

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:

CASE NO: 20527

APPLICATION OF COG OPERATING LLC TO REOPEN
CASE NO 20527 TO AMEND COMPULSORY POOLING
ORDER NO. R-20766,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING
December 12, 2019
SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, DEAN McCLURE, DYLAN COSS and LEGAL EXAMINER ERIC AMES, on Thursday, December 12, 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: Irene Delgado, NMCCR 253
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1 A P P E A R A N C E S

2 For the Applicant:

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14 I N D E X

15 CASE NO. 20527 CALLED

16 SUMMARY OF CASE AND EXHIBITS 03

17 TAKEN UNDER ADVISEMENT 07

18 REPORTER CERTIFICATE 08

19

20 E X H I B I T I N D E X

21 Admitted

22 A, B, C, D (All attachments) 07

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1 HEARING EXAMINER COSS: For now the Division will
2 move on to hearing Case Number 20527, COG Energy for
3 compulsory pooling.

4 MS. LUCK: Kaitlyn Luck with the Santa Fe office
5 of Holland & Hart on behalf of the applicant, COG Operating
6 LLC.

7 HEARING EXAMINER COSS: Are there any other
8 entries of appearance for this case.

9 MR. BRUCE: Mr. Examiner, Jim Bruce representing
10 MRC Permian Company, Burlington Resources Oil & Gas Company
11 LLP and Jet Stream Oil & Gas Partners LP. I have no
12 witnesses and do not object to the case being presented by
13 affidavit.

14 HEARING EXAMINER COSS: Wonderful. You may
15 proceed, Ms. Luck.

16 MS. LUCK: Thank you. This case went to hearing
17 previously in July of 2018, so my explanation in this case
18 will be a little bit different.

19 In this case COG has asked the Division to reopen
20 Case 20527, which is the related to Order 20766, which was
21 entered on August 8, 2019. The reason for the request to
22 reopen the case is because COG has revised its development
23 plan for the acreage. So the pool and spacing unit all
24 remain the same, but the wells spacing within the unit have
25 changed and so that's why we are returning to hearing so we

1 can obtain approval of initial wells that will be dedicated
2 to spacing unit.

3 So the spacing unit will now be dedicated to the
4 601H, 702H, 603H, 706H and 707H wells. These are the Stove
5 Pipe Fed Com wells.

6 So in the packet before you, you have the land
7 affidavit as Exhibit A. You have the geologist affidavit in
8 exhibit as B, and then notice affidavit as C. And then
9 behind C1 is where the notice of publication should be, but
10 behind it all that we have included is the proof related to
11 the notice and our invoice. Because, as has been mentioned
12 in other Lea County cases, there was issues with the notices
13 of publication on the newspaper side, and our office was not
14 able to get any of our affidavits of publication on any of
15 the Lea County publications before this hearing.

16 So while our request to publish these cases was
17 submitted timely, you will see it was submitted -- we
18 received an invoice back on November 26, we did not receive
19 an affidavit of publication even though it was timely
20 requested of the newspaper.

21 So I just like to point that out, that it sounds
22 like in all of these cases, publication issues, it was all
23 the same newspaper, so it's kind of --

24 MR. AMES: Ms. Luck?

25 MS. LUCK: Yes.

1 MR. AMES: To clarify, are you saying that the
2 newspaper publication was timely, but you have not yet
3 received the affidavit.

4 MS. LUCK: Correct.

5 MR. AMES: Thank you.

6 MS. LUCK: Yes. So as soon as we have the
7 affidavit from the newspaper, we will submit that to the
8 Division if the Division would accept that at that point.

9 And then one other thing I would like to mention
10 on the cases that I have been presenting this morning,
11 behind Exhibit D in all the cases, I have included an
12 Exhibit A for the pooling order. So these are drafts, and I
13 can submit them in Word as well, but they are included with
14 all the exhibit packets, so you guys have them.

15 HEARING EXAMINER COSS: What are they?

16 MS. LUCK: Exhibit A for the pooling order. And
17 so with that, that would conclude the presentation that I
18 have for the affidavits and exhibits, and I ask that the
19 case be taken under advisement if there aren't any other
20 questions.

21 MR. LOWE: Can you submit those in PDF version?

22 MS. LUCK: Oh, yeah. Okay. I will do that.

23 HEARING EXAMINER COSS: I guess Mr. Lowe brought
24 up a good point. We do have, for everyone's knowledge, we
25 have created a new e-mail for the Engineering Bureau. It's

1 address is capital O, capital C, capital D dot capital E and
2 then engineer@state@nm.us, and that is good place to reach
3 us going forward. And it goes to all the engineering
4 bureaus, and they send it out accordingly. So that's not to
5 confuse it with the hearing it's similar to, but you can
6 send these notices, Exhibit A's to the engineering unit.

7 MS. LUCK: Okay. I will do that. Thank you.

8 HEARING EXAMINER COSS: My apologies. My counsel
9 gave me a better suggestion, of which you should send them
10 to the hearings e-mail. But the engineering e-mail is still
11 a good place to reach us.

12 MS. LUCK: We will submit it after the hearing
13 for each of the cases that we presented today. So with that
14 I would ask that the Division accept the exhibits into the
15 record and take this case under advisement.

16 HEARING EXAMINER COSS: I guess the only question
17 I had was, were they dedicated to the Stove Pipe wells
18 before?

19 MS. LUCK: That's correct. They were dedicated
20 to the Stove Pipe wells before and the landman affidavit
21 explains there was ten initial wells included in the
22 original order, and now COG has revised its spacing to have
23 only five wells. So those five wells are described in the
24 landman affidavit, and the C-102s are behind tab A-1.

25 HEARING EXAMINER COSS: Perfect. With that we

1 will accept the exhibits into the record and take Case
2 Number 20527 under advisement.

3 (Exhibits A, B, C and D admitted.)

4 MS. LUCK: Thank you.

5 (Case 20527 taken under advisement. Adjourned.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 REPORTER'S CERTIFICATE

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6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that the
9 foregoing pages are a true and correct transcript of those
10 proceedings that were reduced to printed form by me to the
11 best of my ability.

12 I FURTHER CERTIFY that the Reporter's Record of
13 the proceedings truly and accurately reflects the exhibits,
14 if any, offered by the respective parties.

15 I FURTHER CERTIFY that I am neither employed by
16 nor related to any of the parties or attorneys in this case
17 and that I have no interest in the final disposition of this
18 case.

19 Dated this 12th day of December 2019.

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Irene Delgado, NMCCR 253
License Expires: 12-31-19

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