

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 MATADOR PRODUCTION	CASE NOS. 16178,
COMPANY FOR A NONSTANDARD OIL	16179,
SPACING AND PRORATION UNIT, AN	16180
UNORTHODOX WELL LOCATION, AND	
COMPULSORY POOLING, LEA COUNTY,	
NEW MEXICO.	

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

May 31, 2018

Santa Fe, New Mexico

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

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Leonard Lowe, Technical Examiner, and David K. Brooks, Legal Examiner, on Thursday, May 31, 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 (10:17 a.m.)

2 EXAMINER JONES: Let's call Case Number
3 16178, application of Matador Production Company for a
4 nonstandard oil spacing and proration unit, an
5 unorthodox well location, and compulsory pooling in Lea
6 County, New Mexico.

7 And let's also call Case Number 16179.

8 EXAMINER BROOKS: Is this Lea County or
9 Eddy County? It is Lea County. There is a mistake in
10 here, in the exhibit; is that right?

11 EXAMINER JONES: It's the Jal area.

12 EXAMINER BROOKS: Okay. I'm sorry.

13 EXAMINER JONES: West of Jal.

14 EXAMINER BROOKS: Go ahead. Call the
15 cases, and I'll look and see what I was looking at.

16 EXAMINER JONES: Okay. The second one was
17 Case Number 16179, application of Matador Production
18 Company for a nonstandard oil spacing and proration unit
19 and compulsory pooling, Lea County, New Mexico.

20 And let's call also Case Number 16180,
21 application of Matador Production Company for a
22 nonstandard oil spacing and proration unit and
23 compulsory pooling, Lea County, New Mexico.

24 Call for appearances in these three cases.

25 MR. BRUCE: Mr. Examiner, Jim Bruce of

1 Santa Fe representing the Applicant. I have two
2 witnesses.

3 EXAMINER JONES: Any other appearances in
4 these cases?

5 Will the witnesses stand and the court
6 reporter swear the witnesses?

7 (Ms. Hahn and Mr. Collier sworn.)

8 EXAMINER BROOKS: For the record, the error
9 I was referring to is in the Table of Contents with
10 Mr. Bruce's exhibit notebook. It says "Eddy County."
11 I'm not sure if it should be Lea County.

12 MR. BRUCE: I hope so.

13 MS. HAHN: Yes. It should be Lea County.

14 EXAMINER BROOKS: I'm going to make the
15 change.

16 EXAMINER JONES: What exhibit?

17 EXAMINER BROOKS: Table of Contents of the
18 exhibit notebook preceding Exhibit 1.

19 CASSIE HAHN,
20 after having been previously sworn under oath, was
21 questioned and testified as follows:

22 DIRECT EXAMINATION

23 BY MR. BRUCE:

24 Q. Would you please state your name and city of
25 residence for the record?

1 A. Cassie Hahn, Dallas, Texas.

2 EXAMINER BROOKS: I'm sorry. Is it Hahn?

3 THE WITNESS: Yes, sir.

4 EXAMINER BROOKS: H-A-H-N?

5 THE WITNESS: Yes, sir.

6 Q. **(BY MR. BRUCE) Who are you employed by and in**
7 **what capacity?**

8 A. Matador Resources as a landman.

9 Q. **And have you testified before the Division?**

10 A. Yes, I have.

11 Q. **And were your credentials as an expert**
12 **petroleum landman accepted as a matter of record?**

13 A. Yes.

14 Q. **And are you familiar with the land matters**
15 **involved in this application?**

16 A. Yes, I am.

17 Q. **And does your area of responsibility at Matador**
18 **include this portion of southeast New Mexico?**

19 A. Yes, it does.

20 MR. BRUCE: Mr. Examiner, I tender Ms. Hahn
21 as an expert petroleum landman.

22 EXAMINER JONES: She's qualified as an
23 expert in petroleum land matters.

24 Q. **(BY MR. BRUCE) Let's move on to Exhibit 1.**
25 **There is 1A, B and C. Would you briefly identify those**

1 **for the Examiner?**

2 A. Sure. Tabs A, B and C are the C-102s for the
3 proposed wells. Tab A is the Biggers Fed Com 203. Tab
4 B is the Biggers Fed Com 214, and then Tab C is the
5 Biggers Fed Com 217. These exhibits also show the API
6 numbers, pool codes and pool names for these wells.

