

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

APPEARANCES

FOR APPLICANT CHISHOLM ENERGY OPERATING, LLC:

JULIA BROGGI, ESQ.
HOLLAND & HART, LLP
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
jbroggi@hollandhart.com

FOR INTERESTED PARTY COG OPERATING, LLC:

WILLIAM F. CARR, ESQ.
HOLLAND & HART, LLP
110 North Guadalupe, Suite 1
Santa Fe, New Mexico 87501
(505) 988-4421
wfcarr@hollandhart.com

1	INDEX	
2		PAGE
3	Case Numbers 16263 and 16264 Called	4
4	Chisholm Energy Operating, LLC's Case-in-Chief:	
5	Witnesses:	
6	Jacob Daniels:	
7	Direct Examination by Ms. Broggi	5
	Cross-Examination by Examiner McMillan	14
8	Cross-Examination by Examiner Lowe	15
	Recross Examination by Examiner McMillan	16, 17
9	Cross-Examination by Examiner Brooks	16
10	Joshua Kuhn:	
11	Direct Examination by Ms. Broggi	18
	Cross-Examination by Examiner McMillan	24, 25
12	Cross-Examination by Examiner Brooks	25
	Cross-Examination by Examiner Lowe	26
13		
14	Proceedings Conclude	26
15	Certificate of Court Reporter	27
16		
17		
18	EXHIBITS OFFERED AND ADMITTED	
19	Chisholm Energy Operating, LLC Exhibit Numbers 1 through 10	14
20		
21	Chisholm Energy Operating, LLC Exhibit Numbers 11 through 14	24
22		
23		
24		
25		

1 (9:28 a.m.)

2 EXAMINER McMILLAN: I'll call the hearing
3 back to order.

4 I'd like to call Case Number 16263,
5 application of Chisholm Energy Operating, LLC for an
6 unorthodox well location, nonstandard spacing and
7 proration unit and compulsory pooling.

8 I believe this is combined with Case Number
9 16264; is that correct?

10 MS. BROGGI: Yes.

11 EXAMINER McMILLAN: At this time we will
12 call Case 16264, application of Chisholm Energy
13 Operating, LLC for a nonstandard spacing unit and
14 proration unit and pooling, Lea County, New Mexico.

15 Call for appearances.

16 MS. BROGGI: Julia Broggi, from Holland &
17 Hart, on behalf of the Applicant, Chisholm Energy
18 Operating, LLC.

19 MR. CARR: May it please the examiner,
20 William F. Carr, I'm senior counsel to Concho Resources.
21 I represent COG Operating. We do not have a witness.

22 MS. BROGGI: And we have two witnesses.

23 EXAMINER McMILLAN: Okay. Same two
24 witnesses?

25 MS. BROGGI: The same geologist but a

1 different petroleum landman.

2 EXAMINER McMILLAN: If he would be sworn
3 in.

4 (Mr. Daniels sworn.)

5 JACOB DANIELS,
6 after having been first duly sworn under oath, was
7 questioned and testified as follows:

8 DIRECT EXAMINATION

9 BY MS. BROGGI:

10 Q. Good morning. Would you state your name, by
11 whom you're employed and in what capacity?

12 A. It's Jacob Daniels. I'm employed by Chisholm
13 Energy as a senior landman.

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

16 A. I have not.

17 Q. Would you provide the Division an outline of
18 your educational background?

19 A. Sure. I have a bachelor's degree in finance
20 from Stephen F. Austin State University and an MBA in
21 energy from TCU.

22 Q. And how about your work history?

23 A. I began as a landman in 2004 as an independent
24 contractor. I did that through 2009, when I became a
25 land manager for a small independent. I did that to

1 2011. I became an acquisition and divestiture landman
2 for Quicksilver Resources. Then I moved on to the
3 director of land for U.S. Energy and began this position
4 in December of 2017.

5 **Q. And are you a member of any professional**
6 **affiliations or associations?**

7 A. I am a member of the AAPL and the Fort Worth
8 Association of Professional Landmen.

9 **Q. And do you have experience in the Permian?**

10 A. I do.

11 **Q. Are you familiar with the three applications**
12 **filed in these consolidated cases?**

13 A. I am.

14 **Q. And are you familiar with the status of the**
15 **lands in the subject area?**

16 A. I am.

17 MS. BROGGI: Mr. Examiner, I would tender
18 Mr. Daniels as an expert witness in petroleum land
19 matters.

20 MR. CARR: No objection.

21 EXAMINER McMILLAN: So qualified.

22 **Q. (BY MS. BROGGI) Mr. Daniels, with respect to**
23 **Case Number 16263, will you tell the Division what**
24 **Chisholm is seeking in this application?**

25 A. We're seeking a 320-acre nonstandard spacing

1 and proration unit for the east half-east half of
2 Sections 24 and 25 of 19 South, 32 East in Lea County,
3 New Mexico.

