

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 NOS: 20836

APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 14, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, KATHLEEN MURPHY, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, November 14, 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
PAUL BACA PROFESSIONAL COURT REPORTERS
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A P P E A R A N C E S

For the Applicant:
MICHAEL RODRIGUEZ
1048 Paseo de Peralta
Santa Fe, NM 87501
505-780-8000
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I N D E X

CASE NO. 20836 CALLED	
MONICA BEAL (By Affidavit)	03
TRAVIS SPARKS (By Affidavit)	04
TAKEN UNDER ADVISEMENT:	06

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

	Admitted
Exhibit A and Attachments	05
Exhibit B and Attachments	05
Exhibit C and Attachments	05

1 HEARING EXAMINER LOWE: We will call case Number
2 20836, COG for compulsory pooling. Call for appearance.

3 MR. RODRIGUEZ: Good morning, Michael Rodriguez
4 for COG LLC, and I intend to present this case by affidavit.

5 HEARING EXAMINER LOWE: You may proceed.

6 MR. RODRIGUEZ Good morning. In this case COG
7 seeks an order pooling all interest in the Bone Spring
8 formation underlying a standard 1280 acre, more or less,
9 horizontal spacing unit comprised of all Sections 21 through
10 28, Township 25 South, Range 29 East, Eddy County, New
11 Mexico.

12 If we turn to Exhibit A, this is the affidavit of
13 Monica Beal in support of Case Number 20836. Ms. Beal
14 describes her work as a landman. Although she has not
15 previously testified before the Division, she states her
16 experience and education in her affidavit, and her resume is
17 also included as Exhibit A-4 which is in the packet, which
18 is the last page of Exhibit A. She is familiar with the
19 application and unaware of any opposition to this case, nor
20 does she expect any opposition.

21 The proposed spacing unit will also be dedicated
22 to the Admiral Fed Com 501H, 502H, 503H, 504H, and 505H
23 wells. This proposed unit incorporates the proximity
24 acreage under the horizontal well rule, a standard 1280 acre
25 spacing unit that complies with the division setback

1 requirements.

2 Referencing Ms. Beal's affidavit are the
3 following exhibits: Exhibit A1 are the C-102s for the five
4 wells dedicated to the proposed spacing unit.

5 Exhibit A-2 is the plat that identifies the
6 tracts of land for the spacing unit, the interests within
7 the unit, and the parties that COG seeks to pool.

8 Exhibit A-3 is a sample well proposal letter
9 along with THE AFEs for the five proposed wells that were
10 sent to the working interest owners.

11 If we turn to Exhibit B, this is the affidavit of
12 Mr. Travis Sparks. Mr. Sparks works at COG as a geologist.
13 He has testified before the Division and had his credentials
14 accepted as an expert petroleum geologist. He is familiar
15 with the application filed by COG in this case, and
16 conducted a geologist study of the target intervals.

17 In reference to his exhibits are the following:
18 Exhibit B-1 is a project locator map that reflects COG's
19 acreage in yellow, the pads of proposed wells depicted by
20 dashed orange lines, and the existing producing wells in the
21 Second Bone Spring intervals are represented by solid orange
22 line.

23 Exhibit B-2 is a structure map for the base --
24 that's for the base of the Second Bone Spring interval that
25 is representative of the target interval within the Bone

1 Spring formation.

2 And Exhibit B-3 is an overlay, a cross section
3 line in red, consisting of three wells penetrating the Bone
4 Spring formation that Mr. Sparks used to construct this
5 stratigraphic cross section from A to A prime. He also
6 considered these well logs are representative of the geology
7 in the area.

8 Finally Exhibit B-4 is a stratigraphic cross
9 section using the representative wells in Exhibit B-3.

10 If we turn to Exhibit C, this is an affidavit
11 signed by me confirming that notice was provided to the
12 working interest owners to be pooled in this case, followed
13 by the green cards. And the last page of the exhibit is the
14 publication that was published in the Carlsbad Current
15 Argus.

16 And with that I ask that Exhibits A, B and C be
17 admitted into the record and that Case 20836 be taken under
18 advisement.

19 HEARING EXAMINER LOWE: Exhibits A, B and C will
20 be accepted for the case.

21 (Exhibits A, B, C admitted.)

22 MR. RODRIGUEZ Thank you.

23 HEARING EXAMINER LOWE: Do you have any
24 questions?

25 EXAMINER MURPHY: Thank you, and please send me

1 this as a PDF.

2 MR. RODRIGUEZ I believe we sent this to you.

3 EXAMINER MURPHY: And you may have, but I'm just
4 making sure as lawyers come up and present, that they send
5 these to me as a PDF.

6 MR. RODRIGUEZ I will follow up with that.

7 HEARING EXAMINER LOWE: Eric?

8 MR. AMES: Nothing.

9 HEARING EXAMINER LOWE: Where did you say her
10 resume was located at?

11 MR. RODRIGUEZ: It should be at the back, the
12 last page of --

13 HEARING EXAMINER LOWE: Oh, the last page.

14 MR. RODRIGUEZ -- of A, yes. So if you flip to B
15 and then go back a page, it should be there.

16 HEARING EXAMINER LOWE: Okay. That's where it's
17 at. We will take Case Number 20836 under advisement.

18 MR. RODRIGUEZ Thank you.

19 (Case 20836 taken under advisement.)

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1 STATE OF NEW MEXICO)
)SS
2 COUNTY OF SANTA FE)

3 I, IRENE DELGADO, certify that I reported the
4 proceedings in the above-transcribed pages, that pages
5 numbered 1 through 6 are a true and correct transcript of my
6 stenographic notes and were reduced to typewritten
7 transcript through Computer-Aided Transcription, and that on
8 the date I reported these proceedings I was a New Mexico
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 14th day of
11 November 2019.

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