7 **Q. Exhibit 1B, the last digits of the API numbers**
8 **are missing. Do you have those available?**

9 A. 1B? Yes, I do. So do you want me to go ahead?
10 It's 30-025-44483.

11 **Q. And is the 203 well, which is 1A, and the 217H**
12 **well, which is 1C -- is the well unit for those two**
13 **wells both the west half of the east half of Section 17?**

14 A. Yes, they are. They're the same proration
15 unit.

16 **Q. Or excuse me. 18. 18.**

17 And, again, the township is 25 South, 35
18 **East?**

19 A. Correct.

20 **Q. And the well unit for the 214H is the east**
21 **half-east half of Section 18?**

22 A. Yes, that's correct.

23 **Q. Which formation does Matador seek to force pool**
24 **in these applications?**

25 A. The Wolfcamp Formation.

1 Q. And looking at Exhibit 1A, that well is at an
2 unorthodox location; is it not?

3 A. Correct. Yes.

4 Q. And we do request approval for that unorthodox
5 location?

6 A. Right.

7 Q. Will the next witness discuss the reason for
8 the location?

9 A. Yes, he will.

10 Q. And looking at the C-102s, other than the
11 unorthodox location being the center of the east half of
12 Section 18, will the end setbacks comply with state
13 rules?

14 A. Yes, they will.

15 Q. Is there any depth severance in the Wolfcamp?

16 A. No, there's not.

17 Q. Looking at Exhibit 2, can you identify this and
18 identify what types of land are involved?

19 A. Sure. This is a Midland Map and it shows the
20 leasehold ownership. You can see -- so there are two
21 federal leases. One is in the north half of the
22 northeast quarter, and the second one is the entire
23 southeast quarter, and then the middle, southeast, all
24 fee.

25 Q. So that the south half of the northeast quarter

1 **is one -- one tract; is that correct?**

2 A. Correct. But it's a few different fee leases.

3 **Q. So as a result, the unorthodox location will**
4 **not adversely affect any interest owner?**

5 A. Right.

6 **Q. Even though you're encroaching on it, it's all**
7 **the same people?**

8 A. Right, all the same owner.

9 **Q. What is Exhibit 3?**

10 A. This is our summary of interest for all three
11 wells, and it shows we are seeking to pool 10.57 percent
12 interest. And it will show our uncommitted working
13 interest owners, as well as our unleased mineral
14 interest owners.

15 **Q. Have any of these parties indicated they might**
16 **join in the well?**

17 A. Yes. COG, we've talked to a few times. They
18 are still just running it up the chain. And Energen, I
19 have talked to recently as well and same thing with
20 them. Marathon, I think, is just still on the fence.
21 And then the unleased mineral owners, we have located
22 and spoken to everyone there.

23 **Q. So there is no unlocatable owner?**

24 A. Correct.

25 **Q. Again, the interests are common in each well?**

1 A. Yes.

2 **Q. Are there any overriding royalty interests?**

3 A. Yes, there are.

4 **Q. Do any of them require pooling?**

5 A. No, they don't. They're all -- pooling.

6 **Q. And if you subsequently come to terms,**
7 **voluntary agreements with any of these interest owners,**
8 **will you notify the Division?**

9 A. Yes, we will.

10 **Q. What is Exhibit 4?**

11 A. Exhibit 4, these are our proposal letters we
12 sent out February 1st, 2018. And Tab A is for the
13 Biggers Fed Com 203. Tab B is for the Biggers Fed Com
14 214, and Tab C is for the Biggers Fed Com 217.

