

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: 21264 21265

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

May 28, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, EXAMINERS FELICIA ORTH, KATHLEEN MURPHY, DYLAN COSS, SCOTT COX and BAYLEN LAMKIN on Thursday, May 28, 2020, through 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

1 A P P E A R A N C E S

2 For the Applicant:

3 MICHAEL FELDEWERT
4 HOLLAND & HART
5 110 North Guadalupe, Suite 1
6 Santa Fe, NM 87501
7 505-954-7286

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8 I N D E X

9 CASE CALLED

10 SUMMARY OF CASE AND EXHIBITS 03

11 TAKEN UNDER ADVISEMENT 06

12 REPORTER CERTIFICATE 07

13 EXHIBITS

14 All Exhibits and Attachments Admitted 06

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1 HEARING EXAMINER ORTH: Moving then to Number
2 6 -- well, 6 and 7, really, Case Numbers 21264 and 21265,
3 COG Operating, again compulsory pooling applications for a
4 well named Green Beret.

5 Is that you, Mr. Feldewert?

6 MR. FELDEWERT: Yes, ma'am, Madam Examiner.
7 Michael Feldewert of the Santa Fe Office of Holland & Hart
8 appearing on behalf of the applicant in these consolidated
9 cases.

10 HEARING EXAMINER ORTH: Thank you. Let me pause
11 for a moment.

12 (No audible response.)

13 HEARING EXAMINER ORTH: Please go ahead.

14 MR. FELDEWERT: In these consolidated cases, COG
15 is seeking to pool the same acreage, but to Case 21264 it's
16 in the Bone Spring, and for 21265 it's in the Wolfcamp.

17 We have provided the compulsory pooling
18 checklist, and then the applications themselves. But as
19 part of our hearing package you will see an affidavit from
20 Megan Tipton who has previously testified before this
21 Division. And she identifies in the application that the
22 company seeking to pool working interest, unleased mineral
23 interest owners, a group of non-participating royalty, and
24 then some estates that have some title issue. She provides
25 the usual affidavits that she's seen in the pool -- I'm

1 sorry -- the usual exhibits that you see in these pooling
2 cases. And that comprises all of Exhibit A.

3 Exhibit B is the affidavit of Brian Sitek. He is
4 the geologist for the company who likewise has previously
5 testified before this Division. He has provided a structure
6 map for both the Bone Spring and then the upper portion of
7 the, of the Wolfcamp.

8 He has also provided for you a stratigraphic
9 cross section of both the Second Bone Spring Sand, which is
10 one of the target intervals. And then the same
11 stratigraphic cross section but in the lower part of it
12 showing the Third Bone and then the upper Wolfcamp which is
13 the target intervals for the remaining wells.

14 We have also provided as Exhibit C, the affidavit
15 of notice of the filing of these applications, and then the
16 hearing.

17 And then finally, because we had some estates and
18 heirs, heirs of those estates, we have an affidavit or
19 affidavits of publication which comprise Exhibit D and in
20 both Case 21264 and 21265. The percentage of interest that
21 the company seeks to pool here is very small. I did some
22 quick math, and I think it's only around 3 percent. COG
23 owns the -- has control of the main, and you will see those
24 percentages on Page 27 of what we submitted which is part of
25 Exhibit A-3.

1 With that, we move to ask that Exhibits A, B, C
2 and D be admitted into evidence and that both of these
3 matters be taken under advisement.

4 HEARING EXAMINER ORTH: All right. Thank you.
5 Ms. Murphy, do you have questions of Mr. Feldewert?

6 EXAMINER MURPHY: Good morning, Mr. Feldewert. I
7 do have another question on this one. So Tap Rock and
8 Meridian which owns some of those percent, they don't
9 object?

10 MR. FELDEWERT: Correct.

11 EXAMINER MURPHY: And so they are mile and a half
12 laterals?

13 MR. FELDEWERT: Yes, in both Bone Spring and the
14 Wolfcamp.

15 EXAMINER MURPHY: And it's not a test area, it's
16 an area with producing wells?

17 MR. FELDEWERT: Take a look at Exhibit --

18 EXAMINER MURPHY: Exhibit 5?

19 MR. FELDEWERT: Do you have the exhibits? I'm
20 actually on Page 56, which is part of the Exhibit B-6. You
21 will see there is an area of development map that shows the
22 orientation of the existing wellbores both in the --

23 EXAMINER MURPHY: Okay.

24 MR. FELDEWERT: In the Wolfcamp and Bone Spring.
25 So that gives a pretty good idea of the extent of the

1 surrounding development.

2 EXAMINER MURPHY: Thank you very much. I have no
3 more questions.

4 MR. FELDEWERT: Thank you.

5 HEARING EXAMINER ORTH: Thank you, Ms. Murphy.
6 I'm going to pause for a moment in the event another
7 technical examiner has a question.

8 (No audible response.)

9 HEARING EXAMINER ORTH: No? All right. Thank
10 you very much, Mr. Feldewert. Your exhibits are accepted
11 and these two matters will be taken under advisement.

12 (Exhibits admitted.)

13 (Taken under advisement.)

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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 virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings and were reduced to printed form by me
11 to the best of my ability.

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

16 I FURTHER CERTIFY that the virtual proceeding was
17 of varying quality.

18 Dated this 28th day of May 2020.

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/s/Irene Delgado

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Irene Delgado, NMCCR 253
License Expires: 12-31-20

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