STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

ORIGINAL

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF DEVON ENERGY PRODUCTION COMPANY, LP, FOR POOL EXPANSION AND SPECIAL POOL RULES, EDDY COUNTY, NEW MEXICO

Case 14936

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: RICHARD EZEANYIM, Presiding Examiner
DAVID K. BROOKS, Legal Examiner

November 29, 2012

Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, RICHARD EZEANYIM, Presiding Examiner, and DAVID K. BROOKS, Legal Examiner, on Thursday, November 29, 2012, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South St. Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: Jacqueline R. Lujan, CCR #91
Paul Baca Professional Court Reporters
500 Fourth Street, N.W., Suite 105
Albuquerque, NM 87103 505-843-9241

A P P E A R A N C E S

FOR THE APPLICANT:

JAMES BRUCE, ATTORNEY AT LAW
P.O. Box 1056
Santa Fe, New Mexico 87501
(505)982-2043

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EXAMINER EZEANYIM: We call the last case, Case 14936, application of Devon Energy Production Company, LP, for pool expansion and special pool rules, Eddy County, New Mexico. Call for appearances.

MR. BRUCE: Mr. Examiner, Jim Bruce, of Santa Fe, representing the applicant. I have three witnesses.

EXAMINER EZEANYIM: Any other appearances?

Okay. Will the three witnesses stand up, state your name and be sworn, please?

MR. GRAY: Ken Gray.

MR. BENTLEY: Jeff Bentley.

MR. BLUMSTEIN: Raleigh Blumstein.

(Three witnesses were sworn.)

EXAMINER EZEANYIM: You may proceed.

KEN GRAY

Having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. BRUCE:

Q. Would you please state your name and city of residence?

A. Yes. Ken Gray. I live in Oklahoma City, Oklahoma.

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

A. I work for Devon Energy Corporation, landman.

Q. Have you previously testified before the Division?

A. Yes.

Q. Were your credentials as an expert landman accepted as a matter of record?

A. Yes, they were.

Q. Are you familiar with the land matters involved in this case?

A. I am.

MR. BRUCE: Mr. Examiner, I tender Mr. Gray as an expert petroleum landman.

EXAMINER EZEANYIM: Mr. Gray is so qualified.

Q. (By Mr. Bruce) Mr. Gray, could you identify Exhibit 1 for the Examiner and describe what Devon seeks in this case?

A. Exhibit 1 shows an outline of the existing boundary of the Northwest Fenton-Delaware Pool boundary. The red dotted line is the proposed extension or expansion of the pool boundary that we're seeking to obtain.

We re-completed the Lonetree 14 State Com Number 1, which is on that map, located in the southeast quarter of the northeast quarter of Section 14. We drilled -- are in the process of completing the Lonetree

Draw 13 State 2H, which is in the west half/west half of Section 13. And we have re-completed the Lonetree Number 1. The name of it is not on here, but it's in the northeast of the southwest of Section 13.

And we are seeking to expand the pool -- the boundaries of the pool and increase the allowable from the existing 80 barrels of oil per day to 200 barrels of oil per day.

Q. Do you seek the approval retroactive to the date of first production from the Lonetree 14 State Com Number 1?

A. That would be approximately one year ago. Yes.

Q. Does the pool currently have any special rules?

A. No.

Q. It's statewide rules?

A. Yes.

Q. And what is Exhibit 2?

A. Exhibit 2 is a list of the OCD's records of the current operators in the Northwest Fenton-Delaware Pool.

Q. What is Exhibit 3?

A. Exhibit 3 is an email from me to the operators in the pool, dated November 15th, when we -- I guess when

you decided to fast track this, we gave them notice by email so they would have plenty of opportunity to have notice of the hearing.