15 **Q. Were slightly different letters sent to the**
16 **unleased mineral owners as opposed to the lessees?**

17 A. Yes.

18 **Q. But they all propose the drilling of the well**
19 **and gave the location and AFEs were attached?**

20 A. Right, and the option to participate or lease
21 or sell.

22 **Q. Now, besides these letters, have you had**
23 **follow-up contacts with them?**

24 A. I have, yes.

25 **Q. Okay. And phone calls and emails, the usual?**

1 A. Correct.

2 Q. And are you continuing to work with these
3 parties even after this hearing?

4 A. Yes, I am.

5 Q. In your opinion, has Matador undertaken a
6 good-faith effort to obtain the voluntary joinder of
7 these interest owners in the proposed wells?

8 A. Yes.

9 Q. Looking at Exhibit 4A -- go three pages back --
10 is one of the -- is that one of the -- the AFEs for that
11 particular well?

12 A. Yes, it is.

13 Q. What is the completed well costs of that? This
14 is the 203H well.

15 A. Yes. This one is a little over 8 million.

16 Q. And were the remaining AFEs submitted as part
17 of the Exhibit 4 all approximately just slightly over
18 \$8 million?

19 A. Yes, they are.

20 Q. And are these well costs fair and reasonable
21 and in line with the cost of similar wells drilled in
22 this area of New Mexico?

23 A. Yes.

24 Q. What overhead rates do you request?

25 A. We're requesting 7,000 a month while drilling

1 and 700 a month while producing.

2 Q. And are these costs similar to what Matador and
3 other operators are charging for other wells in this
4 area?

5 A. Yes, they are.

6 Q. And are these the rates set forth in your JOA?

7 A. Yes, they are.

8 Q. Do you request that these overhead rates be
9 adjusted periodically as provided by the COPAS
10 accounting procedure?

11 A. Yes.

12 Q. Moving to Exhibit 5, did Matador, in
13 preparation for this hearing, identify the interest
14 owners in all three of these wells?

15 A. Yes.

16 Q. And, again, everyone was locatable who you
17 needed to pool?

18 A. Correct.

19 Q. Did you also identify the offset operators or
20 working interest owners to these proposed wells?

21 A. Yes, we did.

22 Q. Was notice given to all the parties being
23 pooled?

24 A. Yes.

25 Q. And is that reflected by the letter behind Tab

1 **5?**

2 A. Yes, it is.

3 MR. BRUCE: Mr. Examiner, the green cards
4 were received from everyone except Ohio State
5 University. I guess they're maybe unlocatable. I don't
6 know.

7 EXAMINER JONES: Aren't you from Ohio?
8 (Laughter.)

9 MR. BRUCE: No. No, I'm not.

10 EXAMINER BROOKS: Michigan.

11 EXAMINER JONES: Oh, sorry. I insulted you
12 there.

13 EXAMINER BROOKS: Yeah. I think that is a
14 considerable insult.

15 EXAMINER JONES: I'm sorry, Mr. Bruce.

16 **Q. (BY MR. BRUCE) Mr. Hahn, have you had telephone**
17 **conversations with the people in the legal department of**
18 **Ohio State University?**

19 A. Yes. Yes.

20 **Q. What did they say about that? They're an**
21 **unleased mineral owner?**

22 A. They are.

23 They said that they had a policy against
24 leasing or participating in any wells, oil and gas
25 operations (laughter).

1 EXAMINER BROOKS: Was this Ohio State
2 University?

3 EXAMINER JONES: They make enough off of
4 football (laughter).

5 Q. (BY MR. BRUCE) And then the last page of
6 Exhibit 5, does that list the offset operators or
7 working interests to the three wells?

