

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 NMOCED, THROUGH  
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

Case No. ~~14547~~

**COPY**

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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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  
Certified Court Reporter #112  
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