Q. And so we had an emergency hearing, I believe, on the 13th or 14th of --

A. A couple of weeks ago, yes.

Q. And because of a shortened notice period, you sent emails to each of the operators listed on Exhibit 2?

A. That's right.

Q. Was notice given by Certified Mail to all of the operators?

A. Yes.

Q. Is that reflected in Exhibit 4?

A. That's correct.

MR. BRUCE: Mr. Examiner, when you look at it, they all received notice. I have not gotten a green card back from Ranger 40 Petroleum, LLC. That white Certified Mail receipt was copied, together with a page from the Division's list of operators, just to show we gave notice to the address listed in the Division's records. So I believe proper notice has been given to everyone.

Q. (By Mr. Bruce) Mr. Gray, were Exhibits 1 through 4 prepared by you or compiled from company records?

A. Yes, they were.

Q. In your opinion, is the granting of this application in the interest of conservation and the prevention of waste?

A. Yes.

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

EXAMINER EZEANYIM: Exhibits 1 through 4 will be admitted.

(Exhibits 1 through 4 were admitted.)

MR. BRUCE: I have no further questions of the witness.

EXAMINER BROOKS: No questions.

EXAMINER EZEANYIM: Mr. Gray, you are the land person?

THE WITNESS: Yes.

EXAMINER EZEANYIM: I've talked to you before. I don't think I have any questions I want to ask. If you need to be recalled, I may recall you. But we may have a geologist or engineer to answer the questions. You are excused.

THE WITNESS: Thank you.

EXAMINER EZEANYIM: Call your next witness.

RALEIGH BLUMSTEIN

Having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. BRUCE:

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

A. Raleigh Blumstein; Oklahoma City, Oklahoma.

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

A. Devon Energy. I'm a senior geologist.

Q. Have you previously testified before the Division?

A. No, I have not.

Q. Could you briefly summarize your educational and employment background for the Examiner?

A. A BS at the University of Oklahoma in Petroleum Geology, a Master's degree from the University of Oklahoma in Geology.

I worked for two years with Baker Hughes, six and a half years with Hess Corporation, and a year and a half with Devon Energy.

Q. In your job at Devon, are you familiar with the geology involved in this case?

A. Yes.

Q. And 21 South, 27 East, in that general area, your area of responsibility at Devon as a geologist?

A. Yes.

MR. BRUCE: Mr. Examiner, I tender Mr. Blumstein as an expert petroleum geologist.

EXAMINER EZEANYIM: He's so qualified.

Q. (By Mr. Bruce) Let's just run through your exhibits. What is Exhibit 5?

A. Exhibit 5 is a gross isopach of what we call the A1 Sand. It's shown on here. It shows that it pinches out to the west, just west of our Lonetree 14 Com 1 re-completion in Section 14.

As we move to the east, the sand thickens to a greater interval in our second re-completion, which is the Lonetree Number 1 in Section 13. And I've also identified on there a four-well cross-section from west to east, which I'll refer to on Exhibit 7, if we can do that.

Q. Yeah. Why don't you move on?

A. Exhibit 7 shows that four-well cross-section. The sand of interest for our re-completion in those two wells is highlighted in yellow.

You can see the Lonetree 14 State Com 1 is the second well from left to right, and we perforated at 10-foot intervals. You can see the perforations are the pink intervals within that thin, yellow highlighted sand. In the downdip well, Lonetree 1, we perforated both that

sand and slightly above that.

Q. Was that also a re-completion?

A. Yes, it was.

And the cross-section is just to highlight that that sand pinches out updip and is isolated to the west.

Exhibit 6 that I skipped is a net sand isopach of that same unit, same sand. The net isopach is defined by a porosity cutoff of 15 percent. It shows a similar pattern in that net isopach.

Q. So the Delaware is continuous across this area?

A. The Delaware is a thick section, roughly 2,500 feet thick, in this area.

Q. These are Brushy Canyon completions?

A. Yes. Correct.

Q. Now, also on your Exhibit 6, certain wells were mentioned. The wells on the cross-section, the one in the northeast quarter of Section 14 and the one in the southwest quarter of 13, again, are the re-completions; correct?

