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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:

CASE NOS: 22926 22927
APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
AUGUST 4, 2022
SANTA FE, NEW MEXICO

This matter came on for virtual hearing before
the New Mexico Oil Conservation Division, HEARING OFFICER
WILLIAM BRANCARD and TECHNICAL EXAMINER JOHN GARCIA on
Thursday, August 4, 2022, through the Webex Platform.

Reported by: PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

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A P P E A R A N C E S

For the Applicant:
JACLYN McLEAN
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P.O. Box 0268
Santa Fe, NM 87504
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1 HEARING EXAMINER BRANCARD: All right. I will
2 now check in with the court reporter and see how you all are
3 doing. Mr. Baca?

4 REPORTER: We're fine.

5 HEARING EXAMINER BRANCARD: We may have lost the
6 court reporter.

7 REPORTER: We're fine. We're good.

8 HEARING EXAMINER BRANCARD: Mr. Baca, are you
9 there?

10 REPORTER: We're good. Hello? Hello?

11 MS. SALVIDREZ: I see him as unmuted. I'm not
12 sure why we can't hear him.

13 HEARING EXAMINER BRANCARD: I don't know. Maybe
14 he is --

15 REPORTER: We're good.

16 HEARING EXAMINER BRANCARD: Hello, Mr. Baca,
17 Mr. Court Reporter, Madam Court Reporter?

18 REPORTER: We're good.

19 (Audio disconnect with reporter.)

20 HEARING EXAMINER BRANCARD: Marlene, can you send
21 him an e-mail?

22 MS. SALVIDREZ: How about if we go on break for
23 about ten minutes while I contact him.

24 HEARING EXAMINER BRANCARD: Okay. Maybe he is
25 just videotaping the whole thing, I don't know. So why

1 don't we take a break until 9:50. Thank you all.

2 (Recess taken.)

3 HEARING EXAMINER BRANCARD: We got a thumbs up
4 from Mr. Baca, okay. Thank you. So with that, we are back
5 on the record. New Mexico Oil Conservation Division
6 hearings, August 4, 2022. I believe we are on Items 34 and
7 35, case 22926, 22927, COG Operating.

8 MS. McLEAN: Good morning, Jaclyn McLean of
9 Hinkle Shanor on behalf of COG Operating.

10 HEARING EXAMINER BRANCARD: Thank you. Are there
11 any other appearances in cases 22926 and 22927?

12 (No audible response.)

13 HEARING EXAMINER BRANCARD: Hearing none, Ms.
14 McLean, you may proceed.

15 MS. McLEAN: Thank you. In case 22926 and 22927,
16 COG seeks to pool all uncommitted interests within the Bone
17 Spring formation in the E/2 and W/2 of Sections 10 and 5,
18 Township 22 South, Range 34 East in Lea County, New Mexico.

19 In case 22926, COG has applied for an order
20 pooling all uncommitted interest within the Ojo Chiso Bone
21 Spring Pool underlying a 640 acre standard horizontal
22 spacing unit comprised of the E/2 of Section 15, Township 22
23 South, Range 34 East in Lea County. And that unit will be
24 dedicated to the Yeah Yeah Federal Com Number 501H, 502H,
25 503H, 601H, 605H and 606H wells.

1 And the Yeah Yeah 501 and 502H wells will be
2 drilled from the surface hole location in the NW/4 NE/4 Unit
3 B of Section 10, the bottom hole location in the SE/4 SE/4
4 of Section 15. And the Yeah Yeah 503, 601, 605 and 606H
5 wells will be drilled from a surface hole location in the
6 NW/4 NE/4 Unit B of Section 10, the bottom hole location in
7 the SW/4 SE/4 Unit O of Section 15.

8 And the completed interval of the Yeah Yeah 502H
9 well will be located within 330 feet of the quarter-quarter
10 section line separating the W/2 E/2 and E/2 E/2 of Sections
11 10 and 15 to allow for the creation of a 640 acre standard
12 horizontal spacing unit.

13 And in case number 22927, COG has applied for an
14 order pooling all uncommitted interests within the Ojo Chiso
15 Bone Spring Pool underlying a 640 acre more or less standard
16 horizontal spacing unit comprised of the W/2 of Sections 10
17 and 15, 22 South, Range 34 East in Lea County.

18 And the W/2 unit will be dedicated to the Yeah
19 Yeah Federal Com Number 504H, 505H, 602H, 603H, 604H and
20 607H wells. And the Yeah Yeah 504, 602 and 708H wells will
21 be drilled from a surface hole location in the NW/4 NW/4
22 Unit C of Section 10 to a bottom hole location in the SE/4
23 SW/4 Unit N, Section 15.

24 And the Yeah Yeah 505, 603 and -- will be drilled
25 from a surface hole location in the NW/4 NW/4 Unit C of

1 Section 10 to a bottom hole location in the SW/4 SW/4 of
2 Unit N, Section 15.

3 And in order to make a 640 acre spacing unit,
4 there is also proximity tracts in the preceding interval as
5 the Yeah Yeah Federal Com Number 504H well will be located
6 within 330 feet of the quarter-quarter section line
7 separating the W/2 W/2 and E/2 W/2 of Sections 10 and 15.

8 And the exhibit package that we submitted to the
9 Division contains Exhibit A, the land professional Mackayla
10 Stone's testimony and related land exhibits which include
11 the application, proposed notice of hearing, C-102s for the
12 wells, the land tract ownership interest and a list of all
13 interests to be pooled, as well as the well proposal letter
14 and chronology of contacts with the interest owners.

15 Exhibit B geology testimony from William
16 Schellenbach which includes location maps, Second and Third
17 Bone Spring structure map, cross section map, and
18 stratigraphic cross section.

