

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 COG OPERATING, LLC
FOR A NONSTANDARD AND PRORATION
UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

CASE NO. 15295

ORIGINAL

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 21, 2016

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER
WILLIAM V. JONES, TECHNICAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Michael McMILLAN,
Chief Examiner, and William V. Jones, Technical
Examiner, on Thursday, July 21, 2016, 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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FOR APPLICANT COG Operating, LLC:

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1 (8:17 a.m.)

2 EXAMINER McMILLAN: Okay. I would like to
3 call Case Number 15295, application of COG Operating,
4 LLC for a nonstandard oil spacing and proration unit and
5 compulsory pooling, Lea County, New Mexico.

6 Call for appearances.

7 MR. LARSON: Good morning, Mr. Examiner.
8 Gary Larson of the Santa Fe office of Hinkle Shanor for
9 the Applicant, COG Operating.

10 EXAMINER McMILLAN: Any other appearances?
11 Thank you.

12 If the witnesses would please be sworn in.

13 MR. LARSON: I have two witnesses.

14 (Ryan Owen and Henry Zollinger sworn.)

15 RYAN OWEN,
16 after having been first duly sworn under oath, was
17 questioned and testified as follows:

18 MR. LARSON: May I proceed, Mr. Examiner?

19 EXAMINER McMILLAN: Yes, please.

20 DIRECT EXAMINATION

21 BY MR. LARSON:

22 Q. Good morning. Please state your full name for
23 the record.

24 A. Ryan Owen.

25 Q. And where do you reside?

1 A. COG Operating, LLC.

2 Q. Where do you reside?

3 A. Oh. Midland, Texas. Sorry.

4 Q. I know it's early.

5 And in what capacity are you employed at
6 COG Operating?

7 A. I'm a land supervisor.

8 Q. For the New Mexico Basin?

9 A. Yes, sir.

10 Q. And are you familiar with the land matters
11 pertaining to COG's application in this case?

12 A. I am.

13 Q. And have you previously testified at a Division
14 hearing?

15 A. I have.

16 Q. And during those hearings did the Examiner
17 qualify you as an expert in land matters?

18 A. Yes.

19 MR. LARSON: Mr. Examiner, I move that Owen
20 be qualified as an expert landman for this case.

21 EXAMINER McMILLAN: So qualified.

22 Q. (BY MR. LARSON) Would you tell us what the
23 document is marked as COG Exhibit Number 1?

24 A. Yes, sir. It's the previous pooling order.

25 Q. What is the order number?

1 A. Order Number 15295 [sic].

2 Q. And is Exhibit 1 a true and correct copy of
3 that order?

4 A. It is.

5 Q. In the order, did the Division approve a
6 project area for COG's proposed Skull Cap State Com
7 Number 2H horizontal well?

8 A. Yes, they did.

9 Q. Did the Division order also pool all
10 uncommitted Bone Spring Formation underlying that
11 acreage?

12 A. Yes, sir, they did.

13 Q. And after the order was entered, did the
14 Division create a new pool in that area?

15 A. They did.

16 Q. What is that pool called?

17 A. It is the Wolf Bone pool.

18 Q. Do you know the pool code?

19 A. I do.

20 Q. Is it 98098?

21 A. It says "Wolf Bone" pool.

22 Q. And as a result of the creation of the new
23 pool, is COG requesting a new designation of the target
24 interval for the project area?

25 A. We are.

1 Q. That would be the Wolf Bone pool?

2 A. Yes, sir.

3 Q. Has COG drilled the Skull Cap State Com Number
4 2H?

5 A. No.

6 Q. Was there a change after the Division's order
7 was issued?

8 A. Yes.

9 Q. What was the nature of that change?

10 A. We added an additional 40-acre tract, mile -- a
11 mile-and-a-half well, federal tract, and acquired a
12 federal APD. So we changed the name from Skull Cap
13 State Com to the Skull Cap Fed Com 22H. And in
14 addition, we have a lower target formation than we
15 originally did.

16 Q. And is this consistent with COG's development
17 plan in the area, doing mile-and-a-half laterals rather
18 than mile laterals?

19 A. Yes, sir.

20 Q. And how does the proposed Skull Cap Fed Com
21 Number 22H differ from the previously approved well?

22 A. We added the -- we added the additional 40-acre
23 tract, which was the federal tract, and in addition, we
24 changed the name to the Fed Com and have a deeper target
25 formation.