A. Correct.

Q. And the one horizontal well in between, that well was drilled. Has it been completed yet?

A. It has been completed just recently.

Q. And then the other well in the east half of Section 13, is that a proposed well by Devon?

A. That is a proposed well.

Q. What is Exhibit 8?

A. Exhibit 8 shows the wells that constitute the Fenton-Northwest Delaware Pool, highlighting the top of the perf interval in blue and the base of the perf interval in red. It's just showing that there's a large difference between what is the historical pool perforation interval and what we have targeted in the two re-completions and the recent horizontal well.

This is also highlighted in the cross-section labeled A, B, C, that's shown in Exhibit 9. Exhibit 9 is a cross-section through our two re-completions. And well C, which is the Big Eddy 98, was the well that defined the Fenton-Northwest Pool originally.

And you can -- what I'm highlighting is that the original pool was defined by sands in and around 29- to 3,100 TVD. And we've re-completed to sands approximately 1,900 feet deeper in the Brushy interval on wells A and B.

Q. So when looking at your exhibit, most of the completions were right around 3,000 feet?

A. That's correct.

Q. Is that a Cherry Canyon interval?

A. That's the top of the Cherry Canyon.

Q. But there are several that also had completions 2,500, 2,700 feet deeper than that; is that correct?

A. Yeah. There are some that include, it looks like, perforations in the Avalon sand. The Bone Spring, that was down at 5,600 feet.

Q. What is Exhibit 10?

A. Exhibit 10, it was my understanding that there was a question about the permeability of the reservoir that we re-completed. This is a CMR log that we ran in the recent horizontal, the pilot hole for that, the Lonetree Draw 13 State 2H, and -- I'm losing my voice.

EXAMINER EZEANYIM: Do you need a break?

THE WITNESS: Yes.

EXAMINER EZEANYIM: Let's take a five-minute break.

(A recess was taken.)

EXAMINER EZEANYIM: We are going to go back into the record concerning Case 14936, after giving you time to collect yourself.

So you may proceed.

Q. (By Mr. Bruce) And again, Mr. Blumstein, what does Exhibit 10 reflect?

A. Exhibit 10 is a CMR log. And there was some

question, I guess, about the permeability at the reservoir, the quality that it was.

And the third tract is all I'm trying to highlight. The blue shaded curve is the calculated permeability. And I've just highlighted -- you see the 20, 45 and 30, these are in millidarcies. So this is the reservoir we are targeting. On average, it's in the 20 to 40 millidarcy permeability. And that is all.

Q. Were Exhibits 5 through 10 prepared by you or under your supervision?

A. Yes.

Q. In your opinion, is the granting of this application in the interest of conservation and the prevention of waste?

A. Yes.

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

EXAMINER EZEANYIM: Exhibits 5 through 10 will be admitted.

(Exhibits 5 through 10 were admitted.)

MR. BRUCE: I have no further questions of witness.

EXAMINER BROOKS: No questions.

EXAMINER EZEANYIM: Have you testified here before?

THE WITNESS: No, I have not.

EXAMINER EZEANYIM: No wonder you are getting choked up. We are not bullies. We are very friendly here.

EXAMINATION

BY EXAMINER EZEANYIM:

Q. What is the average porosity we are talking about? You mentioned something about the Cherry Canyon? I thought you were talking about Fenton. Which pool are we talking about here?

A. Referring to the log that I just spoke of, this is the new well that we drilled, which is currently assigned to the Fenton-Delaware Northwest Pool. This log is from a new drill. We drilled the final hole and then a lateral that we --

EXAMINER EZEANYIM: Maybe your engineer will answer this, because I want you to go now and rest. Do you have an engineer to testify today?

THE WITNESS: Yes.

EXAMINER EZEANYIM: Very good. You may be excused.