4 Q. And are you seeking to dedicate that unit to
5 the following proposed wells, the Diamondback 24-25 Fed
6 Com 2BS #2H well and the Diamondback 24-25 Fed Com 1BS
7 #3H well?

8 A. That is correct.

9 Q. Are you seeking to pool all uncommitted
10 interest owners in the underlying Bone Spring Formation?

11 A. That is correct.

12 Q. And approval of an unorthodox well location?

13 A. That is correct.

14 Q. And designate Chisholm operator of the well?

15 A. Yes, ma'am.

16 Q. And with respect to the second case, Case
17 Number 16264, what is Chisholm seeking with its
18 application?

19 A. To also create a 320-acre nonstandard spacing
20 and proration unit covering the west half-east half of
21 Sections 24, 25, 19 South, 32 East, Lea County, New
22 Mexico.

23 Q. And are you also seeking to dedicate that
24 spacing unit to the proposed Diamondback 24-25 Fed Com
25 2BS #1H well?

1 A. Correct.

2 Q. With the committed [sic] interest owners in the
3 underlying Bone Spring Formation?

4 A. Yes, ma'am.

5 Q. And designate Chisholm as the operator?

6 A. Yes, ma'am.

7 Q. Has Chisholm filed C-102 well plats for the
8 three proposed wells in these cases?

9 A. We have.

10 Q. And are those what have been marked as Chisholm
11 Exhibits 1 through 3?

12 A. Yes.

13 Q. And do these C-102s show that the proposed
14 wells have been assigned a pool code?

15 A. They do.

16 Q. What is the nature of this land?

17 A. It is federal.

18 Q. And if you will turn to Chisholm's Exhibit
19 Number 4, does this exhibit identify the tracts involved
20 in the first case, 16263?

21 A. That is correct.

22 Q. And does it show the working interest ownership
23 by tract?

24 A. It does.

25 Q. Now if you'll turn to that next exhibit,

1 Chisholm Exhibit 6, does this identify the tracts
2 involved in the second case, 16264?

3 A. Yes, ma'am.

4 Q. And does it also show the working interest
5 ownership by tract?

6 A. It does.

7 Q. And does it show the party -- the working
8 interest owner that you're seeking to pool in these
9 cases?

10 A. Yes, ma'am.

11 Q. Is that COG Operating, LLC?

12 A. It is.

13 Q. Regarding the statewide setbacks -- for the
14 proposed wells, Diamondback 24-25 Fed Com 2BS #1H and 2H
15 wells, would the completed intervals comply with the
16 statewide setbacks required by Division regulations?

17 A. They do. Yes, ma'am.

18 Q. And how about that third proposed well, the
19 Diamondback 24-25 Fed Com 1BS #3H well?

20 A. It does not. No, ma'am.

21 Q. And for that well, are you seeking an exception
22 to the setback?

23 A. Yes, ma'am.

24 Q. And have you provided notice to the offset
25 interest owners towards which we're encroaching?

1 A. We have.

2 EXAMINER BROOKS: Which well is this?

3 MS. BROGGI: This is 3H, Diamondback 24-25
4 Fed Com 1BS #3H.

5 EXAMINER BROOKS: Okay. Where is the C-102
6 for that?

7 THE WITNESS: It is Number -- Exhibit
8 Number 2, I believe. Yes.

9 MS. BROGGI: Yes, Chisholm Exhibit Number
10 2, and it's part of Case Number 16263.

11 EXAMINER BROOKS: Okay. That's the 3H.
12 And where is it out of compliance with the location
13 requirements?

14 MS. BROGGI: It's closer to the western and
15 southwestern boundaries of the unit boundaries.

16 EXAMINER BROOKS: I'll ask him about that
17 when it's my turn.

18 MS. BROGGI: Oh, I'm sorry. This is my
19 mistake, actually. To make the record clear, the
20 proposed well that is closer is the 2H.