1 Q. Is the additional acreage the southwest
2 quarter -- southeast quarter --

3 A. Yes, sir.

4 Q. -- in Section 5?

5 A. Yes, sir.

6 Q. Could you next identify the document marked as
7 COG Number 2?

8 A. Yes, sir. This is the C-102 plat.

9 Q. And is this a true and correct of the C02 --
10 C-102?

11 A. Yes, sir.

12 Q. And does it identify the project area of the
13 proposed Skull Cap Fed Com Number 22H?

14 A. It does. And it is the west half of the
15 southeast quarter of Section 32, and it's the east half
16 of the west half of Section 5.

17 Q. Would you next identify the document marked as
18 Exhibit 3?

19 A. Yes, sir. This is the ownership plat. It
20 shows the nonstandard project area. It shows the owners
21 within Section 5 and Section 32. And it also shows the
22 owners for notice purposes.

23 Q. Including the offsets?

24 A. Yes, sir. Includes all the parties we're
25 requesting to pool today.

1 Q. And was Exhibit 3 prepared at your direction?

2 A. Yes, it was.

3 Q. And did COG send well proposals to all of the
4 interest owners identified in Exhibit 3 in advance of
5 the filing of the application?

6 A. We did.

7 Q. And would you identify the document marked as
8 COG Exhibit 4?

9 A. Yes, sir. This is an example of a well
10 proposal that we sent to all of the parties.

11 Q. And was Exhibit 4 prepared at your direction?

12 A. It was.

13 Q. And was the same letter sent to all of the
14 interest owners identified in Exhibit 3?

15 A. Yes, sir.

16 Q. And what documents were enclosed with the well
17 proposal letters?

18 A. We include a pay-a-fee for the well and a JOA.

19 Q. And has COG subsequently communicated with the
20 interest owners about participating in the well?

21 A. Yes, sir, we have.

22 Q. And in your opinion, has COG made a good-faith
23 effort to obtain the interest owners' voluntary joinder
24 in the proposed well?

25 A. We have.

1 Q. Would you next identify the document marked as
2 Exhibit 5?

3 A. Yes, sir. It's the AFE that we mailed with the
4 proposal letter to all the parties.

5 Q. And is Exhibit 5 a true and correct copy of
6 that AFE?

7 A. It is.

8 Q. And what are the well costs identified on the
9 AFE?

10 A. Just over 10.8 million.

11 Q. Are those costs similar to those costs incurred
12 by COG for other Wolf Bone horizontal wells?

13 A. Yes, sir.

14 Q. Would you next identify the document marked as
15 Exhibit 6?

16 A. Yes, sir. This is the application -- oh,
17 sorry. This is the notice for the hearing. Included
18 with it are all of the green cards received back and
19 executed -- or signed by all the parties.

20 Q. And were these hearing notice letters sent at
21 COG's direction?

22 A. Yes, they were.

23 Q. And referring back to Exhibit 2, are the offset
24 interests identified the same as the interest owners in
25 the proposed project area?

1 A. Yes. All of the offsetting owners are also
2 parties within the well.

3 Q. Would you next identify the document marked as
4 Exhibit 7?

5 A. Yes, sir. This is the publication in the
6 newspaper.

7 Q. And is Exhibit 7 a true and correct copy of the
8 Affidavit of Publication?

9 A. It is.

10 Q. And why did COG publish notice of today's
11 hearing?

12 A. Due to several gaps in the chain of title, due
13 to previous probates that have not been completed, we
14 thought we needed to publish.

15 Q. And what was the date of the publish in the
16 Hobbs newspaper?

17 A. July 9th -- or July 2nd, 2016.

18 Q. And do you have a recommendation for the amount
19 COG should be paid for supervision and administrative
20 expenses?

21 A. Yes, sir. 7,000 -- we're requesting 7,000 for
22 drilling and 700 for producing overhead.

23 Q. And are those amounts consistent with and
24 similar to those charged by COG for other Wolf Bone
25 horizontal wells?

1 A. Yes, they are.

2 Q. And do you also recommend that the rates for
3 supervision and administrative expenses be adjusted
4 periodically pursuant to the COPAS accounting procedure?