8 A. Yes, it does.

9 MR. BRUCE: Mr. Examiner, I had to publish
10 notice. I don't have that yet. And I actually
11 misplaced my notice letter to the offsets, but I'll dig
12 that up. And so as a result, this matter will have to
13 be continued two weeks to finalize the notice matters --

14 EXAMINER JONES: Okay.

15 MR. BRUCE: -- for these wells.

16 Q. (BY MR. BRUCE) Ms. Hahn, were Exhibits 1
17 through 5 prepared by you or under your supervision or
18 compiled from company business records?

19 A. Yes, they were.

20 Q. And in your opinion, is the granting of these
21 three applications in the interest of conservation and
22 the prevention of waste?

23 A. Yes.

24 Q. One final matter: Do you request the cost plus
25 200 percent risk charge be assessed against any interest

1 **owner who does not consent in the well?**

2 A. Yes, we do.

3 MR. BRUCE: Mr. Examiner, I move the
4 admission of Exhibits 1 through 5.

5 EXAMINER JONES: Exhibits 1 through 5 are
6 admitted.

7 (Matador Production Company Exhibit Numbers
8 1 through 5 are offered and admitted into
9 evidence.)

10 EXAMINER JONES: So you're not admitting,
11 obviously, 6?

12 MR. BRUCE: Not yet. The rest are
13 geologic.

14 EXAMINER LOWE: I had a question.

15 CROSS-EXAMINATION

16 BY EXAMINER LOWE:

17 **Q. What are your dimensions for the first take**
18 **point and the last take point, just to clarify?**

19 A. All three of them?

20 **Q. For your --**

21 A. The unorthodox?

22 **Q. -- 203H.**

23 A. Okay. Let's see. So the issue is on the
24 eastern boundary. It's right in the middle of the
25 section. And that is -- it's not giving the dimensions.

1 It's just to the end of the section line, which is
2 1,346, so we are the 330 from the south line of the
3 section.

4 **Q. So where are you unorthodox?**

5 A. Because the -- it's right in the middle of the
6 east half of the section, so we're right on the
7 lease line, basically.

8 MR. BRUCE: Only about 25 feet off the --

9 THE WITNESS: The middle of the --

10 MR. BRUCE: -- quarter-quarter section
11 lines.

12 EXAMINER LOWE: Twenty-five feet on the
13 bottom first perf and 30 feet from the last perf.

14 MR. BRUCE: Roughly.

15 EXAMINER LOWE: Roughly.

16 Did you also include your diagonal on all
17 this?

18 MR. BRUCE: I'm not sure what you mean on
19 that.

20 EXAMINER LOWE: Well, from what I could
21 gather from your C-102, I don't know if it's 1,295 from
22 the west for your first perf and 990 feet from the south
23 line.

24 THE WITNESS: Oh, no. It's 330 from the
25 south line. It's kind of hard -- the arrow is just kind

1 of hard to see. Yeah, but --

2 MR. BRUCE: The first and last perforations
3 will be standard north and south. It's only -- they're
4 too far -- too close to the quarter-quarter section --

5 EXAMINER LOWE: To the east line.

6 MR. BRUCE: -- in the middle of the two
7 units.

8 THE WITNESS: It's basically too close to
9 the other spacing unit.

10 EXAMINER LOWE: What I could -- I wanted to
11 figure out how close you are to the east line, and then
12 from that point, the diagonal, how far you are off the
13 diagonal off of those, but I can't determine that from
14 what's given.

15 MR. BRUCE: Well, it's 1,349 from the east
16 line at the terminus and 1,346 from the east line at the
17 beginning point. If you look in the northeast-northeast
18 and the southeast-southeast, those are the distances
19 there.

20 EXAMINER LOWE: I just want you guys to
21 make sure you account for the diagonal in all this. I
22 can't determine it from what's given here.