21 EXAMINER BROOKS: 2H?

22 MS. BROGGI: Yes.

23 THE WITNESS: 2H.

24 MS. BROGGI: And that is Exhibit 1.

25 **Q. (BY MS. BROGGI) So, Mr. Daniels, the wells, #1H**

1 and 3H, do comply with the intervals required by the
2 Division regulations?

3 A. That's correct.

4 Q. So we're seeking an exception for the #3H
5 well -- 2H well?

6 A. 2H.

7 EXAMINER BROOKS: Thank you.

8 Q. (BY MS. BROGGI) What type of interest are you
9 seeking to pool in these consolidated cases?

10 A. All uncommitted working interest owners and
11 overriding royalty interest owners.

12 Q. And in terms of working interest owners, as you
13 indicated on Exhibits 4 and 5, that's COG Operating?

14 A. That is correct.

15 Q. For the overriding royalty interest owners,
16 have you provided notice of this hearing?

17 A. Yes.

18 Q. And are there any unleased mineral interest
19 owners in these cases?

20 A. There are not.

21 Q. Will you please turn to Exhibits 6 through 8,
22 6, 7, 8?

23 A. Yes, ma'am.

24 Q. Are these copies of the well-proposal letters
25 sent to COG and the interest owners --

1 A. Yes, ma'am.

2 **Q. And do all three well-proposal letters include**
3 **an AFE?**

4 A. They do.

5 **Q. Are the costs reflected consistent with what**
6 **operators have incurred for drilling similar horizontal**
7 **wells in this area?**

8 A. Yes.

9 **Q. Does Chisholm request that administrative and**
10 **overhead costs be incorporated into any order resulting**
11 **from this hearing?**

12 A. Yes, ma'am.

13 **Q. And what are the administrative and overhead**
14 **costs?**

15 A. \$7,500 a month for drilling and \$750 a month
16 for production.

17 **Q. And are these costs consistent with what other**
18 **operators are charging in this area?**

19 A. Yes.

20 **Q. What efforts did you undertake to reach**
21 **agreement with the party you're seeking to pool?**

22 A. We have sent the proposal letters. We have
23 offered to have a technical meeting, and we have offered
24 to purchase their interest as well.

25 **Q. And if, after this hearing, you're able to**

1 reach agreement with COG Operating, will you notify the
2 Division that you are no longer seeking to pool them?

3 A. I will.

4 Q. In your opinion, did you make a good-faith
5 effort to reach an agreement?

6 A. Yes, ma'am.

7 Q. Did Chisholm also identify the offset operators
8 or lessees of record in the 40-acre tracts surrounding
9 the proposed unit?

10 A. Yes, ma'am.

11 Q. And did Chisholm include these offset owners in
12 the notice of this hearing?

13 A. We did.

14 Q. If you'll turn to Exhibit Number 10, is this an
15 affidavit from my office reflecting notice was provided
16 to the parties to be pooled, including the overriding
17 royalty interest owners, the party entitled to notice of
18 the unorthodox well, the 2H, and the offset?

19 A. Yes, ma'am.

20 Q. And if you'll turn to Chisholm Exhibit Number
21 9, is this an Affidavit of Publication of notice in the
22 "Hobbs News-Sun" for this hearing?

23 A. Yes, ma'am.

24 Q. Were Exhibit Numbers 1 through 10 prepared by
25 you or compiled at your direction?

1 A. They were.

2 MS. BROGGI: At this time I would move into
3 admission -- into the record Chisholm's Exhibits 1
4 through 10.

5 MR. CARR: No objection.

6 EXAMINER McMILLAN: Exhibits 1 through 10
7 may now be accepted as part of the record.

8 (Chisholm Energy Operating, LLC Exhibit
9 Numbers 1 through 10 are offered and
10 admitted into evidence.)

11 MS. BROGGI: And I have no more questions
12 for this witness.

13 EXAMINER McMILLAN: Okay.

14 CROSS-EXAMINATION

15 BY EXAMINER McMILLAN:

16 **Q. Okay. Any unlocatable interests?**

17 A. No, sir.

18 **Q. This was done out of an abundance of caution?**

19 MS. BROGGI: Oh. Yes, Your Honor -- yes,
20 Mr. Examiner.

21 **Q. (BY EXAMINER McMILLAN) Any depth severances?**

22 A. Not in this formation, no, sir.

23 **Q. Okay. Well, then that's essentially part of**
24 **the same question. Let's go back to Exhibit -- probably**
25 **Exhibit 2.**

1 MS. BROGGI: Exhibit 1.

2 Q. (BY EXAMINER McMILLAN) Okay. Exhibit 1. So
3 for the Diamondback 24-25 Fed Com 2BS 1H, the first
4 perf, everything is unorthodox, correct?

