

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

CASE NOS. 21259, 21260

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

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

THURSDAY, AUGUST 20, 2020

SANTA FE, NEW MEXICO

This matter came on for hearing before the
New Mexico Oil Conservation Division, FELICIA ORTH Hearing
Examiner, and Technical Examiners SCOTT COX and DEAN
McCLURE on Thursday, August 20, 2020, Via Webex Video
conferencing

REPORTED BY: Mary Therese Macfarlane
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10 I N D E X

11	CASE NUMBER 21259, 21260 CALLED	PAGE
12	PRESENTATION BY MS. LUCK:	4
13	LIZZY LAUFER (LANDMAN) BY AFFIDAVIT	5
14	CHESNEY GILLELAND (GEOLOGIST) (BY AFFIDAVIT)	5
15	TAKEN UNDER ADVISEMENT:	6

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

18	APPLICANT COG OPERATING, LLC	ADMITTED
19	EXHIBIT A	6
20	EXHIBIT B	6
21	EXHIBIT C WITH ATTACHMENTS C-1 THROUGH C-5	6
22	EXHIBIT D with attachments D-1 THROUGH D-4	6
23	EXHIBIT E	6
24	EXHIBIT F	6

25

1 (Time noted 9:12 a.m.)

2 HEARING EXAMINER ORTH: Okay. Let's move, then,
3 to Cases 21259 and 21260. The Applicant is COG Operating,
4 Compulsory Pool Applications related to a well named
5 Atticus.

6 Who's here from Holland & Hart for the
7 Applicant?

8 (Note: No response.)

9 Holland & Hart for the Applicant. No?

10 MR. FELDEWERT: Madam Examiner, this is --

11 MS. LUCK: Madam Examiner, I apologize. My
12 phone was still muted.

13 MR. FELDEWERT: There we go.

14 HEARING EXAMINER ORTH: Okay. Thank you, Mr.
15 Feldewert.

16 Ms. Luck, was that you?

17 MS. LUCK: That's me, Kaitlyn Luck, with the
18 Santa fe office of Holland & Hart on behalf of the
19 Applicant in both of these cases, COG Operating, LLC.

20 HEARING EXAMINER ORTH: All right. Thank you.

21 And Mr. Hough, are you here for Modrall
22 Sperling for Chevron USA?

23 MR. HOUGH: That's correct, Madam Examiner.

24 HEARING EXAMINER ORTH: All right. Thank you.

25 Do I understand stand that you hope to

1 proceed by affidavit today, Ms. Luck?

2 MS. LUCK: That's correct.

3 HEARING EXAMINER ORTH: Mr. Hough, do you have
4 any objection?

5 MR. HOUGH: No objection to presentation by
6 affidavit. I just want to add that the parties are
7 continuing their negotiations and so at this point Chevron
8 USA is just reserving its rights to an appeal.

9 HEARING EXAMINER ORTH: All right. Thank you.

10 And I forgot to pause to see if anyone else
11 was entering an appearance.

12 Okay. Okay. Hearing nothing, Ms. Luck, if
13 you would, please.

14 MS. LUCK: Thank you, Madam Examiner.

15 In Case Nos. 21259 and 21250 COG is seeking
16 to pool two Wolfcamp horizontal spacing units that will be
17 960 acres each, one in the west half of Sections 24, 25
18 and 36 of Township 25 South, Range 27 East in Eddy County,
19 New Mexico.

20 And the other one will be in the west half
21 of the same Township.

22 These spacing units are located in the
23 Purple Sage Wolfcamp Pool 98220.

24 On Tuesday COG filed its exhibits for both
25 both of these cases in the event of a hearing, and

1 attached in those exhibit packets as Exhibit A are the
2 Pooling Applications checklist and as Exhibit B are of
3 both of the applications

4 COG Exhibit C is the landman's affidavit.
5 The landman in this case is Lizzy Laufer and she has not
6 previously testified before the Division so she provides
7 her resume to be qualified as an expert in petroleum land
8 matters.

9 Together with her affidavit are all of the
10 standard exhibits including the C-102, a tract and unit
11 recap providing the interest owners to be pooled in this
12 case, as well as a log (phonetic) example, as well as AFEs
13 for each of the wells and a chronology of the contact of
14 the uncommitted interest owners.

15 COG Exhibit B is the affidavit of Chesney
16 Gilleland, who is the geologist for COG. She also
17 provides the standard geology exhibit, and her testimony
18 reflects that this spacing unit is in the best interest of
19 conservation, the prevention of waste, and the protection
20 of correlative rights.

21 Finally, Exhibits E and F are the Affidavit
22 of Service, providing that Notice was provided to all of
23 the interest owners prior to the hearing.

24 Also, in an abundance of caution due notice
25 was published in the county where these wells are located

1 to provide constructive notice to all of the parties, as
2 well.

3 So with that I would move the admission of
4 GOG Exhibits A through F and request that these cases be
5 taken under advisement.

6 HEARING EXAMINER ORTH: All right. Thank you,
7 Ms. Luck.

8 Mr. Hough, do you have any questions?

9 MR. HOUGH: No, question, thank you, Madam
10 Examiner.

11 HEARING EXAMINER ORTH: Thank you. Mr. Cox, do
12 you have any questions?

13 EXAMINER COX: If I can unmute at this time, no,
14 Madam examiner, I have no questions.

15 All right. And Mr. McClure.

16 EXAMINER McCLURE: No, ma'am, I have no
17 questions at this time.

18 HEARING EXAMINER ORTH: All right. Thank you.

19 Thank you, Ms. Luck. The exhibits are
20 admitted and the matter will be taken under advisement.

21 MS. LUCK: Thank you.

22 (Time noted 9:17 a.m.)

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25

1 STATE OF NEW MEXICO)
2 : SS
3 COUNTY OF TAOS)

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5 REPORTER'S CERTIFICATE

6 I, Mary Therese Macfarlane, a duly licensed
7 Certified Court Reporter for the State of New Mexico, do
8 hereby certify that on Thursday, August 20, 2020, the
9 proceedings in the above-captioned matter were taken
10 before me; that I did report in stenographic shorthand the
11 proceedings set forth herein, and the foregoing pages are
12 a true and correct transcription to the best of my ability
13 and control.

14 I further certify that I am neither employed by
15 nor related to nor contracted with (unless excepted by the
16 rules) any of the parties or attorneys in this case, and
17 that I have no interest whatsoever in the final
18 disposition of this case in any court.

19 /s/ Mary Macfarlane
20 _____

21 Mary Therese Macfarlane, CCR
22 NM Certified court Reporter No. 122
License Expires: 12/31/2020
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