

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: 20863

APPLICATION OF COG OPERATING  
LLC FOR COMPULSORY POOLING  
LEA 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  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

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A P P E A R A N C E S

For the Applicant:

GARY W. LARSON  
DANA HARDY  
HINKLE SHANOR LLP  
P.O. Box 0268  
Santa Fe, NM 87504  
505-982-4554  
glarson@hinklelawfirm.com

I N D E X

CASE NO. 20863 CALLED	
GRANT BOHLS (By Affidavit)	03
CANDICE PETTIJOHN (By Affidavit)	04
TAKEN UNDER ADVISEMENT:	04

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

	Admitted
Exhibit 1 and Attachments	04
Exhibit 2 and Attachments	04

1 HEARING EXAMINER LOWE: We will call Case Number  
2 20863, COG for compulsory pooling. Call for appearance.

3 MS. HARDY: Good morning. Dana Hardy and Gary  
4 Larson with the Santa Fe office of Hinkle Shanor for COG  
5 Operating LLC, and we'll be presenting by affidavit today.

6 HEARING EXAMINER LOWE: You may proceed.

7 MS. HARDY: Thank you. COG's application seeks  
8 to pool all uncommitted interests in the Bone Spring  
9 formation, a standard 640-acre, more or less, horizontal  
10 spacing unit, comprised of the W/2 of Section 22 and the W/2  
11 of Section 27, Township 22 South, Range 34 East, in Lea  
12 County. The horizontal spacing unit will be dedicated to  
13 the Squints Federal Com 7H and 8H wells.

14 Exhibit 1 before you is a self-affirmed statement  
15 of landman Grant Bohls. The attachments to his affidavit  
16 include a chart of tract ownership, the C-102s for the well,  
17 documents addressing COG's well proposals, documents related  
18 to notice of today's hearing, including mailing and  
19 publication, and AFEs for the wells. Mr. Bohls notes in his  
20 affidavit there are no depth exceptions in the Bone Spring  
21 formation.

22 COG requests overhead and administrative rates of  
23 7000 and 700 per month, which is the same rate as the JOA,  
24 and also a 200 percent risk penalty.

25 Exhibit Number 2 before you is a self-affirmed

1 statement of geologist Candice Pettijohn. Attached to Ms.  
2 Pettijohn's affidavit are a map of the location of the  
3 Squints 7H and 8H wells in relation to other Bone Spring  
4 wells in the vicinity, a structure map of the Second Bone  
5 Spring Sand, which is the target formation for the wells, a  
6 cross section map, and north-to-south cross section.

7 As stated in Ms. Pettijohn's affidavit, the  
8 spacing unit is justified from a geologic standpoint. There  
9 is no faulting or other geologic impediment that might  
10 adversely affect the drilling of the proposed wells, and  
11 each quarter-quarter section of the proposed unit will  
12 contribute more or less equally to production.

13 With that I would move the admission of Exhibits  
14 1 and 2 and ask that the case be taken under advisement.

15 HEARING EXAMINER LOWE: Exhibits 1 and 2 will be  
16 taken for this case. Thank you. Do you have any questions?

17 (Exhibits 1 and 2 admitted.)

18 EXAMINER MURPHY: I don't have any questions.

19 EXAMINER GOETZE: No questions.

20 MR. AMES: No.

21 HEARING EXAMINER LOWE: Thank you, ma'am. Case  
22 Number 20863 will be taken under advisement. Thank you.

23 (Case 20863 taken under advisement.)

24

25

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 4 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