MR. BRUCE: Mr. Examiner, in response to one of your questions, it's just that the original completions in this pool were Cherry Canyon-Delaware completions. These more recent ones are in the Brushy

Canyon.

EXAMINER EZEANYIM: Okay. Call your next witness.

JEFF BENTLEY

Having been first duly sworn, testified as follows:

DIRECT EXAMINATION

BY MR. BRUCE:

Q. Please state your name and city of residence.

A. Jeff Bentley, Oklahoma City.

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

A. Devon Energy. I'm a reservoir engineer.

Q. Have you previously testified before the Division?

A. No, I have no.

Q. Would you summarize your educational and employment background?

A. Education is a petroleum engineering degree, Colorado School of Mines. What was the other part?

Q. And employment.

A. Devon Energy, four and half years.

Q. Does your area of responsibility include this portion of Southeast New Mexico?

A. Yes.

Q. Are you familiar with the reservoir engineering involved in this application?

A. Yes, I am.

MR. BRUCE: Mr. Examiner, I tender Mr. Bentley as an expert reservoir engineer.

EXAMINER EZEANYIM: He is so qualified.

Q. (By Mr. Bruce) Mr. Bentley, let's move on to one of your two exhibits. Exhibit 1, what does this reflect?

A. This is reflecting the production performance from the first well that we re-completed. It was a little 10-foot interval that we perforated and put a small 27,000-pound frack on.

EXAMINER EZEANYIM: You're talking about Exhibit 11?

MR. BRUCE: Yes.

EXAMINER EZEANYIM: You said "1."

MR. BRUCE: I'm sorry.

A. As you can see, the oil production rate came in really well, higher than what we anticipated. We anticipated something like a barrel range per day kind of rate. This came in at several hundred barrels. We thought this would fall fairly quickly, but it has not. It has hung around in, I guess, around a 200-barrel-a-day range for over a year now.

Q. This well was originally drilled to the Morrow --

A. I believe so.

Q. -- and then re-completed uphole?

And this was one of your last efforts to keep the well active?

A. Yes.

Q. And this is what initiated the reason for seeking the pool rules in this area?

A. Yes.

Q. Now, you appeared -- we had an emergency hearing on this case, and you were talking about the amount of fluids involved. Really, there's only a couple hundred barrels of fluids being produced from this well; correct?

A. At the current rate, yeah. Total fluid coming out of this well is about 200.

Q. And so it is not voluminous, in your opinion?

A. No. It just has a really high oil saturation, which exceeds the allowable of 80 barrels per day.

Q. Let's move on to your Exhibit 12 and discuss what well this is.

A. This is another re-completion. We moved over to the east in Section 13. And again, you can see the oil rate there came in at about 70 to 80 barrels. The water rate was significantly higher. I'm trying to show that the total fluid volume coming out of this well is

roughly 150 to 200 barrels per day, also. So they're fairly equivalent. It's just that this second Lonetree 13 K State 1 Well, its oil saturation is less.

Q. So you're not withdrawing a lot of fluids out of the reservoir?

A. No. I'm not concerned to where we're damaging the reservoir in any way.

Q. So even producing at above the current allowable is not damaging the reservoir?

A. No.

Q. And it won't lead to a decreased recovery of reserves in the future?

A. It will not.

Q. Insofar as -- at this point, the well is overproduced. Why do you not want to shut in the well or try to reduce the well down to 80 barrels of oil per day or less?

A. Currently, we don't have any electricity out there, and we're pumping this on an old Ajax pumping unit at about seven strokes per minute. In talking with the field production guys out there, it's hard to run that thing at anything less than five strokes per minute. To get this down to a stroke per minute that will just produce the 80 barrels would, I think, be -- it would be difficult. It would be really hard to keep that thing

running. It would be shutting itself off. It will be intermittent.

So in order to, I guess, keep this thing flowing, it's best just to keep it running at its current rate.

Q. Is it your concern that if you did have to shut in the well for an extended period of time, that the well could be damaged?