5 A. Yes, we do.

6 Q. Is COG also requesting a 200 percent charge for
7 the risk of drilling and completing the proposed well?

8 A. Yes, we do.

9 Q. In your opinion, will the granting of COG's
10 application serve the interest of avoiding and drilling
11 any unnecessary wells, protecting correlative rights and
12 preventing waste?

13 A. Yes, it will.

14 MR. LARSON: With that, Mr. Examiner, move
15 the admission of Exhibits 1 through 7?

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

18 (COG Operating Exhibit Numbers 1 through 7
19 are offered and admitted into evidence.)

20 MR. LARSON: And I pass the witness.

21 CROSS-EXAMINATION

22 BY EXAMINER McMILLAN:

23 Q. My question is: The penetration point and the
24 final perforation, will those be standard?

25 A. Yes, sir. They'll be within standard setbacks.

1 Q. Now, the next question: Did you notify
2 everybody in the Bone Spring and the Wolfcamp
3 Formations?

4 A. Yes, we did.

5 Q. Okay. Any depth severances?

6 A. No.

7 Q. And my question is: How much dedicated acreage
8 is there?

9 A. It would be a mile and a half.

10 Q. Remember, it looks like Lot 2 is a smidgen
11 bigger. So is it 240.72?

12 A. Yes, sir.

13 Q. Okay. So it's 200- -- okay.

14 A. 240.72.

15 Q. And there are unlocatable interests, correct?

16 A. We've located them, and I've sent them offers
17 to both lease and participate in the well. We have not
18 heard back from them. So we -- we published just in
19 case there was somebody that was missed due to the
20 estates not be probated at this time.

21 Q. Okay.

22 A. But everybody we know -- we think we've found
23 everybody and have given them notice.

24 Q. So technically no, but there may be title
25 issues. That's basically all you're saying?

1 A. Yes.

2 EXAMINER McMILLAN: Go ahead.

3 CROSS-EXAMINATION

4 BY EXAMINER JONES:

5 Q. So you're now calling it a Fed Com well instead
6 of a State Com?

7 A. Yes, sir.

8 Q. It's not going to be a Fed-State Com or a
9 State-Fed Com?

10 A. We just -- if it has "Fed" in it, we usually
11 just call it a Fed Com.

12 Q. If the Feds have to ferment [sic] it?

13 A. Yes, sir. And then it would require a comm
14 agreement -- required a Fed, State and fee agreement.

15 Q. So there is Fed, state and fee.

16 The State acreage, is that up in Section --

17 A. 32 is the state.

18 Q. So where is the Fed -- where is the Fed? The
19 Fed's in O, I take it?

20 A. The Fed is O, and the remainder, B, G and J,
21 are fee.

22 Q. Fee. Okay.

23 So Wolf Bone, is it -- in our orders, we
24 should probably be putting the formation being pooled
25 for any -- for any -- any pools for that formation, but

1 I guess you've got another witness to talk about Wolf
2 Bone and the potential nomenclature of the Wolf Bone.

3 MR. LARSON: (Indicating.)

4 Q. (BY EXAMINER JONES) With state, Fed and fee,
5 the fee is the one you have the probate, obviously,
6 issues?

7 A. Yes, sir.

8 Q. Okay. So before it was only going to include
9 down to J; is that correct?

10 A. Yes, sir. We had obligations coming up on some
11 of the fee tracts.

12 Q. Oh.

13 A. These fee tracts were tied to several other
14 tracts that we could drill to hold these fee tracts.
15 But we had obligations coming up, and we were not able
16 to secure a Federal APD at that time. Since then, we
17 have drilled other wells which held those fee tracts for
18 180 days. Now we're coming back. We were able to
19 secure the Federal APD for O, and we'd like to include
20 that.

21 Q. Okay. So there's not a real -- it's not a real
22 rush thing like it was before?

23 A. We still have obligations coming up in
24 September of this year for the fee tracts for these
25 exact fee tracts.

1 Q. Okay. Well, Mike's pretty fast on the orders,
2 so we'll get them.

3 A. I think we'll be all right.

4 MR. LARSON: That's all I have for
5 Mr. Owen.

6 EXAMINER McMILLAN: Okay. Oh, okay. Wait
7 a minute. I changed my mind.

8 RECROSS EXAMINATION

9 BY EXAMINER McMILLAN:

10 Q. What's the status of the Tilden Capital?

11 A. We've talked to Tilden. We are working to
12 acquire their interest.

13 Q. Okay. But I see you don't -- it didn't have
14 return receipt?

15 A. It should have a return receipt for Tilden.

16 Right here (indicating), "Tilden Capital."

17 Q. Okay. But technically you don't have return
18 receipt, but then we'll just -- but then you did publish
19 notice, which is ten days.

