

3 IN THE MATTER OF THE HEARING CALLED  
4 BY THE OIL CONSERVATION DIVISION FOR  
5 THE PURPOSE OF CONSIDERING:

ORIGINAL

5 APPLICATION OF COG OPERATING, LLC  
6 FOR A NONSTANDARD SPACING AND  
7 PRORATION UNIT AND COMPULSORY  
8 POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15063

7 APPLICATION OF COG OPERATING, LLC  
8 FOR A NONSTANDARD SPACING AND  
9 PRORATION UNIT AND COMPULSORY  
10 POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15064

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11 REPORTER'S TRANSCRIPT OF PROCEEDINGS

12 EXAMINER HEARING

13 January 9, 2014

14 Santa Fe, New Mexico

15

16 BEFORE: PHILLIP GOETZE, CHIEF EXAMINER  
17 MICHAEL McMILLAN, TECHNICAL EXAMINER  
18 GABRIEL WADE, LEGAL EXAMINER

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19 This matter came on for hearing before the  
20 New Mexico Oil Conservation Division, Phillip Goetze,  
21 Chief Examiner, Michael McMillan, Technical Examiner,  
22 and Gabriel Wade, Legal Examiner, on Thursday,  
23 January 9, 2014, at the New Mexico Energy, Minerals and  
24 Natural Resources Department, 1220 South St. Francis  
25 Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

23 REPORTED BY: Mary C. Hankins, CCR, RPR  
24 New Mexico CCR #20  
25 Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102

1 APPEARANCES

2 FOR APPLICANT COG OPERATING, LLC:

3 MICHAEL H. FELDEWERT, ESQ.  
 4 HOLLAND & HART  
 5 110 North Guadalupe, Suite 1  
 6 Santa Fe, New Mexico 87501  
 (505) 988-4421  
 mfeldewert@hollandhart.com

7 FOR INTERESTED PARTY KAISER-FRANCIS OIL COMPANY:

8 JAMES G. BRUCE, ESQ.  
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 10 Santa Fe, New Mexico 87504  
 (505) 982-2043  
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20 EXHIBITS OFFERED AND ADMITTED

21 COG Operating, LLC Exhibit Number 11	5
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1 (8:20 a.m.)

2 EXAMINER GOETZE: At this point in time, we  
3 will start off with Case 15063, application of COG  
4 Operating, LLC for a nonstandard spacing and proration  
5 unit and compulsory pooling, Lea County, New Mexico,  
6 consolidated with Case 15064, which is application of  
7 COG Operating, LLC for a nonstandard spacing and  
8 proration unit and compulsory pooling, Lea County,  
9 New Mexico.

10 Call for appearances.

11 MR. FELDEWERT: Mr. Examiner, Michael  
12 Feldewert, with the Santa Fe office of Holland & Hart,  
13 appearing on behalf of the Applicant, COG Operating,  
14 LLC.

15 ~~EXAMINER GOETZE: Mr. Bruce?~~

16 MR. BRUCE: Mr. Examiner, I think I entered  
17 an appearance for Kaiser-Francis Oil Company who is not  
18 opposing the case.

19 EXAMINER GOETZE: Correct, you did.

20 MR. BRUCE: We're just interested parties.

21 EXAMINER GOETZE: Very good.

22 MR. FELDEWERT: Mr. Examiner, you may  
23 recall with these cases, we seek to create two 160-acre  
24 nonstandard spacing units in the east half of Section  
25 18, Township 24 South, Range 34 East. We seek to then

1 pool the Bone Spring Formation underlying this acreage.  
2 These cases were consolidated for hearing at the last  
3 docket, December 19th, 2013, and at that time you heard  
4 the testimony from the landman and the geologist. And  
5 the Division accepted ten exhibits at that time.

6 The cases were then continued to allow  
7 timely notice to two additional parties. One was the  
8 New Mexico Department of Transportation, which owns less  
9 than two percent of the subject acreage. And as the  
10 landman testified, the company has been unable to reach  
11 a lease with this state agency.

12 The other individual was June Cook. She  
13 owns less than one percent of the interest in the  
14 acreage, as the landman also testified at the last  
15 hearing. We had given her notice by publication, but  
16 then we had located an address.

17 And so we'd asked that the case be  
18 continued to allow timely notice to both the Department  
19 of Transportation and for Ms. June Cook.

20 As reflected in Exhibit Number 11, which  
21 I've handed to you this morning, timely notice has now  
22 been provided both to the New Mexico Department of  
23 Transportation and to Ms. June Cook. So we ask that  
24 Exhibit Number 11 be admitted into the record and that  
25 you take these consolidated cases under advisement.

1 EXAMINER GOETZE: Very good. Exhibit  
2 Number 11 is accepted, and Case 15063 and Case 15064 are  
3 taken under advisement.

4 (COG Operating, LLC Exhibit Number 11 was  
5 offered and admitted into evidence.)

6 (Case Numbers 15063 and 15064 conclude,  
7 8:22 a.m.)

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I do hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 15063 & 15064  
heard by me on January 9, 2014  
[Signature], Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO


2 COUNTY OF BERNALILLO

3 CERTIFICATE OF COURT REPORTER

4 I, MARY C. HANKINS, New Mexico Certified  
 5 Court Reporter No. 20, and Registered Professional  
 6 Reporter, do hereby certify that I reported the  
 7 foregoing proceedings in stenographic shorthand and that  
 8 the foregoing pages are a true and correct transcript of  
 9 those proceedings that were reduced to printed form by  
 10 me to the best of my ability.

11 I FURTHER CERTIFY that the Reporter's  
 12 Record of the proceedings truly and accurately reflects  
 13 the exhibits, if any, offered by the respective parties.

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

18   
 19 MARY C. HANKINS, CCR, RPR  
 20 Paul Baca Court Reporters, Inc.  
 21 New Mexico CCR No. 20  
 22 Date of CCR Expiration: 12/31/2014  
 23  
 24  
 25