23 THE WITNESS: Okay.

24 EXAMINER LOWE: That's all I've got for
25 now. Thank you.

1 EXAMINER JONES: Mr. Brooks?

2 CROSS-EXAMINATION

3 BY EXAMINER BROOKS:

4 Q. The ownership in these two section -- these two
5 units -- proposed units is identical?

6 A. Correct. Yes.

7 Q. That's the working interest ownership?

8 A. Right.

9 Q. All other interests are also identical?

10 A. Right. Correct.

11 Q. Okay. Are there any overrides?

12 A. There are.

13 Q. There are not?

14 A. There are overrides. Yes.

15 Q. There are overrides?

16 A. Right.

17 Q. Okay. I didn't see any mention of the
18 overrides.

19 These are state leases?

20 A. These are -- there are two federal and fee
21 leases so a mix.

22 Q. I'm sorry. Two federal and --

23 A. Fee.

24 MR. BRUCE: One fee.

25 EXAMINER BROOKS: One fee. Okay.

1 Q. (BY EXAMINER BROOKS) On the overrides, under
2 the federal leases, are they -- are you satisfied that
3 they are bound by -- you've got -- Matador has the power
4 to pool these?

5 A. Yes, sir. I examined all of instruments that
6 created the overrides, and they all allow for it.

7 Q. Now, you said all the interests -- everybody
8 was located except Ohio State University?

9 A. They were located. They were locatable because
10 I did talk to a guy there, and he tried to persuade us
11 to --

12 Q. Now, one of the parties listed is West Texas
13 A & M University. Where is that located?

14 A. I am actually -- I have to look at the green
15 card to see where it's actually located at.

16 Q. It's funny because I'm from West Texas and I've
17 never heard of it.

18 MR. BRUCE: The name changed. It's Canyon.

19 THE WITNESS: Okay.

20 EXAMINER BROOKS: Oh. It used to be West
21 Texas State University so I assume, then, it's part of
22 the Texas A & M University system.

23 THE WITNESS: Yes.

24 EXAMINER BROOKS: I'm very familiar with
25 that.

1 THE WITNESS: Okay.

2 Q. (BY EXAMINER BROOKS) What about the heirs of
3 John Sparling?

4 A. So we sent them proposals. We sent them
5 letters in the mail. We had our brokers contact the
6 heirs. And we finally, in the last few days, have
7 gotten a phone call from one of the heirs, so we've been
8 in contact with them.

9 Q. Okay. You're comfortable you know who the
10 heirs are?

11 A. Yes. Well, from titles, we tracked them down.

12 Q. How did you get the address at which you served
13 them?

14 A. We had our brokers go through the title and
15 look up on the Internet, look at Accurint, our special
16 software system.

17 Q. Now, I used to know a John Sparling in Dallas,
18 Texas. I wonder if it's the same person?

19 A. I know Mr. John Sparling has deceased.

20 Q. Yeah. Well, I assumed he was --

21 A. Okay. The heirs.

22 Q. -- since we had heirs of the estate?

23 A. Right. I don't know. Maybe.

24 Q. Well, this person was older than I, so -- he
25 ran for district attorney in Dallas County the same year

1 I ran for district judge. And he lost and I won --

2 A. There you go (laughter).

3 Q. -- that time.

4 Okay.

5 A. That's interesting.

6 Q. You're confident you know who the heirs are?

7 A. Yeah.

8 Q. There are no unknown heirs?

9 A. Correct. As far as today stands, yes.

10 Q. Okay. Now, what about the parties you're still
11 negotiating with?

12 A. That would be Concho.

13 Q. Have they had notice of this proceeding?

14 A. Yes, they have. I actually noticed them this
15 last week.

16 Q. This is an area we have some -- some issues
17 with because our order forms says "all uncommitted
18 interests," whatever they may be. That obviates the
19 necessity to come back for another compulsory pooling
20 proceeding if your negotiations fail. We like to do it
21 that way, but we want to make sure that the notice is
22 proper.