20 A. Yes. And we -- we signed an agreement to
21 acquire their interest. It has not closed yet. So
22 we're acquiring that.

23 MR. LARSON: Mr. Examiner, I can clarify.
24 We then sent a notice letter. We just haven't gotten
25 the green card back, but Mr. Owen has been in contact

1 with them acquiring their interest.

2 EXAMINER McMILLAN: That's fine. You
3 published notice, so you're fine.

4 MR. LARSON: That's part of the reason we
5 published.

6 EXAMINER McMILLAN: Okay. Thanks.
7 Thank you.

8 HENRY ZOLLINGER,
9 after having been previously sworn under oath, was
10 questioned and testified as follows:

11 EXAMINER McMILLAN: Just to be clear, we'll
12 say that there's unlocatable interest, but you gave --
13 as for writing up, we'll say unlocatable interest. Is
14 that correct? But since you've published notice,
15 everything's fine. It's the best way of doing --
16 worrying about that.

17 So let's proceed.

18 MR. LARSON: Thank you.

19 DIRECT EXAMINATION

20 BY MR. LARSON:

21 Q. Good morning, Mr. Zollinger.

22 A. Good morning.

23 Q. State your full name for the record.

24 A. My name is Henry Zollinger.

25 Q. Where do you live?

1 A. I live in Midland, Texas.

2 Q. And by whom are you employed and in what
3 capacity?

4 A. I work for COG Operating as a geologic lead for
5 southeast New Mexico in Lea and Eddy Counties.

6 Q. And are you familiar with the geologic aspect
7 of the proposed well and the matters addressed in COG's
8 application?

9 A. I have.

10 Q. Have you previously testified at a Division
11 hearing?

12 A. I have.

13 Q. And were your qualifications as an expert in
14 petroleum geology accepted by the Examiner?

15 A. Yes.

16 MR. LARSON: Mr. Examiner, I move for
17 Mr. Zollinger's qualifications as a petroleum geologist.

18 EXAMINER McMILLAN: So qualified.

19 Q. (BY MR. LARSON) You heard Mr. Owen testify
20 about the Division's recent designation of the Wolf Bone
21 pool?

22 A. (Indicating.)

23 Q. Does COG have experience with Wolf Bone
24 horizontal wells in the area proposed Skull Cap Fed Com
25 Number 22H?

1 A. Yes.

2 Q. Could you identify the document marked as
3 Exhibit Number 8?

4 A. Exhibit Number 8 is a locator map for the
5 proposed wells, and it also includes the offset wells
6 that have been drilled in the Wolf Bone pool.

7 Q. And was this document prepared at your
8 direction?

9 A. Yes, it was.

10 Q. And is the proposed Skull Cap Fed Com Number
11 22H identified as the blue dashed line?

12 A. Yes, it is.

13 Q. And will the producing interval of the
14 completed well comply with the Division setback
15 requirements?

16 A. Yes.

17 Q. And are the offset COG wells we've discussed
18 identified on Exhibit 8?

19 A. They are. They are the red lines.

20 Q. Have those wells been productive?

21 A. Yes.

22 Q. Would you next identify the document marked as
23 Exhibit 9?

24 A. Exhibit 9 is the same locator map with a subsea
25 structure map posted on top of it.

1 Q. And was this document also prepared at your
2 direction?

3 A. Yes, sir.

4 Q. And what role did the structure map have in
5 your geologic analysis of the prospects for the Skull
6 Cap Fed Com Number 22H?

7 A. The structure map shows that there are no
8 identified faults to the wellbore tract and that there
9 are no geologic impediments for drilling this well.

10 Q. I'll ask that you identify the last exhibit
11 marked as Number 10.

12 A. Exhibit 10 is a cross section, which location
13 is posted on Exhibits 9 and 8. It shows the neighboring
14 well control for the Wolf Bone field. The top of the
15 Wolf Bone field is marked as the 3rd Bone Spring
16 carbonate at the top of the cross section. The base of
17 the Wolf Bone pool is -- actually, the purple -- I'm
18 sorry -- the pink line on the Viking Helmet State Com 2H
19 wellbore, at the bottom of that. It's the left log on
20 that. It's the log on the far left of that cross
21 section. So that pink line there is the bottom of the
22 Wolf Bone field.

