

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:

ORIGINAL

APPLICATION OF COG OPERATING, LLC TO  
RE-OPEN CASE NUMBER 14919 TO POOL  
THE INTERESTS OF ADDITIONAL MINERAL  
OWNERS UNDER THE TERMS OF COMPULSORY  
POOLING ORDER R-13659, EDDY COUNTY,  
NEW MEXICO.

CASE NO. 14919

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 10, 2014

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER

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This matter came on for hearing before the  
New Mexico Oil Conservation Division, Michael McMillan,  
Chief Examiner, on Thursday, July 10, 2014, at 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: Mary C. Hankins, CCR, RPR  
New Mexico CCR #20  
Paul Baca Professional Court Reporters  
500 4th Street, Northwest, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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# APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

MICHAEL H. FELDEWERT, ESQ.  
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# EXHIBITS OFFERED AND ADMITTED

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1 (8:18 a.m.)

2 EXAMINER McMILLAN: With that in mind, I'd  
3 like to call Case Number 14919, application of COG  
4 Operating, LLC to re-open Case Number 14919 to pool the  
5 interests of additional mineral interest owners under  
6 the terms of Compulsory Pooling Order R-13659, Eddy  
7 County, New Mexico.

8 At this time I would like to call for  
9 appearances.

10 MR. FELDEWERT: May it please the Examiner,  
11 Michael Feldewert, with the Santa Fe office of Holland  
12 Härt, appearing on behalf of the Applicant. And I have  
13 an affidavit and one other exhibit to present today.

14 EXAMINER McMILLAN: Any other appearances?

15 MR. FELDEWERT: May I approach?

16 EXAMINER McMILLAN: Yes.

17 MR. FELDEWERT: Mr. Examiner, this case was  
18 heard by the Division back in November of 2012, and it  
19 resulted in Order Number 14 -- Order Number 13659, which  
20 I've handed you a courtesy copy. You'll see, as you  
21 page through that order and get to the ordering  
22 paragraphs on page 3, that this particular order entered  
23 by the Division back in December of 2012 created a  
24 160-acre spacing and proration unit comprised of the  
25 east half-east half of Section 8, Township 19 South,

1 Range 26 East. It pooled all the mineral interests in  
2 the Glorieta-Yeso Formation and dedicated this  
3 particular spacing unit to the Bradley 8 Fee well #4H,  
4 all of which is identified in the order. That well,  
5 Mr. Examiner, has not yet been drilled. There are plans  
6 to drill it by the end of this year. In fact, I think  
7 they got an extension from the division to drill that  
8 well.

9 I've marked two additional exhibits that  
10 I'm presenting here today, and I've marked them first as  
11 Exhibit A and B primarily to avoid any confusion with  
12 the previous docket.

13 Exhibit A is an affidavit from Mr. Joseph  
14.. Scott. He is a landman with COG Operating. And it  
15 reflects that they have recently discovered five  
16 additional mineral owners who were in the pooled.  
17 Paragraph four reflects the efforts that were undertaken  
18 to locate these parties, to which they were not  
19 successful, and paragraph five then lists these parties.  
20 And although we have addresses for the latter two of  
21 these five parties, those addresses were not good.

22 So in addition to Exhibit A, the third page  
23 of what I've handed you is Exhibit B, and it is a Notice  
24 of Publication in the Artesia Daily Press informing all  
25 five of these mineral interest owners by name of the

1 hearing here today to seek pooling of their interests.

2 So the spacing unit has already been  
3 created. It's already been dedicated to the initial  
4 well. That has not been changed. That well is going to  
5 be drilled. The only thing that needs to occur is an  
6 additional order pooling these five additional mineral  
7 owners that are identified on page number 2 of Exhibit  
8 A.

9 And so I'd like to move the admission of  
10 COG Exhibits A and B.

11 EXAMINER McMILLAN: So accepted.

12 (COG Operating, LLC Exhibit Letters A and B  
13 were offered and admitted into evidence.)

14 MR. FELDEWERT: And with that, we'd ask the  
15 Division take this matter under advisement again and  
16 issue a pooling order that includes the additional  
17 unlocatable mineral owners.

18 EXAMINER McMILLAN: What about the costs  
19 involved?

20 MR. FELDEWERT: The costs would be -- it  
21 would be the same order. Nothing changes under the  
22 order. So the better way to put it is we'd like to  
23 amend the existing order to include these existing  
24 mineral interest owners.

25 EXAMINER McMILLAN: Okay.

1                   MR. FELDEWERT: And if you'd like,  
2 Mr. Examiner, this has previously been done. And, in  
3 fact, if you give me a second, I think I can reference  
4 you an order recently issued that -- if you take a look  
5 at Order Number R-13578A, that was issued by Examiner  
6 Goetze in February of 2014. It essentially accomplished  
7 for another matter exactly what we're trying to do here  
8 today.

9                   EXAMINER McMILLAN: And I guess the one  
10 question I have is: Does COG plan to go past December  
11 15th, because you asked for an extension up to December  
12 the 15th? So do you want it December 31st, or do you  
13 want it December 15th?

14                  MR. FELDEWERT: It's my understanding that  
15 they plan to get this well drilled in time to meet that  
16 initial extension, but if I may, I think I'd like to  
17 follow up and -- check with the client and follow up and  
18 see if we need any kind of additional extension.

19                  EXAMINER McMILLAN: Okay.

20                  MR. FELDEWERT: With that, Mr. Examiner,  
21 that concludes my presentation.

22                  EXAMINER McMILLAN: Do you have an API  
23 number?

24                  MR. FELDEWERT: Not in my file, but I can  
25 get you one.

1 EXAMINER McMILLAN: Okay.

2 MR. FELDEWERT: Hold on. Let me see if the  
3 order has one. Yes. If you look at Order 13659, the  
4 one we seek to amend, on page 3 of that order, the third  
5 ordering paragraph identifies that Bradley 8 Fee 4H  
6 well. It has an API number in the order.

7 EXAMINER McMILLAN: Okay. Thank you.

8 And at this time, this case will be taken  
9 under advisement. Thank you.

10 (Case Number 14919 concludes, 8:25 a.m.)

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I hereby certify that the foregoing is  
a complete record of the proceedings in  
the Examiner hearing of Case No. 14919,  
heard by me on July 10 2014.

Michael McMILLAN, Examiner  
Oil Conservation Division

1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO  
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4 CERTIFICATE OF COURT REPORTER

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

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

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

19  
20 

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