19 And then finally, for both cases, Exhibit G,
20 which is a self-affirmed statement from my partner, Dana
21 Hardy, pointing out we sent notice letters to the interested
22 parties, charge (inaudible) and return receipts received,
23 and then an affidavit of publication from the legal staff at
24 the Hobbs News Sun showing it was timely published on July
25 15, 2022.

1 And with that, I ask that Exhibits A, B and C be
2 admitted into the record in case numbers 22926 and 22927 and
3 that these cases be taken under advisement.

4 HEARING EXAMINER BRANCARD: Thank you.
5 Mr. Garcia, questions?

6 TECHNICAL EXAMINER GARCIA: No questions.

7 HEARING EXAMINER BRANCARD: Okay. So Ms. McLean,
8 let's look at your -- I think I'm looking at the first
9 case, 926, the exhibit packet, I'm on Pages 21 and 22.

10 MS. McLEAN: All right.

11 HEARING EXAMINER BRANCARD: You have a typo here
12 on 21 -- tract 3, that should be Township 22 South. Anyway,
13 what I'm more concerned about is you list, I think, nine
14 working interest owners in your recapitulation rather than
15 COG. You don't indicate which of these are committed or
16 uncommitted.

17 The next page you have a pooling notification
18 list here with three working interest owners. So am I
19 making a logical leap here to say that all the other working
20 interest owners are committed and not being pooled?

21 MS. McLEAN: I believe that the one on Page 21,
22 those are committed. And then the other working interest
23 owners, we notified them. Everyone was locatable. They
24 received our notice letter of the hearing and, you know,
25 were contacted and those are the ones that need to be

Page 7

1 pooled.

2 HEARING EXAMINER BRANCARD: So on Page 22, those
3 are the only three out of the nine working interest owners
4 of COG who need to be pooled?

5 MS. McLEAN: I believe that is correct.

6 HEARING EXAMINER BRANCARD: Okay. I just don't
7 like making logical leaps because I'm not good at them.

8 MS. McLEAN: Would you like us to submit
9 something else to that effect.

10 HEARING EXAMINER BRANCARD: Highlight them or
11 asterisk them or something. So you are going to correct
12 that township on Page 21, just asterisk which of those --
13 you can do it on a recapitulation, just indicate which of
14 these are being pooled.

15 Now I'm going to take a little tangent here, so
16 hang on, Ms. McLean. Mr. Bruce, are you on the phone.

17 MR. BRUCE: I'm afraid so.

18 HEARING EXAMINER BRANCARD: So later on today we
19 are going to consider Mewbourne cases 22633.

20 MR. BRUCE: Okay.

21 HEARING EXAMINER BRANCARD: And others. The way
22 I look at the map, those units are directly south of these
23 units.

24 MR. BRUCE: Oh, I wasn't aware of that. I will
25 say that the ones I'm handling were originally started --

1 filed by Dana Hardy.

2 HEARING EXAMINER BRANCARD: Oh.

3 MR. BRUCE: A conflict developed, so I took over
4 representation of Mewbourne. Now that --

5 HEARING EXAMINER BRANCARD: Okay. My point is,
6 what caught my attention was, you are trying to pool the
7 same three people in your unit as COG is seeking to pool in
8 these units.

9 However COG has figured out -- and two of these
10 parties are actually minors with guardians -- and they have
11 each party in a different address than what Mewbourne used,
12 and COG was able to locate these folks.

13 MR. BRUCE: Yup, that's --

14 HEARING EXAMINER BRANCARD: So I don't have to
15 refer back to the case later, I am just letting you know in
16 advance.

17 MR. BRUCE: Thank you very much. Perhaps the
18 easiest thing to do, I could use COG addresses.

19 HEARING EXAMINER BRANCARD: You could.

20 MR. BRUCE: And that would entail a -- if I could
21 just get it continued to September 1, because otherwise
22 there is no opposition to the case.

23 HEARING EXAMINER BRANCARD: We'll get to those
24 cases later. I was just giving you a heads up.

25 MR. BRUCE: Thank you very much.

1 MS. McLEAN: We are happy to e-mail this to Mr.
2 Bruce.

3 MR. BRUCE: Thank you very much.

4 HEARING EXAMINER BRANCARD: And I will say, Ms.
5 McLean, that your land person's description of contacts with
6 the parties were very thorough.

7 MS. McLEAN: Thank you.

8 HEARING EXAMINER BRANCARD: A lot of detail and
9 we usually don't get it. Explains why people aren't signing
10 on, for a lot of interesting reasons.

11 Thank you. Again, any questions, Mr. Garcia?

12 TECHNICAL EXAMINER GARCIA: No other questions.

13 HEARING EXAMINER BRANCARD: Are there any other
14 interested persons for case 22926, 927?

15 (No audible response.)

16 HEARING EXAMINER BRANCARD: Hearing none, the
17 exhibits will be admitted into the record and cases will be
18 taken under advisement and the revised Page 21 of your
19 exhibits would be helpful.

20 MS. McLEAN: Yes, sir. We will get that in.

21 HEARING EXAMINER BRANCARD: Thank you.

22 (Exhibits admitted.)

23 (Taken under advisement.)
24
25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3 REPORTER'S CERTIFICATE

4 I do hereby certify that I reported the
5 foregoing virtual proceedings in stenographic shorthand and
6 that the foregoing pages are a true and correct transcript
7 of those proceedings to the best of my ability.

8 I FURTHER CERTIFY that I am neither employed by
9 nor related to any of the parties or attorneys in this case
10 and that I have no interest in the final disposition of this
11 case.

12 I FURTHER CERTIFY that the Virtual Proceeding was
13 of poor to good quality.

14 Dated this 4th day of August 2022.

15
16 Irene Delgado
Court Reporter
17 License Expires: 12-31-22
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[true - yup]

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