23 Q. And did you prepare this document?

24 A. Yes.

25 Q. And what role did Exhibit 10 have in your

1 analysis of the prospects for the well?

2 A. This shows the consistent thickness for the
3 field in the area in which we're drilling.

4 Q. And in your opinion, will the proposed well be
5 productive along the entire length of the completed
6 lateral?

7 A. Yes.

8 Q. And so you expect that each quarter-quarter
9 section in the proposed project area will be productive?

10 A. Yes.

11 Q. In your opinion, will the granting of the
12 application serve the interest of avoiding and drilling
13 of unnecessary wells, protecting correlative rights and
14 preventing waste?

15 A. Yes.

16 MR. LARSON: Mr. Examiner, I move the
17 admission of the Exhibits 8, 9 and 10.

18 EXAMINER McMILLAN: Exhibits 8 through 10
19 may now be accepted as part of the record.

20 (COG Operating, LLC Exhibit Numbers 8
21 through 10 are offered and admitted into
22 evidence.)

23 MR. LARSON: And I pass the witness. Tell
24 him to accept some questions about the Wolf Bone.

25 CROSS-EXAMINATION

1 BY EXAMINER McMILLAN:

2 Q. Okay. Let's go to -- we're looking at 10. So
3 we're looking at Viking Helmet 2H. So you're saying
4 that the bottom of the Wolf Bone is at 12,530; is that
5 right?

6 A. Yeah. 12,540-ish.

7 Q. Okay. 12,540.

8 A. Yeah.

9 Q. I apologize. I did not clearly hear what
10 you're calling the top of it.

11 A. The top of the Wolf Bone pool is defined as the
12 top of the 3rd Bone Spring carbonate, which is, on the
13 Viking Helmet well on the far left, right at 11,360.

14 Q. Okay. So where is your penetration point or
15 where is your --

16 A. The landing point for this well in that Viking
17 Helmet well will be right about 12,425.

18 Q. Now, the other question I have is the landman
19 stated it's a deeper -- it's a deeper interval than the
20 other well. Is that a correct statement?

21 A. It is. So the original landing point was going
22 to be within the 3rd Bone Spring sand. On that same
23 Viking Helmet well, it would have been at 12,250. So
24 this wellbore will be moving down section about 175
25 feet.

1 Q. I'd ask the same question. Do you know the oil
2 gravity?

3 A. It's about 48 to 49 API.

4 Q. GOR?

5 A. GOR is about 900, a little less than 900.

6 Q. Assumes black, right?

7 A. Yeah.

8 EXAMINER McMILLAN: Go ahead.

9 CROSS-EXAMINATION

10 BY EXAMINER JONES:

11 Q. What would you say the porosity is in the -- in
12 the target well?

13 A. I'm not sure on that, actually.

14 Q. Like the gross -- effective porosity, that kind
15 of stuff.

16 A. So that I'm not quite sure on. I do know that
17 it's a shale, so the porosity readings on the raw logs
18 before they're processed is going to read fairly high.
19 So you'll see porosities off those raw logs up to 25
20 percent. But we think the effective porosity is more
21 along the lines of 12 to 15 percent in the target zone.

22 Q. Okay. What about fractures? Is it fracture
23 dominated even naturally without your frac job?

24 A. I'm not actually not sure on that. We don't
25 have any evidence to suggest yes or no on that.

1 Q. What about stress direction?

2 A. The stress direction we did collect, if you'll
3 refer back to Exhibit 9. Actually, let's go back to
4 Exhibit 8, with the A prime location. That is a COG
5 operated well where we measured the stress direction,
6 and it is north 90 east.

