16 A. Object. Exhibit 11 is a structure map on top
- 17 of the 2nd Bone Spring Sand, and it shows that across
- 18 the development area in question, essentially you have a
- 19 dip to the southwest. And these two wells in question,
- 20 the Big Stagg 503H and the Big Bucks 501H, would
- 21 essentially be on strike with about 100 foot of drop
- 22 between the heel and the toe.
- 23 **Q. Page 2?**
- A. Oh, and one other thing. On all of these,
- 25 you'll notice the bubble maps. The bubble maps are

1 indicative of the first six months of oil production

- 2 from each one of the Bone Spring wells in the area.
- 3 That holds for all these maps.
- 4 On map two, this is the gross isopach of
- 5 the 2nd Bone Spring Sand, and it shows that we should
- 6 see between 500 and 550 feet of gross interval. Once,
- 7 again, the bubble maps are just like the previous map.
- 8 Q. And page 3, is that the net sand?
- 9 A. Yes. Page 3 is a net sand, and this shows that
- 10 we should see, within the 2nd Bone Spring Sand interval,
- 11 net sand of in between 460 feet and 560 feet.
- 12 Q. And so the Bone Spring is continuous across --
- 13 relatively even and continuous across the well units?
- 14 A. Yes, it is.
- 15 Q. Let's turn to your line of cross section marked
- 16 page 4.
- 17 A. Okay. So A to A prime shows the 2nd Bone
- 18 Spring Sand interval and more specifically our target
- 19 interval, which is at the base of the 2nd Bone Spring
- 20 Sand. This is roughly 100 feet above our top of the 3rd
- 21 Bone Spring Carbonate. This is also where all of the
- 22 offset 2nd Bone Spring wells have targeted.
- 23 Q. Is there any -- besides the continuity, is
- 24 there any faulting that would affect -- adversely affect
- 25 the drilling of a Bone Spring well in this area?

- 1 A. We don't believe so.
- Q. And in your opinion, will each quarter-quarter
- 3 section in each well unit contribute more or less
- 4 equally to production?
- 5 A. Yes.
- 6 Q. And what is Exhibit 5 -- page 5 of Exhibit 11,
- 7 I mean?
- 8 A. Exhibit 5 [sic] shows all of the 2nd Bone
- 9 Spring wells in the area, and it also shows west-east
- 10 versus north-south. West-east versus north-south does
- 11 not seem to be a major indicator of success in the 2nd
- 12 Bone Spring Sand in this area. And also in this
- 13 particular development area, the land situation dictates
- 14 that we have a longer lateral drilling north-south.
- 15 Q. And let's move to the Wolfcamp, Exhibit 12.
- 16 And will you run through this again, as with the
- 17 previous exhibit?
- 18 A. Okay. So for the Wolfcamp -- and both of these
- 19 wells will be X-Y wells. They will be drilled slightly
- 20 downdip with roughly 100 feet of drop, based on the
- 21 structure map that is shown in Exhibit 12. As in the
- 22 Bone Spring exhibits, the existing Wolfcamp wells in the
- area are shown with the bubble map showing their
- 24 six-month cum oil.
- 25 Q. And what about page 2?

- 1 A. So page 2 shows a gross isopach of the
- 2 Wolfcamp A, showing that we should see between 325 to
- 3 350 feet of Wolfcamp A within the development area.
- 4 Q. And what kind of net do you show on page 3?
- 5 A. Okay. On page 3, we show in between 310 to
- 6 probably 275 feet, which the contour doesn't quite get
- 7 there, across the development area.
- 8 Q. So the thickness of the Wolfcamp across both
- 9 well units is pretty uniform?
- 10 A. Yes, it is.
- 11 Q. And move on to the cross section, page 4.
- 12 A. Sure. This cross section goes from north to
- 13 south, and it starts up by the Della well, which is a
- 14 Wolfcamp well by EOG. And it comes down through the
- development area and then ends up over by the
- 16 Witherspoon well, which was drilled by Cimarex. And
- 17 this shows that we plan on targeting the X Sand, which
- 18 is roughly 80 feet below the top of the Wolfcamp A, and
- 19 it seems to be consistent across the entire area.
- 20 Q. And this is targeted by other nearby Wolfcamp
- 21 wells?
- 22 A. Yes, it is.
- 23 Q. Again, you expect each quarter-quarter section
- in each well unit to contribute more or less equally to
- 25 **production?**