A. For an extended period of time, I do believe we could damage the wellbore.

Q. And again, you don't -- you stated there is no harm to the reservoir from producing at 200 barrels a day. Is that another reason not to shut in the well, since there's no harm to the reservoir?

A. Yeah. There's no harm to the reservoir.

Q. Again, we had the emergency hearing and got a 15-day order. Do you request an extension of the emergency order so that while the Division is considering this application, you do not need to shut the well in?

A. Yes, I request that.

Q. Again, to avoid damage to the wellbore?

A. (Witness nods head.)

Q. Do you see any harm to any offsets from producing the well at 200 barrels a day?

A. No, I do not.

Q. And again, the previous exhibits by the other witnesses show that Devon has re-completed offset wells or is drilling offset wells to protect that acreage?

A. Yes.

Q. Were Exhibits 11 and 12 prepared by you?

A. Yes, they were.

Q. And in your opinion, is the granting of this application in the interest of conservation and the prevention of waste?

A. Yes

MR. BRUCE: Mr. Examiner, I move the admission of Exhibits 11 and 12.

EXAMINER EZEANYIM: Exhibits 11 and 12 will be admitted.

(Exhibits 11 and 12 were admitted.)

MR. BRUCE: I have no further questions of the witness.

EXAMINER EZEANYIM: Do you have any questions?

EXAMINER BROOKS: No questions.

EXAMINER EZEANYIM: Let's address some something you said about extending the emergency order. I want you to address that. We heard the case today. I don't think we need to extend that.

MR. BRUCE: Whatever. I'm just playing it

safe.

EXAMINER EZEANYIM: We need to --

EXAMINER BROOKS: We're not going to issue a final order today.

EXAMINER EZEANYIM: No.

EXAMINER BROOKS: So yes, I think we need to -- if we deem it appropriate, after the hearing, we need to issue an interim order that will extend the emergency order until a final order is issued. And I think we have the authority, under the Oil and Gas Act, to do that. Because only an order issued without a hearing is subject to the 15-day limitation.

EXAMINER EZEANYIM: So the interim order can last as long as --

EXAMINER BROOKS: It can as long as we want it to.

EXAMINER EZEANYIM: Until we issue the new order?

EXAMINER BROOKS: Right.

EXAMINER EZEANYIM: Okay. I would like that to happen, because I don't want the well to be shut in. But I need to get some data.

EXAMINATION

BY EXAMINER EZEANYIM:

Q. On this one -- I made a comment in the morning

about overproduction. There's nothing like overproduction. Did you hear what I said? I said, "There's nothing like overproduction." I'm concerned you are not damaging the reservoir, there is no correlative rights issues, and we are going to get all the oil we are going to get using primary production.

If we can do that, in my book, I don't think there is anything like overproduction. The way we do it and what is that way, that's why we're here. As I said in the morning, that's what prompted me to do this. And I didn't know how many of the operators there did what you did and continue to do it. It's not appropriate.

What we want to do is during the one-month test allowable, you know your AIPs. You know what you're doing to do. You know what you have to do. You come in for an increased allowable. And we do it, as long as those three things don't happen. Somebody saying correlative rights being impaired, we might take a look at it again. If you do what you are trying to do and the well is going to be damaged, we are not going to issue it to you.

Most of them are solution gas drive. I'm going to ask some questions about that. I don't think your reservoir is going to be harmed if we produce at the daily rate that we give you. The point I'm making here

is I don't want overproduction. Don't say, "I'm overproducing." Just come in and say, "It looks like this well is going to do well, and we love it," instead of you hiding something, and we go back to hearing and get you some relief.

Now, let's go back to the question I'm asking. What is making it and driving this reservoir production-wise?

