

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 NO. 21410

APPLICATION OF COG OPERATING  
FOR COMPULSORY POOLING IN  
EDDY COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

THURSDAY, SEPTEMBER 24, 2020

This matter came on for hearing before the  
New Mexico Oil Conservation Division, Felicia Orth,  
Hearing Examiner, Kathleen Murphy and Scott Cox,  
Technical Examiners, via the Cisco Webex Video  
Conferencing Platform

Reported by: Mary T. Macfarlane, CCR  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 4TH 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 COG OPERATING, LLC:

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C O N T E N T S

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STATEMENT BY MS. LUCK:	3
INQUIRY BY TECHNICAL EXAMINER MURPHY:	5
TAKEN UNDER ADVISEMENT:	6

APPLICANT WITNESSES BY AFFIDAVIT

LIZZY LAUFER (Landman) 4  
BENJAMIN DAVIS (Geologist) 5

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

APPLICANT MEWBOURNE OIL COMPANY EXHIBITS

A	Pooling Application Checklist	6
B	Application	6
C	Affidavit of Lizzy Laufer (Landman)	6
	(Attachments C-1 through C-5)	
D	Affidavit of Benjamin Davis (Geologist)	6
	(Attachments D-1 through D-5)	

1 (Time Noted 8:31 a.m.)

2 HEARING EXAMINER ORTH: Move then to the next  
3 matter, Case No. 21410. The Applicant is COG, Compulsory  
4 Pooling Application; the well name is Boo Radley.

5 Who is here from Holland & Hart for the  
6 Applicant?

7 MS. LUCK: Good morning again, Madam Examiner.  
8 Kaitlyn Luck with the Santa Fe office of Holland & Hart  
9 for the Applicant COG Operating, LLC.

10 HEARING EXAMINER ORTH: Thank you. Let me pause  
11 for a moment to see if there are any other appearances  
12 this morning. No.

13 If you would please go ahead.

14 MS. LUCK: Thank you. In this case COG is  
15 seeking to pool a horizontal spacing unit in the Wolfcamp  
16 Formation underlying all of Sections 21, 28 and 33,  
17 Township 26 South, Range 29 East, in Eddy County, New  
18 Mexico.

19 The spacing unit includes a proximity tract  
20 well, which is the Boo Radley 704H well, and that will be  
21 pooling in the east half of Sections 21, 28 and 33.

22 This is a recap about the procedural  
23 history of this case. It was originally set on  
24 September 10th and COG filed a continuance from that  
25 hearing date to the September 24th docket that we are here

1     today on so that COG could provide confirmation to the  
2     Division that it obtained voluntary agreements with the  
3     affected parties in the spacing unit to have different  
4     interests in the spacing unit above and below the depth  
5     severance.

6                     So this case involves a depth severance at  
7     9500 feet, and earlier this week, on Tuesday, COG filed  
8     its Amended Exhibit C, C-2 and C-3, which are the  
9     affidavit of Landman Lizzy Laufer, as well as the  
10    ownership recap and an additional exhibit which reflects  
11    that COG was able to reach an agreement with the two  
12    affected parties by this depth severance. So that would  
13    be OXY and Sharbro, and proof of that is provided as  
14    Supplemental Exhibit C-3.

15                    Also filed with the Division are COG  
16    Exhibits A and B, which are the Pooling Application  
17    Checklist and the Application of COG.

18                    COG'S Exhibit C, as I mentioned is the  
19    affidavit of Lizzy Laufer, the landman. Her affidavit  
20    includes the standard exhibits, which are the C-102s; the  
21    tracking unit rehab; rehab of the depth severance  
22    ownership; a well proposal and AFE for each of the six  
23    wells; and finally a Chronology of Contact of the  
24    uncommitted interest owners

25                    COG Exhibit B is the affidavit of Benjamin

1 Davis. He is the geologist for this project; he has  
2 testified before the Division. And he provides the  
3 standard geology exhibits

4 Finally, as COG Exhibits E and F, those  
5 exhibits reflect that Notice was provided to the parties  
6 to be pooled in these cases, and out of an abundance of  
7 caution COG published Notice of this hearing in the county  
8 where the proposed wells are located, and it's directed to  
9 each of the interest owners in the horizontal spacing  
10 unit.

11 So with that I would move the admission of  
12 Exhibits A through F and request that this case be taken  
13 under advisement. And I can answer any questions that the  
14 the examiners may have.

15 HEARING EXAMINER ORTH: Thank you, Ms. Luck.

16 Ms. Murphy, do you have questions of Ms.  
17 Luck?

18 TECHNICAL EXAMINER MURPHY: You know, I just  
19 have a quick question. On the very colorful  
20 recapitulation table. think it's page 7 for me but that  
21 might add one because of the cover page.

22 So you're pooling OXY, Chevron, and OXY 1  
23 and the Allar Company. I can't see that. Allar?

24 MS. LUCK: That's correct. Those are the  
25 working interest owners that we seek to pool that are

1 highlighted. You will see in the box just below that  
2 there are also some overriding interest owners and MPRIA  
3 and other owners as well.

4 TECHNICAL EXAMINER MURPHY: So what percentage  
5 does COG own on this, than?

6 MS. LUCK: It looks like COG'S total unit recap  
7 is about 63 percent.

8 TECHNICAL EXAMINER MURPHY: Okay. And you have  
9 made agreements with the others. Okay.

10 MS. LUCK: That's correct.

11 TECHNICAL EXAMINER MURPHY: I have no more  
12 questions. Thank you.

13 MS. LUCK: Thank you.

14 HEARING EXAMINER ORTH: Thank you, Ms. Murphy  
15 and Ms. Luck.

16 Ms. Luck, your exhibits are accepted and  
17 the matter will be taken under advisement.

18 MS. LUCK: Thank you.

19 (Time Noted 8:34 a.m.)  
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1     STATE OF NEW MEXICO             )  
2   : SS  
3     COUNTY OF TAOS                 )

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5   REPORTER'S CERTIFICATE

6                     I, MARY THERESE MACFARLANE, New Mexico Certified  
7     Reporter No. 122, DO HEREBY CERTIFY that on Thursday,  
8     September 24, 2020, the proceedings in the above-captioned  
9     matter were taken before me; that I did report in  
10    stenographic shorthand the proceedings set forth herein,  
11    and the foregoing pages are a true and correct  
12    transcription to the best of my ability and control.

13                    I FURTHER CERTIFY that I am neither employed by  
14    nor related to nor contracted with (unless excepted by the  
15    rules) any of the parties or attorneys in this case, and  
16    that I have no interest whatsoever in the final  
17    disposition of this case in any court.

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                                  /s/ Mary Macfarlane

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20   \_\_\_\_\_  
21   MARY THERESE MACFARLANE, CCR  
                                       NM Certified Court Reporter No. 122  
                                       License Expires: 12/31/2020

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