5 MS. BROGGI: Oh, sorry. For the 1H.

6 Q. (BY EXAMINER McMILLAN) 2BS --

7 A. 2BS 2H.

8 EXAMINER BROOKS: Exhibit 1, and it's the
9 2H well.

10 THE WITNESS: Yes.

11 Q. (BY EXAMINER McMILLAN) Everything is
12 unorthodox, first perf, last perf and product area,
13 correct?

14 A. Correct.

15 Q. Okay. The 3H is orthodox, correct?

16 MS. BROGGI: Yes.

17 THE WITNESS: That is correct.

18 Q. (BY EXAMINER McMILLAN) Okay. And then going to
19 the 2BS 1H, in 16264, it's orthodox, right?

20 A. Yes, sir.

21 EXAMINER McMILLAN: Go ahead, Leonard.

22 CROSS-EXAMINATION

23 BY EXAMINER LOWE:

24 Q. Just for clarification for me on your wells,
25 the 2H and 3H are referenced to Exhibit 4, just to make

1 **sure?**

2 A. That is correct.

3 **Q. And then the other one will be the other well?**

4 MS. BROGGI: The 1H.

5 EXAMINER LOWE: Okay. That's all I have
6 for now. Thank you.

7 MS. BROGGI: And they correspond, just for
8 your benefit, to the two cases, the Division cases.

9 EXAMINER LOWE: Okay.

10 RE CROSS EXAMINATION

11 BY EXAMINER McMILLAN:

12 **Q. And the status of these wells is they are**
13 **proposed?**

14 A. They're proposed.

15 CROSS-EXAMINATION

16 BY EXAMINER BROOKS:

17 **Q. Okay. On Exhibit 1, this is the nonstandard**
18 **location one, right?**

19 A. Yes, sir.

20 **Q. Now, what is the distance from the wellbore to**
21 **the west unit boundary? I don't -- I don't see the**
22 **figure here anywhere.**

23 A. Well, I believe it will be about 90 feet.

24 **Q. Okay. So the bottom-hole location -- yeah.**
25 **The bottom-hole location is 1,220 from the east line, so**

1 that should make it somewhere about 100 feet?

2 A. 100 feet, yes, sir.

3 Q. The surface location is what? 690 from the
4 east. So the surface location -- the surface location
5 is over here in the middle of the section, as they
6 usually do.

7 A. Yes, sir.

8 Q. So have you asked for a nonstandard-location
9 approval in this proceeding, or has it been filed
10 separately?

11 MS. BROGGI: It was requested in this
12 proceeding.

13 EXAMINER BROOKS: In this proceeding.

14 MS. BROGGI: In the application.

15 EXAMINER BROOKS: Very good.

16 And you gave notice, as would be required
17 for a nonstandard location application?

18 MS. BROGGI: Yes, we did.

19 EXAMINER BROOKS: Okay. Thank you.

20 RE-CROSS EXAMINATION

21 BY EXAMINER McMILLAN:

22 Q. Did you have to notify anybody in the southeast
23 quarter of the southeast quarter of 14? Is that
24 correct, the diagonal to your first perf? Was that
25 distance greater than 467?

1 MS. BROGGI: I'm sorry. Can you repeat
2 that question?

3 EXAMINER McMILLAN: Did you have to notify
4 the diagonal offset for your landing point and your
5 terminus? Was that distance greater than 467?

6 MS. BROGGI: Let me consult with
7 Ms. Kessler.

8 THE WITNESS: Is this on the 2H?

9 EXAMINER McMILLAN: Yes. I hope I have the
10 right section.

11 MS. BROGGI: I mean, we provided notice to
12 everybody that was required under the requirements, so
13 yes.

14 EXAMINER McMILLAN: Okay. Thank you.

15 JOSHUA KUHN,
16 after having been previously sworn under oath, was
17 questioned and testified as follows:

18 DIRECT EXAMINATION

19 BY MS. BROGGI:

20 **Q. Would you provide your name, by whom you're**
21 **employed and in what capacity?**

22 A. Joshua Kuhn. I'm a geologist working for
23 Chisholm Energy.

24 **Q. And you have previously testified before the**
25 **Division as an expert in petroleum geology?**

1 A. Yes.

2 Q. And was it in the case before this?

3 A. Yes.

4 Q. And were your credentials accepted and made a
5 matter of record?

6 A. Yes.

7 Q. And are you familiar with the three
8 applications that Chisholm has filed in these two
9 consolidated cases?

10 A. Yes, I am.

11 Q. And have you conducted a geologic study of the
12 lands in the subject area?

13 A. Yes.

14 MS. BROGGI: At this time I would tender
15 Mr. Kuhn as an expert witness.

16 MR. CARR: No objection.

17 EXAMINER McMILLAN: So qualified.

18 Q. (BY MS. BROGGI) Mr. Kuhn, will you turn to
19 Exhibit Number 11?

20 MS. BROGGI: And for purposes of the
21 geology -- the geologic testimony, we're going to do
22 this by wells versus cases.

23 Q. (BY MS. BROGGI) So this would be for the
24 Diamondback 24-25 Fed Com 2BS #1H and #2H. Mr. Kuhn,
25 will you identify for the examiners what this is?

1 A. Yes. This is a subsea structure map at the top
2 of the 2nd Bone Spring Sandstone. Both the Diamondback
3 24-25 Fed Com 2BS 1H and 2H are annotated on here in the
4 dashed gray lines. The contour interval for this map is
5 50 feet. You can see relatively gentle bed dips to the
6 southeast.

7 As before, the blue attributes indicate
8 wells that have been used to create this subsea
9 structure map. The orange wells -- attributed wells are
10 wells that have produced or are producing from the 2nd
11 Bone Spring Sandstone. Also annotated on this map is a
12 cross section from B to B prime, three-well cross
13 section. And as you can see also from this map, there
14 is no faulting or pinch-outs or any geologic hazards
15 that would affect horizontal development of this
16 acreage.

17 **Q. And the wells that you chose, do you consider**
18 **these representative of the Bone Spring Formation?**

19 A. Yes, I do.

20 **Q. Do you want to turn to the next exhibit,**
21 **Chisholm Exhibit Number 12? Can you identify this for**
22 **the examiners?**

23 A. Yes. This is the cross section running from
24 northwest to southeast from B to B prime, three wells.
25 The top of the 2nd Bone Spring Sandstone is that orange

1 line towards the top, while the base is the black line
2 towards the bottom. The first track is both the gamma
3 ray and caliper log. Track two is deep and shallow
4 resistivity, and track three is neutron-density
5 porosity. We will be targeting the basal 2nd Bone
6 Spring Sandstone. As you can see here from the logs,
7 you see the separation of the resistivity indicating
8 good permeability, as well as the increase in porosity.
9 Actually, there is some crossover from the density and
10 the neutron showing gas effect. We believe this to be a
11 good target in this area.

12 **Q. Based on your geologic study of this area, have**
13 **you identified any geologic impediments to drilling a**
14 **horizontal well in this area?**

15 A. No.

16 **Q. And in your opinion, will each quarter-quarter**
17 **section be productive and contribute more or less**
18 **equally for each 40 acres comprising this nonstandard**
19 **spacing unit?**

20 A. Yes.

21 **Q. And in your opinion, will horizontal drilling**
22 **be the most efficient method to develop this acreage,**
23 **prevent the drilling of unnecessary wells and result in**
24 **the greatest ultimate recovery?**

25 A. Yes.

1 **Q. Will you now turn to Chisholm Exhibit Number**
2 **13? And for the examiners' benefit, for the Diamondback**
3 **24-25 Fed Com 1BS 1H well, could you identify here what**
4 **we're looking at for the examiners?**

5 A. Yes. This is a subsea structure map on the top
6 of the 1st Bone Spring Sandstone. The contour interval
7 is 50 feet, and the yellow is Chisholm Energy's
8 leasehold.

9 As before, the blue attributes represent
10 wells that are used to create this map. And the 1st
11 Bone Spring subsea top is also shown above these blue
12 attributes. The green-attributed wells are wells that
13 have produced -- or are producing from the 1st Bone
14 Spring Sandstone. And the proposed well is identified
15 in the dashed gray line.

16 **Q. Is there any faulting, pinch-outs or other**
17 **geologic hazards to drilling a horizontal well here?**

18 A. There is not.

19 **Q. Will you explain the significance of the line**
20 **from A to A prime?**

21 A. Yes. A to A prime is a three-well cross
22 section that I believe is representative of the 1st Bone
23 Spring and the Diamondback prospect area.

24 **Q. Will you turn to Chisholm's final exhibit,**
25 **Exhibit Number 14, and identify this for the examiners?**

1 A. Yes. This is cross section is a structural
2 cross section running from northwest to southeast on A
3 to A prime. The orange line represents the top of the
4 1st Bone Spring Sandstone, while the black line
5 represents the base of the 1st Bone Spring Sandstone.
6 The green interval is our target interval. And, once
7 again, you can see it increases in porosity, and you can
8 cross over in these offset type logs, which we feel is a
9 good indication of good reservoir quality and good
10 targeting for development of the Diamondback prospect.

11 **Q. Based on your geologic study of this area, is**
12 **it your opinion that each quarter-quarter section will**
13 **be productive and contribute more or less equally to the**
14 **40 acre -- to each 40 acre comprising this proposed**
15 **unit?**

16 A. Yes.

17 **Q. And in your opinion, will horizontal drilling**
18 **be the most efficient method of developing this acreage,**
19 **prevent the unnecessary wells and result in the greatest**
20 **ultimate recovery?**

21 A. Yes.

22 **Q. In your opinion, will the granting of**
23 **Chisholm's three applications in these two consolidated**
24 **cases be in the best interest of conservation, the**
25 **prevention of waste and the protection of correlative**

1 **rights?**

2 A. Yes.

3 **Q. Were Exhibits 11 through 14 either prepared by**
4 **you or under your direction?**

5 A. Yes.

6 MS. BROGGI: At this time I would move for
7 the admission of Exhibits 11 through 14.

8 MR. CARR: No objection.

9 EXAMINER McMILLAN: Exhibits 11 through 14
10 may now be accepted as part of the record.

11 (Chisholm Energy Operating, LLC Exhibit
12 Numbers 11 through 14 are offered and
13 admitted into evidence.)

14 MS. BROGGI: And I have no more questions
15 for this witness.

16 CROSS-EXAMINATION

17 BY EXAMINER McMILLAN:

18 **Q. Okay. Essentially, I'm looking at Exhibit 13.**
19 **Which have produced better, east-west or north-south, or**
20 **does it really matter?**

21 A. Are you looking at the 2nd Bone Spring?

22 **Q. I'm curious for both of them. Is there any**
23 **difference?**

24 A. I would say the north-south have produced
25 better. If you look at Figure 11, in Section 31, the

1 bottom, right side of the figure, there is a two-mile
2 well -- it's hard to tell. But that well in the
3 southwest corner of Section 31 is a two-mile-long
4 horizontal 2nd Bone Spring well. It's the Geronimo 11H,
5 drilled by COG. That well has cumed over 400,000
6 barrels of oil in less than a year.

7 CROSS-EXAMINATION

8 BY EXAMINER BROOKS:

9 Q. Which well is this?

10 A. This is the -- in Section 31, on the southeast
11 side of the map.

12 Q. On the Chisholm acreage?

13 A. No, sir. It's right beside the Chisolm
14 acreage. So you see that orange attribute to the
15 southwest side of Section 31? And you follow that line
16 straight up, and it's a two-section-long lateral
17 targeting the 2nd Bone Spring Sandstone.

18 Q. So while it isn't in the Chisholm acreage, you
19 wish it were?

20 A. Sure do.

21 CONTINUED CROSS-EXAMINATION

22 BY EXAMINER McMILLAN:

23 Q. And it has performed better than the east-west
24 well in 36?

25 A. Yes, sir.

1 Q. And this is for the 1st and 2nd Bone Spring?

2 It's true for all of them?

3 A. Correct.

4 CROSS-EXAMINATION

5 BY EXAMINER LOWE:

6 Q. Just to verify for myself, on Exhibit 14, your
7 target interval is about 100 feet?

8 A. That target interval is a little bit smaller
9 than that. It's about 50 feet.

10 Q. About 50 feet. Okay. Thank you. That's all
11 I've got.

12 EXAMINER BROOKS: Nothing.

13 MS. BROGGI: If there are no further
14 questions, I would ask that Case Numbers 16263 and 16264
15 be taken under advisement.

16 EXAMINER McMILLAN: 16263 and 16264 shall
17 be taken under advisement.

18 Thank you very much.

19 THE WITNESS: Thank you.

20 (Case Numbers 16263 and 16264 conclude,
21 9:55 a.m.)

22

23

24

25

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 11th day of August 2018.

21

22

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

25