A. This is a depletion drive/solution gas drive reservoir.

Q. How many mechanisms? That's gas drive? There is no gravitation or segregation?

A. No.

Q. It's just gas drive?

A. Yes.

Q. Because it's solution gas drive; is that what you're telling me?

A. Yes.

Q. We can call this also a depletion drive?

A. A depletion drive is another name for it.

Q. Do you happen to know the bubble point?

A. I do not.

Q. Do you know the reservoir pressure?

A. Off the top of my head, the reservoir pressure is probably -- it's normally pressured, so --

Q. Normal pressure at the depth?

A. Yes. And it's 4,900 feet down, so we get back into something around 2,900, 3,000 psi.

Q. I know you don't know the bubble point. Are you still above the bubble point?

A. I believe these things, the Delaware wells in particular, are probably right around bubble point. I don't see anything that suggests that we're falling through and seeing any kind of GOR kind of increase. This has been fairly stable for the life of this well for over a year.

Q. I can see you are still low there, which is good.

A. This is a pretty -- I'm sure the pressures dropped quite a bit with the amount of fluid that has been pulled out. And I'm not seeing a spike in GOR, so I imagine this was already below bubble point or right at bubble point when we produced it.

Q. Interesting. I need to follow the progress of that well to see -- you know what happens when you are below bubble point. But if you are below bubble point and it's still very prolific, that's interesting. As you produce this well, I'm going to keep the API number and start looking at it and see what it does.

You might get your increasing allowable, but I

want you to produce it. I don't want you to shut it in or curtail it. If you curtail it, you might lose the oil production there. There's no need to curtail it. Look at the gas/oil ratio. It's very low.

A. Yes. It's typical for a Delaware well.

Q. What is the thickness of this production interval, about 10 feet?

A. For this well, it's about 10 feet. But as we moved out -- from the exhibits, the geology exhibits, you see that it does increase as we move to the east.

Q. Okay. The depth increases?

A. It thickens up. So this is kind of a little pinchout point.

Q. It's still doing well?

A. Yes.

Q. You're asking also to expand the pool; right?

A. Yes.

Q. You're expanding the pool. And you have three wells in those pools; right? I'm not trying to get you. I'm asking questions.

A. I'm trying to understand.

Q. You have drilled some new wells in this pool?

A. Yes.

Q. Now, your geologist says you have completed it. How is it doing?

A. It's doing well.
Q. When did you complete it?
A. We completed it about a little over a week ago.
Q. So you are still testing the --
A. It's still early.
Q. So that was just a week ago, even before we issued the emergency order?
A. Yes.
Q. So you don't know what it's going to do?
A. I don't know what it's going to do. But I can tell you now that it's going to probably exceed the 80-barrel allowable per 40 acres.
Q. I like that. Is it going to exceed 200 barrels, you think? Is it going exceed 200 barrels a day?
A. Yes.
Q. Is it going to?
A. Yes.
Q. This new well?
A. Yes.
Q. Then why are you asking for 200 barrels a day?
MR. BRUCE: It would be 200 per 40 acres. And the new well is --
THE WITNESS: I thought you were asking

200 all in.

EXAMINER EZEANYIM: No.

THE WITNESS: You were asking per 40?

EXAMINER EZEANYIM: Yes.

THE WITNESS: No, I don't think it's going to exceed that.

EXAMINER EZEANYIM: That's what I mean. You should ask for more. And if you ask for more, we do it, because I want you to get it out. But you understand what I'm saying? Okay.

You have two wells. One is not completed. The other one was completed just last week. The other one is still coming on. And in that portion of the acreage, you want to add to that pool; right? Is that correct?

MR. BRUCE: Mr. Examiner, if you look at Exhibit 1, the land plat --

EXAMINER EZEANYIM: I see where you want to add, those dark lines.

MR. BRUCE: -- there are actually now three wells in that expansion acreage.

EXAMINER EZEANYIM: And one has already produced for one week?

MR. BRUCE: The two vertical wells have been completed and producing for -- well, the one in

Section 13, the vertical well, as shown on Exhibit 12, has been completed for a couple of months or two now.

