

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

ORIGINAL

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

CASE NO.
15295
(Re-advertised)

APPLICATION OF COG OPERATING LLC
FOR A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

June 11, 2015

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
GABRIEL WADE, LEGAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, and Gabriel Wade, Legal Examiner, on
Thursday, June 11, 2015, 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: ELLEN H. ALLANIC
NEW MEXICO CCR 100
CALIFORNIA CSR 8670
PAUL BACA COURT REPORTERS
500 Fourth Street, NW
Suite 105
Albuquerque, New Mexico 87102

A P P E A R A N C E S

FOR APPLICANT:

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I N D E X

CASE NUMBERS 15295 CALLED

COG OPERATING LLC
CASE-IN-CHIEF

Reporter's Certificate

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

Exhibits Offered and Admitted

COG OPERATING LLC EXHIBIT 9

Page
5

1 (Time noted 11:07 a.m.)

2 EXAMINER GOETZE: And that moves us to case
3 No. 15295, Re-advertised, Application of COG Operating
4 LLC for a non-standard oil spacing and Proration Unit
5 and Compulsory Pooling, Lea County, New Mexico.

6 Call for appearances.

7 MR. LARSON: Mr. Examiner, Gary Larson,
8 Santa Fe Office of Hinkle, Shanor for COG Operating.

9 Should I proceed?

10 EXAMINER GOETZE: By all means. Please.

11 MR. LARSON: At the previous hearing in this
12 case on May 14th, there were two issues that arose that
13 necessitated a continuance.

14 The first issue was an incorrect property
15 description of COG's proposed 200-acre project area,
16 both in its application and its hearing notice letters
17 to the uncommitted mineral interest owners. And the
18 second issue concerned COG's discovery of the identities
19 of two uncommitted mineral interest owners, Peggy Neal
20 Pool Marquez and Elizabeth Hogan, after COG had sent out
21 its well proposals and hearing notice letters.

22 Now marked as COG Exhibit 9 is the
23 self-affirmed statement of COG landman David Michael
24 Wallace, who testified regarding land matters during the
25 previous hearing.

1 And as noted by Mr. Wallace, COG took two
2 actions to address the property description here.
3 First, COG filed an errata notice that provides the
4 description of the proposed project area. And,
5 secondly, COG timely sent letters to all of the
6 uncommitted mineral interest owners notifying them of
7 today's hearing.

8 The notice letters contain the property --
9 the property description of the project area. An
10 exemplar of the notice letters, a listing of the
11 uncommitted mineral interest owners, and certified mail
12 green cards are included as Exhibit A to Mr. Wallace's
13 self-affirmed statement.

14 And as further noted by Mr. Wallace, after
15 discovering their admission from COG's listing of the
16 uncommitted mineral interest owners, Mr. Wallace sent
17 well proposals to Ms. Hogan and Ms. Marquez. Those well
18 proposals are attached to his self-affirmed statement as
19 Exhibit B.

20 And, finally, Mr. Wallace states that
21 Mitchell Capadonna, who is himself an uncommitted
22 mineral interest owner, has represented to Mr. Wallace
23 that he represents and advises Ms. Hogan and Ms. Marquez
24 as well as three of the other uncommitted interest
25 owners regarding oil and gas matters, and that

1 Mr. Capadonna has negotiated the terms of the lease of
2 his own personal mineral interest.

3 I move the admission of COG Exhibit No. 9.

4 EXAMINER GOETZE: Exhibit 9 is so entered.

5 (COG OPERATING EXHIBIT 9 offered and
6 admitted.)

7 MR. LARSON: And I submit that COG has fully
8 addressed the property description and notice issues
9 that arose during the previous hearing, reiterate
10 Mr. Wallace's request for expediting consideration of
11 COG's application in light of the lease termination
12 issue that COG is facing, and ask that the case be taken
13 under advisement.

14 EXAMINER GOETZE: No questions from Counsel?

15 MR. WADE: No questions.

16 EXAMINER GOETZE: I have no further
17 questions for this case. So we will go ahead and
18 proceed and take it under advisement. Thank you.

19 MR. LARSON: Thank you, Mr. Examiner.

20 EXAMINER GOETZE: Case No. 15295 is taken
21 under advisement.

22 I hereby certify that the foregoing is
23 a complete record of the proceedings in
24 the Examiner hearing of Case No. 15295
25 heard by me on June 11, 2015.
(Time noted 11:11 a.m.)
Phillip J. Goetz Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO)
 2) SS.
 3 COUNTY OF BERNALILLO)
 4
 5
 6

7 REPORTER'S CERTIFICATE

8
 9 I, ELLEN H. ALLANIC, New Mexico Reporter CCR
 10 No. 100, DO HEREBY CERTIFY that on Thursday, June 11,
 11 2015, the proceedings in the above-captioned matter were
 12 taken before me, that I did report in stenographic
 13 shorthand the proceedings set forth herein, and the
 14 foregoing pages are a true and correct transcription to
 15 the best of my ability and control.
 16

17
 18 I FURTHER CERTIFY that I am neither employed by
 19 nor related to nor contracted with (unless excepted by
 20 the rules) any of the parties or attorneys in this case,
 21 and that I have no interest whatsoever in the final
 22 disposition of this case in any court.
 23
 24
 25

Ellen Allanic

ELLEN H. ALLANIC, CSR
 NM Certified Court Reporter No. 100
 License Expires: 12/31/15