

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

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

CASE NO. 21622

Application of COG Operating, LLC  
to Amend Order R-21473 to reassign  
the defining well,  
Lea County, New Mexico

THURSDAY, JANUARY 7, 2020

This matter came on for hearing before the  
New Mexico Oil Conservation Division, William  
Brancard, Hearing Examiner, Dylan Rose-Coss,  
Technical Examiner Dean McClure, Technical  
Examiner, via Cisco Webex Virtual Meeting Platform

Reported by: Mary Therese Macfarlane  
New Mexico CCR No. 122  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street NW, Suite 105  
Albuquerque, New Mexico 87102  
(505) 843-9241

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A P P E A R A N C E S

For the Applicant COG Operating, LLC:

Michael Rodriguez, Esq.  
COG Operating, LLC  
1048 Paseo de Peralta  
Santa Fe, NM 87501  
(505) 780-8000  
mrodriguez@concho.com

I N D E X

| CASE NUMBER 21622                | PAGE |
|----------------------------------|------|
| CASE CALLED:                     | 3    |
| STATEMENT BY MR. RODRIGUEZ:      | 3    |
| STATEMENT BY EXAMINER ROSE-COSS: | 5    |
| TAKEN UNDER ADVISEMENT:          | 6    |

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

| APPLICANT COG OPERATING, LLC EXHIBITS | ADMITTED |
|---------------------------------------|----------|
| 1 Landman's Affidavit w/attachments   | 6        |
| 2 Notice Affidavit                    | 6        |

1 (Time noted 9:25 a.m.)

2 HEARING EXAMINER BRANCARD: Case No. 29. We are  
3 skipping ahead here to 21622, COG Operating, LLC.

4 MR. RODRIGUEZ: Good morning. Michael Rodriguez  
5 with COG Operating, LLC.

6 HEARING EXAMINER BRANCARD: Excellent. Do we  
7 have any other appearances in this case?

8 Hearing none, you may proceed,  
9 Mr. Rodriguez.

10 MR. RODRIGUEZ: Thank you.

11 In Case No. 21622 COG is requesting that  
12 Order No. R-21473 be reopened to reassign the proximity  
13 defining well to the Bedlington 10 Federal Com. 502H well.

14 The Division issued the Order R-21473,  
15 which created a 640-acre spacing unit comprised of the  
16 West Half of Sections 26 and 35, Township 23 South, Range  
17 32 East in Lea County, New Mexico and designated COG as  
18 the operator of the unit.

19 The Order further pooled all uncommitted  
20 interests within the Bone Spring Formation and dedicated  
21 the unit to eight Bedlington Federal Com. wells, including  
22 the Bedlington 302H and 502H wells.

23 Exhibit A of the Order designated  
24 Bedlington Federal Com. No. 302H well as the ace  
25 proximity-defining well, and this well is, uh, planning to

1 be located in the Avalon Interval within the Bone Spring  
2 Formation. However, due to recent monitoring results in  
3 the surrounding area, COG now plans to initially develop  
4 the Second Bone Spring instead of the Avalon Interval  
5 where the Bedlington 302H well is planned for. As such,  
6 the Bedlington 302H is precluded from being the  
7 proximity-defining well, will no longer be an initial  
8 well, and COG is concerned that the proximity acreage held  
9 will no longer be included in the unit.

10 COG initially plans to drill the Bedlington  
11 502H well within the Second Bone Spring, which is a  
12 qualified proximity defining well and would hold the same  
13 proximity acreage as the 302H well.

14 I believe a couple of months ago I spoke  
15 with Examiner Garcia about how COG can redesignate the  
16 proximity defining well and was advised that such change  
17 has to go through the hearing process, which is how we  
18 arrived here today.

19 There are no other changes to anything  
20 within the current Order or the Compulsory Pooling  
21 Checklist.

22 And with that I would like to move on to  
23 the case packet which contains the application, a revised  
24 Compulsory Pooling Checklist designated for the Bedlington  
25 502H well as proximity-defining well.

1                   Exhibit 1, which is the landman's  
2 Affidavit. Attachment A, which includes a true and  
3 accurate copy of Division Order No. R-21442. Attachment B  
4 is the C-102 for the Bedlington 502H well, demonstrating  
5 that it is qualifying proximity-defining well;

6                   And Exhibit 2 is my Notice of Affidavit and  
7 Affidavit of Publication reflecting that all Notice  
8 requirements have been met

9                   And with that I ask that the case packet  
10 containing Exhibits 1 and 2 be admitted into the record  
11 and Case No. 21622 be taken under advisement.

12                   And with that, I stand for any questions.

13                   HEARING EXAMINER BRANCARD: Thank you. Any  
14 questions?

15                   Any questions from the examiners?

16                   (Note: Reporter inquiry.)

17                   EXAMINER ROSE-COSS: Thank for the heads-up, Ms.  
18 Macfarlane.

19                   Mr. Rodriguez, thanks for your  
20 presentation. I will alert Mr. Garcia to the case, and  
21 I'm sure he'll know what to do with it, if you have spoken  
22 with him before.

23                   But other than that, I do not have any  
24 questions.

25                   MR. RODRIGUEZ: Great. Thank you.

1                   EXAMINER McCLURE: No questions at this point  
2 either. Examiner McClure.

3                   HEARING EXAMINER BRANCARD: Okay. We are on  
4 Case 21622, COG Operating.

5                   Are there any other comments?

6                   Hearing none, we will admit the exhibits  
7 and take 21622 under advisement.

8                   (Time noted 9:30 a.m.)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday,

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January 7, 2021, the proceedings in the above-captioned

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matter were taken before me; that I did report in

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stenographic shorthand the proceedings set forth herein,

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and the foregoing pages are a true and correct

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transcription to the best of my ability and control.

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I FURTHER CERTIFY that I am neither employed by

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nor related to nor contracted with (unless excepted by the

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rules) any of the parties or attorneys in this case, and

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that I have no interest whatsoever in the final

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disposition of this case in any court.

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/s/ Mary Macfarlane

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Mary Therese Macfarlane, CCR

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NM Certified Court Reporter No. 122

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License Expires: 12/31/2021

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