THE WITNESS: Yeah, I think two months.

MR. BRUCE: A couple of months. And then that horizontal well is the new well. So there are wells in the west half of 13 and the northeast quarter of 14.

Q. (By Examiner Ezeanyim) Okay. These are vertical wells?

A. Two verticals and one horizontal.

Q. Which one is horizontal?

A. The one right between the two verticals.

Q. It's not producing yet?

A. It's been producing for about a week. It's still early.

Q. Okay. I see.

What type of decline are you expecting?

A. Type of decline on that? Typically, I see decline rates of about 80 percent per year.

Q. So it's normal decline?

A. Yes.

Q. Okay. So you are saying it's normal decline, it's not going to be hyperbolic?

A. It is hyperbolic.

Q. It is?

A. Yes.

Q. Okay.

A. Again, with only a week, this is what we see out here for typical Delaware wells, characteristic hyperbolic shaped, kind of high IPs, falling off at about 80 to 85 percent per year for a year or two. And then we have them going into exponential decline at about, I don't know, 8 to 10 percent after that.

Q. On the well that you plugged back, is that going to be hyperbolic or exponential, too?

A. The well that I plugged back?

Q. The one that you plugged back that brought us here.

MR. BRUCE: The 14.

A. Oh, this one?

Q. Yeah.

A. This one is just -- I don't know. This is exponential. To me, this isn't hyperbolic. This is on an exponential decline.

Q. Okay. And you concur with the average effective porosity as 14 percent; right?

A. Yes, in tens of millidarcies.

Q. What is it?

A. Somewhere 10 to 50 in the millidarcy range. Porosity, from our logs, shows 12 to 20 percent, the average being probably around 16 percent.

Q. Gas/oil ratio is about less than 1,000?

A. It comes on a little bit less. And then as these things produce, they creep up to about 1,000, usually a one-to-one, with your oil.

EXAMINER EZEANYIM: I'm happy with that. If this is below bubble point, I'm happy with the gas/oil ratio.

Okay. I have nothing further.

MR. BRUCE: I have no further questions of the witness.

EXAMINER EZEANYIM: Okay. Very good. You may step down.

Well, at this point, Case 14936 will be taken under advisement. And I think that is it for today. Thank you.

EXAMINER BROOKS: Okay. We're going to want a draft of the extension order this afternoon.

MR. BRUCE: You want me to email you something tomorrow morning?

EXAMINER BROOKS: That would be good. I won't be here, but you can send it to Richard.

MR. BRUCE: Okay. I'll email it.

EXAMINER BROOKS: It should be very simple. We just extend the existing order.

EXAMINER EZEANYIM: Okay. Thank you.

I do hereby certify that the foregoing is a complete record of the proceedings in the Examiner hearing of Case No. 14936 heard by me on [illegible] 2019.

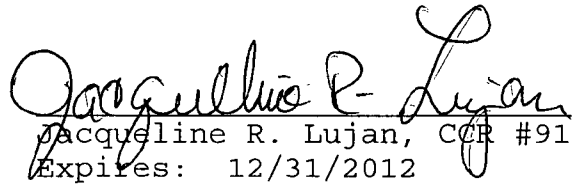
Examiner
Oil Conservation Division

REPORTER'S CERTIFICATE

I, JACQUELINE R. LUJAN, New Mexico CCR #91, DO HEREBY CERTIFY that on November 29, 2012, proceedings in the above captioned case were taken before me and that I did report in stenographic shorthand the proceedings set forth herein, and the foregoing pages are a true and correct transcription to the best of my ability.

I FURTHER CERTIFY that I am neither employed by nor related to nor contracted with any of the parties or attorneys in this case and that I have no interest whatsoever in the final disposition of this case in any court.

WITNESS MY HAND this 11th day of December, 2012.



Jacqueline R. Lujan, CCR #91
Expires: 12/31/2012