7 Q. Okay. So basically east is your -- is your
8 maximum?

9 A. Yes.

10 Q. So you're drilling optimally --

11 A. Yes.

12 Q. -- north-south?

13 Is that -- was that measured in the Bone
14 Spring -- 3rd Bone Spring?

15 A. It was measured in the Wolfcamp, actually.

16 Q. Does it change a lot as you move uphole?

17 A. Not that we've noticed, no.

18 Q. So your frac job -- have your engineers done
19 any work to see how far these cracks are going
20 vertically?

21 A. We've done modeling, but nothing observed, no.

22 Q. Frac modeling?

23 A. Yes, sir.

24 Q. So you're only 100 feet or so below the top of
25 the Wolfcamp. So --

1 A. About 150.

2 Q. Okay. Are you expecting any contribution from
3 the Lower Bone Spring?

4 A. I would expect some contribution from the Lower
5 Bone Spring, yes.

6 Q. What about stress barriers to your frac up and
7 down the hole?

8 A. It is a mixed lithology, so there will be
9 barriers and baffles.

10 Q. Okay. So it's kind of hard to really point
11 them out --

12 A. Yeah.

13 Q. -- at this point?

14 This is a bit troubling about the Wolf
15 Bone. We -- are there any other wells that were drilled
16 in -- this -- this project area, 240 acres or so -- are
17 there any other wells drilled across this project area
18 that have Wolfcamp or Bone Spring pools involved?

19 A. Over the project area for this wellbore --

20 Q. Yeah.

21 A. -- no, sir. There are not.

22 Q. Okay. So are there any established
23 nomenclatures that establish a Wolfcamp pool or a Bone
24 Spring pool over this project area --

25 A. I don't know if I understand that question.

1 Q. -- or within a mile of this project area? What
2 I mean is are they all wildcat?

3 A. Yes. Yes.

4 Q. Okay.

5 A. The wells are all wildcat within the Wolf Bone
6 pool.

7 Q. Also, if we didn't have the Wolf Bone pool --

8 A. Uh-huh.

9 Q. -- if we just had a Bone Spring pool and a
10 Wolfcamp pool, was it all wildcat in this area?

11 A. Yes.

12 Q. Do you have any intentions of forming a Wolf
13 Bone pool and coming to hearing for that, or are you
14 leaving that to Paul Kautz?

15 A. We're leaving that to Paul Kautz in the Hobbs
16 office.

17 Q. What does he say about that?

18 A. I haven't had a recent conversation with him,
19 not since we formed the pool with him, so I'm not sure
20 of his standing on that.

21 Q. Okay. Back then, though, you did talk to him?

22 A. Uh-huh.

23 Q. What was the reasoning for forming this pool?

24 A. It was at his direction, actually. He noticed
25 some wells that possibly could have crossed this

1 Wolfcamp area that were drilled in the 3rd, and at his
2 suggestion, the Wolf Bone pool --

3 Q. The actual wellbore?

4 A. He -- he thought he might be able to find some
5 of those that crossed through, yes.

6 Q. Okay.

7 A. And since the target is about 30 foot above
8 that Wolfcamp top, the suggestion was creating a new
9 pool that encompasses more rock around that target.

10 Q. Just logically, did you talk to him about the
11 frac jobs going -- going into both formations?

12 A. We didn't have those conversations, no.

13 Q. He kind of assumed that they would probably?

14 A. It's not sure of the assumptions.

15 Q. Okay. Well, I guess it's something that we
16 need to address as soon as possible here. We don't know
17 about -- we didn't ask about ownership. I assume that
18 owner -- were identified by your landman were within the
19 Wolf Bone pool --

20 A. Mr. Owen --

21 Q. -- as they're defined here?

22 A. -- he indicated -- he testified that there were
23 no depth severances.

24 Q. Okay. Okay. I'm fine.

25 EXAMINER McMILLAN: I have no further

1 questions. Thank you very much.

2 THE WITNESS: Thank you.

3 MR. LARSON: I have nothing further,

4 Mr. Examiner.

5 EXAMINER McMILLAN: Case Number 15295 shall
6 be taken under advisement. Thank you.

7 (Case Number 15295 concludes, 8:48 a.m.)

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I hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. _____
heard by me on _____
_____, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

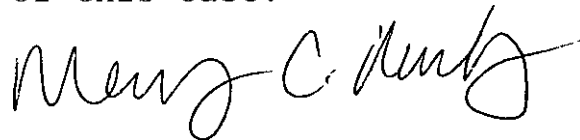
5 I, MARY C. HANKINS, Certified Court
6 Reporter, New Mexico Certified Court Reporter No. 20,
7 and Registered Professional Reporter, do hereby certify
8 that I reported the foregoing proceedings in
9 stenographic shorthand and that the foregoing pages are
10 a true and correct transcript of those proceedings 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.

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MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2016
Paul Baca Professional Court Reporters