

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: 21526

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

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS

EXAMINER HEARING

NOVEMBER 5, 2020

SANTA FE, NEW MEXICO

This matter came on for virtual hearing before the New Mexico Oil Conservation Division, HEARING OFFICER FELICIA ORTH and TECHNICAL EXAMINERS DYLAN ROSE-COSS on Thursday, November 5, 2020, through the Webex Platform.

Reported by: Irene Delgado, NMCCR 253
PAUL BACA PROFESSIONAL COURT REPORTERS
500 Fourth Street, NW, Suite 105
Albuquerque, NM 87102
505-843-9241

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

A P P E A R A N C E S

For the Applicant:

MICHAEL RODRIGUEZ
1048 Paseo de Peralta
Santa Fe, NM 87501-3034
505-428-0485
mrodriguez@concho.com

I N D E X

CASE CALLED

SUMMARY OF CASE 03

TAKEN UNDER ADVISEMENT 07

REPORTER CERTIFICATE 08

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

Admitted

Exhibits and All Attachments 08

1 HEARING EXAMINER ORTH: Please go ahead with
2 21526.

3 MR. RODRIGUEZ: So this case is similar to 21525
4 in that there are similar mineral lease owners that COG is
5 seeking to pool. However, COG has provided a development
6 plan in this acreage which also resulted in a number of
7 material changes.

8 So I brought this to the Division's attention a
9 couple of months ago with Mr. Warnell, Garcia, Simmons and
10 Mr. Ames to determine the appropriate steps forward. And it
11 was determined that in this matter COG should seek a new
12 pooling order to capture the changes resulting from its
13 revised development plan, which is what is proposed in the
14 application in front of you today.

15 As to the application itself, COG is seeking to
16 pool all uncommitted interests in Wolfcamp formation, the
17 Purple Sage Gas Pool underlying a standard 767.72 acre, more
18 or less, horizontal spacing unit comprised of the E/2 of
19 Sections 22 and 27 and the N/2 of the NE/4 in lots 3 and 4
20 of irregular Section 34, Township 26 South, Range 28 East,
21 Eddy County, New Mexico.

22 The exhibit packet submitted in this case include
23 the application in front of you today. And as I turn into
24 the table of contents, I would like to note that it -- the
25 case number in the table of contents should read 21526, it

1 reads 21525, so I apologize about that, but it also includes
2 the checklist.

3 Exhibit A is the landman's affidavits and related
4 land exhibits.

5 Exhibit B is the geologist affidavit and related
6 geology attachments. And also, the geologist has not
7 testified before the Division before, but behind Mr. Lopez's
8 affidavit is his resume, and we would ask that he be
9 qualified as an expert in geology matters.

10 And moving forward, Exhibit C is my notice
11 affidavit and notice of publication reflecting all notice
12 requirements have been met.

13 And I would like to point out specifically in the
14 application the last sentence, Paragraph G, it reads, "COG
15 is requesting the Division amend Order R 2110 -- 21101-A to
16 reflect the changes within the application."

17 And we are asking for some form of order that
18 avoids concurrent orders and references the old order or
19 orders to keep the continuity so there is no confusion as to
20 which order governs. However, we are unsure that that means
21 of maintaining continuity and avoiding concurrent orders
22 would be through an amended or another mechanism within an
23 amended order, so I attempted to stylize this concern in a
24 way that was broad enough to raise our concern about
25 continuity in concurrent orders but still allow the Division

1 sufficient room to address it as it sees fit with a new or
2 amended order.

3 And if the Division would like to discuss this
4 application or its contents or like me to modify it in any
5 way, I'm more than happy to speak with the Division now or
6 in the future to address those matters.

7 And with that I'm available for any questions the
8 Division may have and ask that this case packet be admitted
9 into the record and application in Case Number 21526 be
10 taken under advisement.

11 HEARING EXAMINER ORTH: All right. Thank you.
12 Mr. Bruce, do you have questions? Mr. Bruce, if you are
13 speaking we cannot hear you.

14 MR. BRUCE: Sorry about that. I have no
15 questions.

16 HEARING EXAMINER ORTH: Mr. Rose-Coss, any
17 questions?

18 TECHNICAL EXAMINER COSS: Hi. Good morning, Mr.
19 Rodriguez, how are you today? I would just ask, you said
20 you had worked on this case with Mr. Warnell and Mr. Ames
21 and who else?

22 MR. RODRIGUEZ: Terry Garcia, Kurt Simmons, John
23 Garcia and Eric Ames.

24 TECHNICAL EXAMINER COSS: Well, I will make sure
25 to bring this over to their attention then and they will be

1 sure to reach out.

2 MR. RODRIGUEZ: It's kind of a complicated
3 matter, a nuance matter, and we spent probably a good hour
4 kind of going into the nuances of it. So at first it might
5 sound like there is a lot going on, but I know that they
6 probably wanted to push that out of their memories, but I'm
7 sure they still recall this.

8 TECHNICAL EXAMINER COSS: And you said there is a
9 specific paragraph in here somewhere where you expressed
10 what you went over with them, my understanding?

11 MR. RODRIGUEZ: It's not within the application.
12 It's just I made it a point to ask for an amended order, but
13 what I was trying to convey in a way that was just kind of
14 in a broad stroke was that, however the Division sees it fit
15 to kind of supersede the order that is current with the,
16 the -- the development plan that we have submitted under
17 this application, that's what we are trying to achieve,
18 whether that be through an amended order or with a brand new
19 order that references the old orders.

20 TECHNICAL EXAMINER COSS: Okay. I'm seeing a
21 clearer picture, but I will make sure John and Kurt will --
22 will take it and run with it and reach out if they have any
23 additional questions.

24 MR. RODRIGUEZ: Perfect. Thank you.

25 HEARING EXAMINER ORTH: Okay. Thank you. Thank

1 you both. So, Mr. Rodriguez, your exhibits are admitted,
2 your geologist is recognized as an expert and case taken
3 under advisement.

4 MR. RODRIGUEZ: Thank you, Madam Examiner.

5 (Exhibits admitted.)

6 (Taken under advisement.)

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

5

6 I, IRENE DELGADO, New Mexico Certified Court
7 Reporter, CCR 253, do hereby certify that I reported the
8 foregoing virtual proceedings in stenographic shorthand and
9 that the foregoing pages are a true and correct transcript
10 of those proceedings to the best of my ability.

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

15 I FURTHER CERTIFY that the Virtual Proceeding was
16 of poor to good quality.

17 Dated this 5th day of November 2020.

18

/s/ Irene Delgado

19

Irene Delgado, NMCCR 253
License Expires: 12-31-20

20

21

22

23

24

25