23 Okay. Thank you. That's all I have.

24 A. Thank you very much.

25

1 CLARK COLLIER,
2 after having been previously sworn under oath, was
3 questioned and testified as follows:

4 DIRECT EXAMINATION

5 BY MR. BRUCE:

6 Q. Would you please state your name for the
7 record?

8 A. Clark Collier.

9 Q. And where do you reside?

10 A. Dallas, Texas.

11 Q. Who do you work for and in what capacity?

12 A. I work for Matador Resources Company as a
13 senior geologist.

14 Q. And have you previously testified before the
15 Division?

16 A. Yes, sir.

17 Q. And were your credentials as an expert
18 petroleum geologist accepted as a matter of record?

19 A. Yes, sir.

20 Q. Do your duties at Matador include this portion
21 of the Permian Basin?

22 A. Yes, sir.

23 Q. And are you familiar with the geology involved
24 in this application?

25 A. Yes, sir.

1 MR. BRUCE: Mr. Examiner, I tender
2 Mr. Collier as an expert petroleum geologist.

3 EXAMINER JONES: He is so qualified.

4 **Q. (BY MR. BRUCE) What is Exhibit 6, Mr. Collier?**

5 A. Exhibit 6 is a locator map identifying the
6 Biggers acreage in Lea County, New Mexico. It's in
7 Section 18-25, 35 East.

8 **Q. And what is Exhibit 7?**

9 A. Exhibit 7 is a structure map at the top of the
10 Wolfcamp. There are also red circles identifying the
11 Wolfcamp producers in the area, as well as a
12 cross-section line from A to A prime using three type
13 logs in the area.

14 **Q. Let's refer to the cross section. Is that**
15 **marked as Exhibit 8?**

16 A. Yes, sir.

17 **Q. What does that show?**

18 A. So this shows a cross section from the logs
19 shown on the previous map. It's datum on the top of the
20 Wolfcamp, and you can see I've identified the base of
21 the Wolfcamp there along the bottom. The last well
22 didn't go deep enough to capture the bottom of the
23 Wolfcamp, so I just put a dashed line there where I
24 guessed where the Wolfcamp base would be. We've also
25 highlighted the interval that we are targeting in these

1 three wells with the yellow highlighted box up near the
2 top of the Wolfcamp.

3 **Q. And is the target zone continuous across this**
4 **portion of the Wolfcamp?**

5 A. Yes, it is.

6 **Q. That well you mentioned on the right, what zone**
7 **was tested by that well?**

8 A. That was a pilot well that was drilled
9 basically into the middle of the Wolfcamp, and then they
10 went up and drilled a horizontal well in the Delaware
11 Mountain Group, in the Brushy Canyon.

12 **Q. And is there a larger size cross section?**

13 A. Yes. There is a little foldout version of the
14 cross section. It's a little bit bigger. You can see a
15 little more detail.

16 **Q. And these wells in the cross section, the two**
17 **on the left there are older deeper wells, probably**
18 **vertical wells?**

19 A. They are. They're older vertical wells that
20 went on down through -- they TD'd -- both of them TD'd
21 in the Fusselman, so one of them is 17,000 feet or so
22 and the other one is 20,000 feet deep, so a lot of data
23 there.

24 EXAMINER JONES: Wow.

25 THE WITNESS: Yeah.

1 Q. (BY MR. BRUCE) Are these logs a good example of
2 the Wolfcamp in this area?

3 A. Yes, sir.

4 Q. Let's move on to your Exhibit 9. What is that?

5 A. This is an isopach map from the top of the
6 Wolfcamp to the base of the Wolfcamp, as shown on the
7 cross section -- on the previous cross section. It also
8 highlights our project area. I should specify that the
9 project area is not representative of the proration
10 units. That's a 320-acre box. It's just highlighting
11 the project area for these three wells. It also shows
12 that the thickness of the Wolfcamp in this area is about
13 1,150, 1,200 feet thick relatively uniformly across
14 the -- across the acreage, and we expect for every
15 quarter-quarter to produce relatively the same across
16 these units.

17 Q. And can this acreage be efficiently and
18 economically drained by horizontal wells?

19 A. Yes, sir.

20 Q. And I'm looking at all of your geologic
21 exhibits. Is there any faulting in this area that would
22 impair the drilling of a well?

