

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:

APPLICATION OF LOGOS OPERATING, LLC                      CASE NO. 16448  
FOR COMPULSORY POOLING, RIO ARRIBA  
COUNTY, NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 16, 2018

Santa Fe, New Mexico

BEFORE:    WILLIAM V. JONES, CHIEF EXAMINER  
             PHILLIP GOETZE, TECHNICAL EXAMINER  
             DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the New Mexico Oil Conservation Division, William V. Jones, Chief Examiner, Phillip Goetze, Technical Examiner, and David K. Brooks, Legal Examiner, on Friday, November 16, 2018, 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 LOGOS Operating, LLC:

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FOR INTERESTED PARTY PHILLIP WHITE:

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EXHIBITS OFFERED AND ADMITTED

(No exhibits.)

1 (8:26 a.m.)

2 EXAMINER JONES: Okay. Let's go back on  
3 the record in this examiner hearing, Docket Number  
4 49-18.

5 And let's call Case Number 16448,  
6 application of LOGOS Operating, LLC for compulsory  
7 pooling in Rio Arriba County, New Mexico.

8 MR. HALL: Mr. Examiner, Scott Hall on  
9 behalf of the Applicant, LOGOS Operating, LLC. No  
10 witnesses today.

11 MS. BRADFUTE: Mr. Examiner, Jennifer  
12 Bradfute on behalf of Phillip White. And I have no  
13 witnesses today as well.

14 EXAMINER JONES: Mr. White's not here?

15 MS. BRADFUTE: That is correct.

16 MR. HALL: We were prepared to proceed  
17 today. The case started out as a generic compulsory  
18 pooling, but the complexion of the case has changed, as  
19 we've been informed that the owner of the lease covering  
20 the 160 acres of the 320-acre we sought to pool had  
21 relinquished a portion of his federal lease. And based  
22 on the last information we saw online from the serial  
23 register page of BLM, it appeared that Mr. White still  
24 retains an interest, 80 acres, but we've recently been  
25 informed that that acreage is being released as well.

1 So we need to verify that with the BLM and perhaps  
2 re-adjust our remedies here, mindful of what the  
3 Division did in the past with cases that may come into  
4 play here. So we're going to ask that the hearing be  
5 continued to the first regularly scheduled examiner  
6 hearing, which we believe is January 10th.

7 MS. BRADFUTE: And we have no objection to  
8 that request for continuance.

9 Mr. White has relinquished all of his  
10 interests within the federal lease that he had. He did  
11 relinquish one-half of his leasehold rights about a week  
12 before the second half and made the decision to  
13 relinquish it all.

14 His concern is that he would be the record  
15 title owner, yet he doesn't have control over the  
16 operations on the leasehold, and he wasn't interested in  
17 participating in this well. So his interest would be  
18 pooled and subject to the risk penalty anyway. So he  
19 didn't see much payout but a lot of downside on the risk  
20 of being record title owner with an obligation to pay  
21 royalties if the operator, whether it's LOGOS or another  
22 operator in the future, failed to do so and risk related  
23 to remediation. So he decided to relinquish his  
24 leasehold rights and now has no leasehold rights to be  
25 pooled.

1 EXAMINER JONES: So until the BLM leases  
2 it, nobody will be the leasehold owner of that.

3 MR. HALL: We're talking to BLM, so we'll  
4 have more information for you.

5 EXAMINER JONES: Okay.

6 MR. HALL: That's all I have.

7 MS. BRADFUTE: Thank you.

8 EXAMINER JONES: Thank you.

9 Case Number 16448 is continued to January  
10 the 10th.

11 (Case Number 16488 concludes, 8:29 a.m.)

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1 STATE OF NEW MEXICO  
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

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

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

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

20 DATED THIS 20th day of December 2018.

21

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23 MARY C. HANKINS, CCR, RPR  
24 Certified Court Reporter  
New Mexico CCR No. 20  
Date of CCR Expiration: 12/31/2019  
Paul Baca Professional Court Reporters

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