

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

APPLICATION OF COG OPERATING, LLC,
FOR CANCELLATION OF OPERATOR'S
AUTHORITY AND TERMINATION OF
SPACING UNITS, YESO ENERGY, INC.,
DOW "B" 28 FEDERAL WELL NO. 1,
EDDY COUNTY, NEW MEXICO

Case No. ~~14472~~
(De Novo)

APPLICATION OF THE NMOCD, THROUGH Case No. 14547
THE COMPLIANCE AND ENFORCEMENT
MANAGER, FOR AN ORDER AUTHORIZING
THE DIVISION TO RECOGNIZE AN
OPERATOR OF RECORD FOR WELLS
CURRENTLY OPERATED BY YESO ENERGY,
INC.; LEA, EDDY, AND CHAVEZ
COUNTIES, NEW MEXICO

ORIGINAL

TRANSCRIPT OF PROCEEDINGS
EXAMINER HEARING

BEFORE: CHAIRWOMAN JAMI BAILEY

July 29, 2011
Santa Fe, New Mexico

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This matter came on for hearing before the New
Mexico Oil Conservation Division, JAMI BAILEY,
Chairwoman, and SCOTT A. DAWSON, Commissioner of
Public Lands, and ROBERT S. BALCH, Designee of the
Secretary of Energy and Minerals, on Friday, July
29, 2011, in Porter Hall, Santa Fe, New Mexico.

REPORTED BY: PAUL BACA, CCR #112
PAUL BACA COURT REPORTERS
500 4th Street, NW, Suite 105

1 MADAM CHAIRWOMAN BAILEY: The commission
2 will now take up deliberation on the de novo case
3 14472, which is the application of COG Operating,
4 LLC, for cancellation of operator's authority and
5 termination of spacing units, Yeso Energy, Inc., Dow
6 "B" 28 Federal Well Number 1, in Eddy County, and
7 Case 14547, the application of the New Mexico Oil
8 Conservation Division seeking an order authorizing
9 the Oil Conservation Division to recognize an
10 operator of record for wells currently operated by
11 Yeso Energy, Inc., which is OGRID Number 221710.

12 Do I have a motion, in accordance with
13 New Mexico Statute 10-15-1 and the commission
14 resolution on open meetings to close this hearing to
15 go into executive session?

16 MR. DAWSON: Yes.

17 MR. BALCH: I second the motion.

18 MADAM CHAIRWOMAN BAILEY: All those in
19 favor say "Aye."

20 MR. BALCH: Aye.

21 MR. DAWSON: Aye.

22 MADAM CHAIRWOMAN BAILEY: Aye.

23 All those opposed?

24 Motion passes.

25 We will now go into executive session for

1 deliberation.

2 (A recess was taken from 10:15 a.m. to
3 11:19 a.m.)

4 MADAM CHAIRWOMAN BAILEY: We will go back
5 into session after deliberation of Case Number 14472
6 and Case Number 14547.

7 Do I hear a motion to go back into open
8 session?

9 MR. DAWSON: Yes, I will make a motion.

10 MR. BALCH: I will second the motion.

11 MADAM CHAIRWOMAN BAILEY: All those in
12 favor?

13 MR. BALCH: Aye.

14 MR. DAWSON: Aye.

15 MADAM CHAIRWOMAN BAILEY: Aye.

16 All those opposed?

17 We are back in session in accordance with
18 New Mexico statute 10-15-1 of the open meetings
19 resolution.

20 The only topics discussed were
21 deliberations on these two cases.

22 The commission has reached decisions to
23 dismiss the de novo review of Case Number 14472 and
24 to approve Judah Oil, Inc., as the division-
25 designated operator for the Dalton Federal Number 1,

1 which is API Number 30-015-25259, and the Dow B
2 Federal Number 1, which is API Number 30-015-28676.

3 These decisions are based on, among other
4 issues, pending approval from Judah to become the
5 BLM-recognized operator of record; that Judah has
6 submitted and had approved by BLM their plan to
7 convert to a saltwater disposal well; that Judah has
8 met the bonding requirements of the federal agency;
9 that Judah has also obtained Yeso's property rights,
10 and the processing for the right-of-way has been
11 approved.

12 This order revokes the division authority
13 to plug Dow B Federal 28 Number 1 that was granted
14 in Order Number R-12930-B ordering Paragraph Number
15 2, and it dismisses the application of COG for
16 cancellation of the operator's authority and
17 termination of spacing units.

18 That concludes this case.

19 Is there any other business before the
20 commission?

21 Nothing on tap, I will entertain a motion
22 to adjourn for the commission hearing.

23 Do I hear a motion?

24 MR. DAWSON: I motion to adjourn.

25 MR. BALCH: I second the motion.

1 MADAM CHAIRWOMAN BAILEY: All those in
2 favor, signify.

3 MR. BALCH: Aye.

4 MR. DAWSON: Aye.

5 MADAM CHAIRWOMAN BAILEY: Aye.

6 We are adjourned.

7 (Proceedings concluded.)

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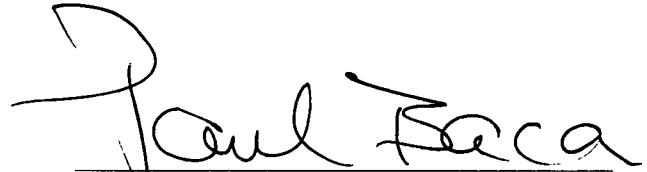
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CERTIFICATE

I, Paul Baca, RPR, CCR in and for the
State of New Mexico, do hereby certify that the
above and foregoing contains a true and correct
record, produced to the best of my ability via
machine shorthand and computer-aided transcription,
of the proceedings had in this matter.



PAUL BACA, RPR, CCR
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