23 A. No, sir.

24 Q. And there are no pinch-outs or geologic
25 impediments to drilling horizontal wells?

1 A. No, sir.

2 **Q. Finally, what is Exhibit 10?**

3 A. Exhibit 10 is a wellbore diagram or a cartoon.
4 There's actually three of them, so the -- there is an A,
5 B and C. And they're all the same idea, showing a
6 diagram of the wellbore that identifies our first take
7 point and last take point to be no closer than 330 feet
8 from the south line and from the north line.

9 **Q. Now, these are north-south views, so it doesn't**
10 **reflect the unorthodox location for the 203H well; is**
11 **that correct?**

12 A. That is correct.

13 **Q. Why are you putting that well so close to the**
14 **middle of this half section line?**

15 A. So we're attempting to more or less equally
16 space the wells so we can get an effective drainage
17 pattern for the Upper Wolfcamp.

18 **Q. And you hope to achieve better recovery from**
19 **that pattern?**

20 A. Yes, sir.

21 **Q. In your opinion, will the granting of these**
22 **three applications be in the best interest of**
23 **conservation, the prevention of waste and the protection**
24 **of correlative rights?**

25 A. Yes, sir.

1 **Q. And were Matador Exhibits 6 through 10 prepared**
2 **by you or compiled under your supervision and direction?**

3 A. Yes, they were.

4 MR. BRUCE: Mr. Examiner, I move the
5 admission of Exhibits 6 through 10.

6 EXAMINER JONES: Exhibits 6 through 10 are
7 admitted.

8 (Matador Production Company Exhibit Numbers
9 6 through 10 are offered and admitted into
10 evidence.)

11 EXAMINER JONES: Mr. Lowe?

12 CROSS-EXAMINATION

13 BY EXAMINER LOWE:

14 **Q. I didn't catch -- what's your -- on Exhibit 8,**
15 **your thickness of your yellow line?**

16 A. Of the yellow box there? It's -- so the tick
17 marks on the depth column there are 100-foot tick marks,
18 so we're approximately 175 feet thick that area -- that
19 identified zone.

20 **Q. That's all I've got. Thank you.**

21 EXAMINER BROOKS: No questions.

22 CROSS-EXAMINATION

23 BY EXAMINER JONES:

24 **Q. Okay. You know, since you're up here, on**
25 **Exhibit 6, the Abo Reef, kind of the lip that goes out**

1 **there on the northeast, what is that?**

2 A. That's where the San Simon Channel is.

3 **Q. Oh, San Simon Channel.**

4 A. Uh-huh.

5 **Q. Okay. So that has nothing to do with the Pecos**
6 **slope, Abo? That's way up north, right? The Abo trim**
7 **goes across kind of east-west?**

8 A. Right.

9 **Q. Okay. Okay. It doesn't have to do with the**
10 **case.**

11 But you're just calling it Upper Wolfcamp
12 **here. You're not calling it Wolfcamp A and B or**
13 **Wolfcamp A or --**

14 A. We would identify this as our Wolfcamp A, but
15 that's an internal nomenclature. This is our -- these
16 wells will be in our -- what we identify as Wolfcamp A.

17 **Q. Okay.**

18 A. Yes, sir.

19 **Q. And will that drain up into the Bone Spring?**

20 A. We don't think it will.

21 **Q. Thanks very much.**

22 A. Thank you.

23 EXAMINER JONES: With that --

24 Is that all in these three cases?

25 MR. BRUCE: That is all on these three

1 cases. Please continue for notice.

2 EXAMINER JONES: Cases 16178 and 16179 and
3 16180 are continued to June 14th.

4 Can we take a ten-minute break?

5 (Case Numbers 16178, 16179 and 16180
6 conclude, 10:45 a.m.)

7 (Recess 10:45 a.m. to 11:01 a.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.

20 DATED THIS 23rd day of June 2018.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters