## 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 TAP ROCK RESOURCES, LLC CASE NOs. 20600, FOR COMPULSORY POOLING, LEA COUNTY, 20601 NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 25, 2019

Santa Fe, New Mexico

BEFORE: WILLIAM V. JONES, CHIEF EXAMINER
KATHLEEN MURPHY, 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; Kathleen Murphy, Technical Examiner; and David K. Brooks, Legal Examiner, on Thursday, July 25, 2019, 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 TAP ROCK RESOURCES, LLC: 3 JAMES G. BRUCE, ESQ. Post Office Box 1056 Santa Fe, New Mexico 87504 4 (505) 982-2043 5 jamesbruc@aol.com 6 FOR INTERESTED PARTY MRC PERMIAN: 7 ADAM G. RANKIN, ESQ. HOLLAND & HART, LLC 110 North Guadalupe, Suite 1 8 Santa Fe, New Mexico 87501 9 (505) 988-4421 agrankin@hollandhart.com 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25

	Page 3
1	INDEX
2	PAGE
3	Case Numbers 20600 and 20601 Called 4
4	Tap Rock Resources, LLC's Case-in-Chief:
5	Witnesses:
6	Erica Hixson:
7	Direct Examination by Mr. Bruce 6 Cross-Examination by Examiner Jones 13
8	Emily Lange:
9	Direct Examination by Mr. Bruce 16 Cross-Examination by Examiner Jones 21
11	Proceedings Conclude 24
12	Certificate of Court Reporter 25
13	
14	
15	
16	EXHIBITS OFFERED AND ADMITTED
17	Tap Rock Resources, LLC Exhibit Numbers 1 through 7 12
18	Tap Rock Resources, LLC Exhibit Numbers 8 through 12 21
19	
20	
21	
22	
23	
24	
25	
1	

- 1 10:41 a.m.)
- 2 EXAMINER JONES: Okay. And I just want to
- 3 remind everybody about the exhibits. Please send PDFs
- 4 of exhibits.
- 5 MS. MURPHY: You can send them to me
- 6 directly. If you send them to the OCD Hearing email,
- 7 just put in the title "our exhibits," and Marlene will
- 8 send them to me. What I do is when I get a large file
- 9 of them, I go back to my office -- when you guys send
- 10 them in, I take them out of the file and eDoc them. And
- 11 so at the end of the file, I really don't want to send
- 12 emails to Mr. Bruce, but I will. But it's really your
- 13 responsibility to send them in, and it worked quite well
- 14 last time, so thank you.
- 15 EXAMINER JONES: Okay. Is everybody in
- 16 agreement to do page 5, Case 16489 -- and those two are
- 17 not combined, is that correct, Mr. Bruce, on page 5?
- 18 MR. BRUCE: The only Tap Rock ones we're
- 19 going on are on page -- 600 and 601.
- 20 EXAMINER JONES: Okay. Those are combined?
- MR. BRUCE: Yes.
- 22 EXAMINER JONES: Let's call Cases 20600 and
- 23 20601, application of Tap Rock Resources, LLC for
- 24 compulsory pooling in Lea County.
- 25 Call for appearances.

Page 5 MR. BRUCE: Mr. Examiner, Jim Bruce of 1 2 Santa Fe representing the Applicant. I have two witnesses. 3 4 EXAMINER JONES: Other appearances? 5 MR. RANKIN: Adam Rankin, with the law firm of Holland & Hart, appearing on behalf of MRC Permian. 6 7 No witnesses. 8 EXAMINER JONES: Just MRC Permian? MR. RANKIN: Yeah. 10 EXAMINER JONES: Any other appearances? 11 Do you object to it being presented by affidavit? 12 13 MR. RANKIN: No objections to affidavit. EXAMINER JONES: And that was in both 14 15 cases? 16 MR. RANKIN: Yes. 17 EXAMINER JONES: You have witnesses? 18 MR. BRUCE: Two witnesses. 19 EXAMINER JONES: Would the witnesses please 20 stand and the court reporter swear the witnesses? 21 (Ms. Hixson and Ms. Lange sworn.) 22 ERICA HIXSON, 23 after having been first duly sworn under oath, was questioned and testified as follows: 24 25

1 DIRECT EXAMINATION

- 2 BY MR. BRUCE:
- Q. Will you please state your name and city of
- 4 residence for the record?
- 5 A. My name is Erica Hixson. I live in Arvada,
- 6 Colorado.
- Q. Who do you work for and in what capacity?
- 8 A. I work for Tap Rock Resources as a landman.
- 9 Q. Have you previously testified before the
- 10 Division?
- 11 A. Yes.
- 12 Q. And were your credentials as an expert
- 13 petroleum landman accepted as a matter of record?
- 14 A. They were.
- 15 Q. And are you familiar with the land matters
- involved in these two applications?
- 17 A. Yes.
- MR. BRUCE: Mr. Examiner, I tender
- 19 Ms. Hixson as an expert petroleum landman.
- 20 EXAMINER JONES: Any objection?
- MR. RANKIN: No objection.
- 22 EXAMINER JONES: She is qualified as an
- 23 expert in petroleum land matters.
- Q. (BY MR. BRUCE) Could you identify Exhibits 1
- and 2 and identify the lands involved and the wells

## 1 involved in these applications?

- 2 A. Exhibits 1 and 2 are C-102s for the two initial
- 3 wells. And Exhibit 1 is the C-102 for The Contest Fed
- 4 Com Number 131H, and Exhibit 2 is the C-102 for
- 5 The Contest Fed Com 132H.
- 6 O. And what wells are involved -- I mean what
- 7 lands are involved in the application?
- 8 A. That is the west half of Section 9, Township 24
- 9 South, Range 34 East.
- 10 Q. That's both applications combined?
- 11 A. Correct. So the west half-west half of Section
- 12 9, 24 South, 34 East has the initial well of the 131H,
- 13 and the east half of the west half of Section 9 has the
- 14 initial well of the 132H.
- 15 Q. Are these APDs still pending?
- 16 A. They are.
- 17 Q. What is Exhibit 3?
- 18 A. Exhibit 3 is a tract map showing the leasehold
- 19 position of the west half of Section 9, with the north
- 20 half-northwest of Section 9 being federal lease number
- 21 13462, and the south half of the northwest of Section 9
- being federal lease number 554252, and then the
- 23 southwest of Section 9 being fee acreage.
- Q. What is Exhibit 4?
- 25 A. Exhibit 4 is the west half-west half Wolfcamp

- 1 unit working interest.
- Q. Okay. And you are seeking at this point to
- force pool everyone other than Tap Rock itself?
- 4 A. Yes. So Tap Rock has approximately 25 percent
- 5 working interest, and we're seeking to pool the parties
- 6 listed in Exhibit 4.
- 7 Q. Now, when you look at Advance Energy Partners,
- 8 it's got "Advance Energy/FR Energy." What's the
- 9 situation there?
- 10 A. So as of the time of filing, Advance Energy
- 11 Partners owned this interest, and they subsequently
- 12 assigned to FR Energy, LLC. But we've been in contact
- 13 with them, and they've received our proposals.
- 14 Q. Was notice of the hearing sent out
- 15 approximately at the time FR Energy's interest became of
- 16 record?
- 17 A. Yes.
- 18 Q. And are you asking that the cases be continued
- 19 for four weeks so that notice can be given to FR Energy?
- 20 A. Yes.
- 21 O. And what is Exhibit 5?
- 22 A. Exhibit 5 is the east half-west half Wolfcamp
- 23 unit working interest.
- 24 Q. Okay. Generally the same parties but different
- 25 interests; is that correct?

- 1 A. That's correct.
- Q. Could you run through exhibits -- what is under
- 3 Exhibit Tab 6 and describe the proposal letters that
- 4 you've sent out?
- 5 A. Yes. Exhibit 6 is a sample letter of the
- 6 proposals that were sent out to the parties for this
- 7 unit.
- 8 Q. And letters were sent out as to each well
- 9 separately?
- 10 A. That's correct.
- 11 Q. Have you had any follow-up contacts with the
- 12 interest owners?
- 13 A. Yes. With all interest owners, we've been in
- 14 contact.
- 15 Q. And in your opinion, has Tap Rock made a
- 16 good-faith effort to obtain the voluntary joinder of the
- interest owners in the well?
- 18 A. Yes.
- 19 Q. In the wells, I should say.
- 20 If you look at the -- are there AFEs
- 21 attached to each letter?
- 22 A. There are.
- Q. And could you just briefly identify the well
- 24 costs?
- 25 A. Yeah. For both The Contest Fed Com 131 and

- 1 132, the costs are approximately \$7.4 million.
- 2 Q. And are these costs fair and reasonable and in
- 3 line with the cost of other wells drilled to this depth
- 4 and length in this part of New Mexico?
- 5 A. They are.
- 6 Q. Are there any depth severances?
- 7 A. No.
- 8 Q. What overhead rates do you request?
- 9 A. 7,000 drilling and 700 producing.
- 10 Q. Are those the rates set forth in your JOA?
- 11 A. They are.
- 12 O. And are those rates reasonable and similar to
- 13 rates used by other operators in this area?
- 14 A. Yes.
- 15 Q. In the event that a party goes nonconsent in
- 16 the well, do you request the maximum cost plus 200
- 17 percent risk charge?
- 18 A. Yes.
- 19 Q. And if any of these interest owners
- 20 subsequently join in the wells, will you notify the
- 21 Division -- or in the JOA, I should say -- so that they
- are no longer subject to force pooling?
- A. Yes, we will.
- 24 Q. Did you direct me to send notice to the working
- 25 interest owners in this well?

- 1 A. Yes.
- Q. And is Exhibit 7 a copy of my notice letter?
- 3 A. It is.
- 4 Q. Now, when you look at this letter, besides the
- 5 working interest owners, also notified were overriding
- 6 royalty owners; is that correct?
- 7 A. Yes.
- 8 Q. What did you subsequently find out about the
- 9 need to pool overriding royalty parties?
- 10 A. All of the conveyances creating each override
- 11 allow for pooling.
- 12 EXAMINER BROOKS: I'm sorry. I didn't hear
- 13 your answer.
- 14 THE WITNESS: All the conveyances that
- 15 created the overrides allowed for pooling, so we just
- 16 noticed out of an abundance of caution.
- 17 EXAMINER BROOKS: Authorized the operator
- 18 to pool -- or authorized the lessee or --
- 19 THE WITNESS: The operator.
- 20 EXAMINER BROOKS: -- interest to pool?
- THE WITNESS: Yeah.
- 22 EXAMINER BROOKS: Okay.
- MR. BRUCE: And also part of Exhibit 7,
- 24 Mr. Examiner, on the very last page is the Affidavit of
- 25 Publication so that those people who didn't either

1 return the green cards or didn't claim their certified

- 2 mail did receive constructive notice of the
- 3 applications.
- 4 Q. (BY MR. BRUCE) Who do you request be named
- 5 operator of the wells?
- 6 A. Tap Rock Operating, LLC.
- 7 Q. Were Exhibits 1 through 7 either prepared by
- 8 you or under your supervision or compiled from company
- 9 business records?
- 10 A. Yes.
- 11 Q. And in your opinion, is the granting of this
- 12 application in the interest of conservation and the
- 13 prevention of waste?
- 14 A. Yes.
- 15 MR. BRUCE: Mr. Examiner, I move the
- admission of Exhibits 1 through 7.
- 17 EXAMINER JONES: Any objections?
- MR. RANKIN: No objection.
- 19 EXAMINER JONES: Exhibits 1 through 7 are
- 20 admitted.
- 21 (Tap Rock Resources, LLC Exhibit Numbers 1
- through 7 are offered and admitted into
- evidence.)
- 24 EXAMINER JONES: Mr. Rankin?
- MR. RANKIN: No questions.

1 EXAMINER JONES: Okay. Questions?

- MS. MURPHY: I have no questions.
- 3 EXAMINER JONES: Mr. Brooks?
- 4 EXAMINER BROOKS: No questions.
- 5 CROSS-EXAMINATION
- 6 BY EXAMINER JONES:
- 7 Q. So Tap Rock -- you're making the application
- 8 under Tap Rock Resources, LLC, but the operator will the
- 9 Tap Rock Operating, LLC?
- 10 MR. BRUCE: That is correct.
- 11 EXAMINER JONES: Okay. I've just got to
- 12 make sure I remember that. That way when I read the
- 13 transcript, I'll remember it.
- 14 Q. (BY EXAMINER JONES) I notice you also list the
- 15 facilities cost, tangible and intangible. It's about a
- 16 million dollars in addition to the 7 million AFE for the
- 17 **well.**
- 18 A. Uh-huh.
- 19 Q. Are you intending to include those costs in
- 20 the -- in the pooling -- for those pooled, aren't just
- 21 part of the payout and the penalty, or do you know? If
- 22 you don't know, that's fine.
- 23 A. I don't know. Yeah.
- 24 O. I understand.
- 25 Mr. Brooks tells me that operators can do

- 1 that if they want to, but --
- 2 EXAMINER BROOKS: Can do what?
- 3 EXAMINER JONES: Include the facilities
- 4 cost in the payout.
- 5 EXAMINER BROOKS: Under the rules, they
- 6 can. It's doubtful whether that rule is in accordance
- 7 with the statute, but the Commission has never directed
- 8 that the Division cease following the rule. The
- 9 Commission has not followed it in a couple of instances,
- 10 at least that I know about.
- 11 EXAMINER JONES: That's the kind of thing
- 12 we're going to miss when he leaves. He'll know it, but
- 13 he might not tell us.
- 14 EXAMINER BROOKS: Well, lawyers that take a
- 15 bar are not going to tell you unless it's in accordance
- 16 with their client's interest.
- 17 EXAMINER JONES: Yeah.
- 18 Q. (BY EXAMINER JONES) So these wells are federal
- 19 wells. So they're not permitted yet?
- 20 A. We submitted permits two weeks ago, but yeah,
- 21 they've not yet been approved.
- Q. When do you want to drill them?
- 23 A. We have them on our drill schedule, these two
- 24 wells, for April 2020.
- 25 Q. Do you think it'll take about that long for the

- 1 Feds to come through?
- 2 A. Probably. Uh-huh. We're anticipating getting
- 3 them probably in February.
- 4 Q. What is the major -- is it the surface cultural
- issues, or what's the major holdup on the Federal --
- 6 A. Man, if I had the answer to that --
- 7 MR. BRUCE: It's the BLM.
- 8 EXAMINER JONES: Just their backlog?
- 9 (Laughter.)
- 10 Q. (BY EXAMINER JONES) It's not any one portion of
- 11 their process?
- 12 A. I know the surface piece does take a lot of
- 13 time for them to review, but if I knew the answer to
- 14 that, I would be --
- 15 Q. Okay. These are standard locations, both of
- 16 them?
- 17 A. Yes.
- 18 Q. You're proposing them as standard?
- 19 A. Yes. That's correct.
- 20 Q. So it's possible the BLM might move the -- you
- 21 don't have surface on-sites yet?
- 22 A. So the southwest quarter of Section 9 is on fee
- 23 surface, so that will alleviate a lot of the obligations
- 24 of the BLM in their discretion of moving the wells. So
- 25 hopefully -- hopefully, they will stay put as planned.

- 1 Q. Okay. Thanks. Thanks a lot.
- 2 EMILY LANGE,
- 3 after having been previously sworn under oath, was
- 4 questioned and testified as follows:
- 5 DIRECT EXAMINATION
- 6 BY MR. BRUCE:
- 7 Q. Would you please state your name and city of
- 8 residence for the record?
- 9 A. Emily Lange, Evergreen, Colorado.
- 10 Q. Who do you work for and in what capacity?
- 11 A. I work for Tap Rock in the capacity as a senior
- 12 exploration geologist.
- 13 Q. Have you testified before the Division?
- 14 A. No, sir.
- 15 Q. Could you summarize your educational and
- 16 employment background for the examiner?
- 17 A. Yes. I received my Bachelor of Science degree
- 18 from the University of Southern California in geological
- 19 sciences. I've completed my master's graduate courses
- 20 at Southern Methodist University. And I've been working
- 21 in the industry for six years mostly at Matador
- 22 Resources up until about two months ago when I started
- 23 working for Tap Rock.
- 24 Q. And did your experience both at Tap Rock and
- 25 Matador include work in the Permian Basin?

- 1 A. Yes, sir.
- 2 Q. And are you familiar with the geologic matters
- 3 involved in these applications?
- 4 A. Yes, sir.
- 5 Q. And have you prepared, by you or under your
- 6 supervision, exhibits for presentation today?
- 7 A. Yes, sir.
- 8 MR. BRUCE: Mr. Examiner, I tender
- 9 Ms. Lange as an expert petroleum geologist.
- MR. RANKIN: No objection.
- 11 EXAMINER JONES: You had to move from Fort
- 12 Worth to Golden?
- THE WITNESS: Well, Dallas to Golden.
- 14 EXAMINER JONES: Must have been tough to
- 15 give up Dallas for Golden.
- 16 THE WITNESS: Dallas has its benefits for
- 17 sure, but I'm not complaining about the mountains.
- 18 EXAMINER JONES: Okay.
- 19 And Adam Smith is not showing up today?
- 20 This is a change in --
- 21 MR. BRUCE: No. We canned him for this
- 22 presentation.
- 23 EXAMINER JONES: Okay. There he is.
- 24 (Laughter.)
- 25 EXAMINER JONES: Okay. She's so qualified.

1 Q. (BY MR. BRUCE) Would you briefly identify

- 2 Exhibit 8 for the examiner?
- A. Yes, sir. Exhibit 8 is showing our Contest CSU
- 4 outlined in red with our two proposed wells, The Contest
- 5 Fed Com 131H and The Contest Fed Com 132H, as seen in
- 6 Township 24 South, Range 34 East and in Section 9. It
- 7 is sitting in Lea County, and you can see it is sitting
- 8 outside of the dashed polygon indicating potash.
- 9 Q. And what is Exhibit 9?
- 10 A. Exhibit 9 is showing our same DSU and proposed
- 11 wells. You'll see on the legend on the right surface
- 12 holes indicated by a box, and the bottom hole is
- 13 indicated by a circle. So you can see these wells
- 14 are -- surface holes are down in the south portion of
- 15 Section 9 and drilling up to the north. This is
- 16 overlain by a subsea structure map of the Wolfcamp A
- 17 horizon, contour intervals of 25 feet. And you can see
- 18 that based on this subsea structure map, we're
- 19 anticipating the top of the Wolfcamp Formation to come
- in at around minus 8,200 feet subsea TVD.
- 21 The wells that are highlighted with red
- 22 circles denotes offset horizontals that are targeting
- 23 the equivalent zone of interest as The Contest -- our
- 24 proposed Contest wells. And the wells that are
- 25 connected with the blue line represent our cross

1 section, A to A prime, that you will see in the next

- 2 exhibit.
- Q. Why don't you move on to that and discuss its
- 4 contents?
- 5 A. Okay. Exhibit 11 is that cross section, A to A
- 6 prime, and we have three tracks on here. Track 1 has
- 7 gamma ray and caliper curves. Gamma ray is a general
- 8 lithology approximator, and it's colored as such. So
- 9 signatures in blue indicate carbonate rocks. Signatures
- 10 that are in the yellow to orange indicate sands or
- 11 siltstones. And signatures that are brown or dark brown
- 12 are indicative of shales.
- 13 Track 2 has our resistivity curves on
- 14 there, and that is measuring how resistive the rock is.
- 15 Track 3 is showing density and neutron
- 16 curves, which gives you a general sense of the porosity
- 17 of the formation. You can see the blue schematic there
- is showing the approximate landing zone of our Contest
- 19 wells inside the green-shaded lateral interval of the
- 20 Upper Wolfcamp A.
- Q. And on this cross section, it looks like the
- 22 zone you are testing is continuous across both well
- 23 units?
- A. Yes, sir. We have it mapped out, and it is
- 25 laterally continuous across our proposed wellbores.

- 1 O. And what is Exhibit 11?
- 2 A. Exhibit 11 is showing the isopach map, which is
- 3 the thickness from the top of the Wolfcamp A to the top
- 4 of the Wolfcamp B. Again, you'll see on this map our
- 5 DSU and our proposed wellbore laterals. The contour
- 6 interval for this map is 10 feet. And at our proposed
- 7 locations, we're seeing about 360 feet of gross footage
- 8 between Wolfcamp A and the Wolfcamp B.
- 9 Q. In your opinion, will each quarter-quarter
- 10 section in each well unit contribute more or less
- 11 equally to production?
- 12 A. Yes, sir.
- 13 Q. And looking at the geology exhibits, is there
- 14 any faulting or other issues that would impair the
- 15 drilling of a well?
- 16 A. No, sir.
- 17 Q. Finally, what is contained in Exhibit 12?
- 18 A. Exhibit 12 shows the schematics for both The
- 19 Contest Fed 131H and 132H and show that they are going
- 20 to be drilled at standard setbacks for the pool.
- 21 Q. And were Exhibits 8 through 12 prepared by you
- 22 or under your supervision?
- 23 A. Yes, sir.
- MR. BRUCE: Mr. Examiner, I move the
- admission of Exhibits 8 through 12.

- 1 EXAMINER JONES: Any objections?
- 2 MR. RANKIN: No objection.
- 3 EXAMINER JONES: Exhibits 8 through 12 are
- 4 admitted.
- 5 (Tap Rock Resources, LLC Exhibit Numbers 8
- 6 through 12 are offered and admitted into
- 7 evidence.)
- 8 MR. BRUCE: And if you would care for us to
- 9 email you a cross section so you can get a bigger than
- 10 8-and-a-half-by-11 page, we can gladly do that.
- 11 EXAMINER JONES: I would gladly forego
- 12 that, but I'll ask the geologist here.
- MS. MURPHY: I'm okay.
- 14 CROSS-EXAMINATION
- 15 BY EXAMINER JONES:
- 16 Q. I do appreciate you talking about the coding of
- 17 the colors because we rarely get that. Usually they
- don't fill that portion in.
- 19 A. Yeah. Everybody does it different, so I
- 20 thought I'd get the point out.
- Q. Yeah. It looks like your --
- 22 EXAMINER JONES: Do you have questions for
- 23 her?
- MR. RANKIN: No questions.
- MS. MURPHY: I'm okay. Thank you.

1 Q. (BY EXAMINER JONES) I notice your isopach shows

- 2 kind of a thinning here; is that correct? Or am I
- 3 reading that wrong? I'm not supposed to know how to
- 4 read these things. It's possible that I'm reading it
- 5 wrong, but it looks like to the south -- and you've got
- 6 actually thicker -- south and southwest is actually
- 7 thicker on the Wolfcamp A; is that correct?
- 8 A. Yes. There is a subtle -- subtly thicker
- 9 section down in that direction. I think, in our
- 10 estimation, that overall the zone is still quite thick
- 11 enough even if it is suddenly thinner as it moves to the
- 12 north.
- 13 Q. I don't know if you want to answer this, but
- 14 you're drilling only one well in the spacing unit --
- 15 proposed well. Do you have more planned, or is this --
- 16 you're just going to drill this and see what happens,
- 17 and then drill some more?
- 18 A. Yes, sir. I believe it is a -- sort of a drill
- 19 schedule type of arrangement, why we just proposed these
- 20 two to begin with.
- 21 Q. Okay. I just -- we have some cases that are
- 22 really extreme, where they propose, you know, maybe four
- or five wells in one Wolfcamp level and then four or
- 24 five in another, and they propose those to compulsory
- 25 pool the parities, and that's a lot of money up front.

1 But on the other hand, it's kind of nice if they do

- 2 that, if they present some testimony as to is that
- 3 needed or what schedule they're going to drill on or --
- 4 and sometimes we don't get that. But here it's the
- 5 opposite. You're only going to drill one and -- of
- 6 course, these are narrow, little units here, so --
- 7 A. Yes, sir. I think that right now, since we
- 8 know that we want to drill these first, that this has
- 9 been kind of the top priority. And in other horizons,
- 10 we'll come back, I believe, and propose some other
- 11 horizons.
- 12 Q. Okay. So you've got enough control in the
- 13 Wolfcamp to know where you're going? You're not going
- 14 to drill pilot holes here?
- 15 A. No, sir. We think we have good control for
- landing, and we're pretty active in monitoring as we
- 17 drill down to be able to land in our preferred zone.
- 18 Q. Okay. And the Wolfcamp A is the target, not
- 19 anything deeper, for the primary target?
- 20 A. Correct, Upper Wolfcamp A.
- 21 Q. Upper Wolfcamp A.
- 22 A. Uh-huh.
- 23 EXAMINER JONES: Any questions?
- MS. MURPHY: No.
- 25 EXAMINER JONES: Okay. Thanks very much.

- 1 THE WITNESS: Thank you.
- 2 EXAMINER BROOKS: No questions.
- 3 MR. BRUCE: Mr. Examiner, as Ms. Hixson
- 4 said, we do want to give notice to the additional
- 5 interest owner just to be safe, so when I get back to my
- office, I'll feed some more money to the OCD slot
- 7 machine and request --
- 8 (Laughter.)
- 9 EXAMINER BROOKS: He's the slot machine guy
- 10 (indicating).
- 11 (Laughter.)
- 12 EXAMINER JONES: Okay. I appreciate it.
- 13 You'll keep me out of trouble if you do that.
- So you're going for the 22nd of August?
- MR. BRUCE: Correct.
- 16 EXAMINER JONES: For both of these cases?
- MR. BRUCE: For both cases.
- 18 EXAMINER JONES: Okay. Thanks for
- 19 venturing down from Golden.
- We're going to continue Cases 20600 and
- 21 20601 to the 22nd of August.
- 22 (Case Numbers 20600 and 20601 conclude,
- 23 11:05 a.m.)

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.
- 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 2nd day of August 2019.

21

22

MARY C. HANKINS, CCR, RPR Certified Court Reporter

New Mexico CCR No. 20
24
Date of CCR Expiration

Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

25