- 1 A. Yes, I do.
- Q. And what is page 5?
- A. Page 5 shows the different Wolfcamp wells in
- 4 the area. There are not many. They have all been
- 5 drilled north-south. One thing to point out, there is a
- 6 second landing zone in the Wolfcamp, which we plan to
- 7 develop at a later date, but there are only two Wolfcamp
- 8 X-Y wells in this neck of the woods.
- 9 Q. And so you really have no east-west comparison
- 10 for the well?
- 11 A. No. Once again, the development area is set up
- 12 for north-south laterals to maximize lateral length.
- 13 Q. Were Exhibits 11 and 12 prepared by you or
- 14 under your supervision?
- 15 A. Yes, under my supervision.
- 16 Q. In your opinion, is the granting of these
- 17 applications in the interest of conservation and the
- 18 prevention of waste?
- 19 A. Yes.
- 20 MR. BRUCE: Mr. Examiner, I move the
- 21 admission of Exhibits 11 and 12.
- MR. RANKIN: No objections.
- 23 EXAMINER McMILLAN: Exhibits 11 through 12
- 24 may now be accepted as part of the record.
- 25 (Ascent Energy, LLC Exhibit Numbers 11 and

1 12 are offered and admitted into evidence.)

- 2 MR. RANKIN: No questions.
- 3 CROSS-EXAMINATION
- 4 BY EXAMINER McMILLAN:
- 5 Q. For these wells, will the final penetration
- 6 point be orthodox?
- 7 A. Yes, it will.
- 8 Q. Is there any potential in the 3rd Bone Spring?
- 9 A. There is, and we actually plan on drilling them
- 10 contemporaneous off the same pad. So this was for
- 11 pooling purposes. The 2nd Bone Spring had the most
- 12 direct offset. That's why we used it.
- 13 **Q.** Okay.
- 14 EXAMINER McMILLAN: Go ahead.
- 15 CROSS-EXAMINATION
- 16 BY EXAMINER DAWSON:
- Q. On the Wolfcamp X-Y wells that you were talking
- 18 about, there are only two in the area that you were
- 19 talking about?
- 20 A. Yes, sir.
- Q. And those are the Dagger wells in the
- 22 southeast?
- 23 A. Actually, the Dagger has been drilled at TD,
- 24 and from what we've heard, it will be fracked this
- 25 month. But the two wells -- the two X-Y wells are

- 1 actually in the northeast portion of the map, and
- 2 they're the Moss Fed wells that were drilled by Concho.
- Q. Okay. It looks like that was completed back in
- 4 January 2017?
- 5 A. Yes.
- 6 Q. Looks like a pretty good well there?
- 7 A. It's a very good well.
- 8 Q. On the west of half your development area, you
- 9 guys are going to -- I'm assuming you're eventually
- 10 going to drill that part of it, too, correct?
- 11 A. Yes, we are.
- 12 Q. Okay. One more question: South half of 13 --
- or the south half of the north half of the south half of
- 14 **13** --
- 15 A. Yes.
- 16 Q. -- do you guys own leases in that area, too?
- 17 A. No, we do not.
- 18 Q. Are there wells in that area?
- 19 A. No. But actually Concho was out there during
- 20 our drill-island approval phase, and they have two drill
- 21 islands on the north -- let's see. It's the north
- 22 half-north half, in the corners, to develop down through
- 23 13 and 24.
- 24 Q. Okay. So they're aware of your operations?
- 25 A. Yes. We reached this development-area outline

- 1 with the cooperation of Concho.
- Q. All right. Great. That's all the questions I
- 3 have. Thank you.
- 4 EXAMINER BROOKS: No questions.
- 5 RECROSS EXAMINATION
- 6 BY EXAMINER McMILLAN:
- 7 Q. So for clarity purposes, the offset operator
- 8 has plans to develop the south half of the -- south half
- 9 of the northeast quarter of Section 13 in both of the
- 10 pooled formations?
- 11 A. I can't speak to Concho's intentions, but
- 12 that's the outline that they were given.
- 13 Q. Okay. To the best of your knowledge, they plan
- 14 to develop it. Therefore, there is no chance of
- 15 stranded acreage?
- MR. BRUCE: Correct.
- 17 THE WITNESS: Yes.
- 18 EXAMINER McMILLAN: Thanks.
- 19 We need to bring Richard back for
- 20 questioning.
- MR. BRUCE: I'll pass.
- Mr. Examiner, I'd ask that these matters be
- 23 taken under advisement.
- MR. RANKIN: No objection.
- EXAMINER McMILLAN: Cases 16084, 16085,

Page 25 16086 and 16087 shall be taken under advisement. Jim, you will email me the C-102, and you will email Adam, too --MR. BRUCE: Yes. EXAMINER McMILLAN: -- the other attorney? (Case Numbers 16084, 16085, 16086 and 16087 conclude, 10:21 a.m.) (Recess, 10:21 a.m. to 10:36 a.m.)

- 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.
- 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.
- 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.
- DATED THIS 9th day of June 2018.

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MARY C. HANKINS, CCR, RPR Certified Court Reporter

New Mexico CCR No. 20

Date of CCR Expiration: 12/31/2018

Paul Baca Professional Court Reporters

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