

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:

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

CASE NOS: 22595, 22596

REPORTER'S TRANSCRIPT OF VIRTUAL PROCEEDINGS
EXAMINER HEARING
MARCH 3, 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 DEAN McCLURE on
Thursday, March 3, 2022, 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:

I N D E X

CASE CALLED

SUMMARY OF CASE AND EXHIBITS 03

TAKEN UNDER ADVISEMENT 07

REPORTER CERTIFICATE 08

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

Admitted

All Exhibits and Attachments 07

1 HEARING EXAMINER BRANCARD: With that now I think
2 we are on Case 22595 and 22596, COG Operating LLC.

3 MR. RODRIGUEZ: Good morning. Can you hear me
4 all right?

5 HEARING EXAMINER BRANCARD: I can.

6 MR. RODRIGUEZ: Perfect. Michael Rodriguez of
7 Hinkle Shanor on behalf of COG Operating LLC in these two
8 cases.

9 HEARING EXAMINER BRANCARD: Thank you. I have an
10 entry from MRC Permian Matador, Mr. Bruce. Is there anybody
11 else here from MRC Permian or Matador?

12 MR. BRUCE: Mr. Examiner, I am out of the
13 delivery room and I am available, representing MRC and
14 Matador.

15 HEARING EXAMINER BRANCARD: Congratulations. I
16 assume everything went okay, Mr. Bruce?

17 MR. BRUCE: Yeah, everything is fine. Everything
18 is fine.

19 HEARING EXAMINER BRANCARD: Thank you. All
20 right. Do you have any objections to these cases going
21 forward by affidavit?

22 MR. BRUCE: I have no objection, nor do my
23 clients, and I have no questions regarding the exhibit
24 package -- packages that were submitted.

25 HEARING EXAMINER BRANCARD: Thank you. Are there

1 any other interested persons for Cases 22595 or 22596?

2 (No audible response.)

3 HEARING EXAMINER BRANCARD: Hearing none, Mr.
4 Rodriguez, you may proceed.

5 MR. RODRIGUEZ: Thank you. In Case Number 22595
6 COG seeks an order pooling all uncommitted interests in the
7 Corral Canyon South Pool Code 13354 within the Bone Spring
8 formation underlying --

9 HEARING EXAMINER BRANCARD: Hang on one second,
10 Mr. Rodriguez. Mr. Bruce, is it possible for you to mute
11 yourself?

12 MR. BRUCE: I'm sorry.

13 HEARING EXAMINER BRANCARD: We are getting a
14 little background. Great, thank you. Go ahead. Sorry, Mr.
15 Rodriguez.

16 MR. RODRIGUEZ: No problem, thank you. COG is
17 seeking to pool the uncommitted interests within the Bone
18 Spring Formation underlying a 280 acre standard horizontal
19 spacing unit comprised of the W/2 W/2 of Section 5, the W/2
20 NW/4 and NW/4 of SW/4 of Section 8, Township 26 South, Range
21 29 East in Eddy County, New Mexico, and seeks to dedicate
22 that unit to its Hambone Federal Com Number 506H well.

23 In Case 22596, COG seeks an order pooling all
24 uncommitted interests in the same pool within the Bone
25 Spring Formation underlying a 320 acre more or less standard

1 horizontal spacing unit comprised of the W/2 E/2 of Section
2 5 and 8, Township 26 South, Range 29 East in Eddy County,
3 New Mexico, and seeks to dedicate this unit to the Hambone
4 Federal Com Number 502H Well.

5 The exhibit packets submitted to the Division in
6 these cases are identical and contain the compulsory pooling
7 checklist, Exhibit A, which is land professional's testimony
8 and related land attachments, Exhibit B, which is the
9 geologist's testimony and related geology attachments.

10 Exhibits A-6 and A-7 are sample notice of hearing
11 letters and affidavits of publication. I believe there was
12 personal service to all affected parties and notice of
13 hearing was published on February 10, which is more than ten
14 business days from today's hearing reflecting all notice
15 requirements have been met.

16 And at this time I would also like to point out
17 that revised Exhibits A-3 were submitted yesterday to
18 reflect that additional parties have entered into voluntary
19 agreement to participate in a drilling of the wells in these
20 cases and no longer need to be pooled, including Mr. Bruce's
21 client, Matador, as to its working interest.

22 And lastly I would like to also point out that
23 these wells are a part of a larger development project
24 involving the Hambone 501 and 505 H Wells that were approved
25 in February. And COG plans to spud the Hambone wells at the

1 end of March or the beginning of April and respectfully
2 requests that the Division issue an expedited order in these
3 two cases.

4 And with that I ask that Exhibits A through A-7
5 and B through B-4 in both cases be admitted into the record,
6 and Case Numbers 22595 and 22596 be taken under advisement.
7 Thank you.

8 HEARING EXAMINER BRANCARD: Thank you. Since Mr.
9 Bruce has indicated he has no questions, I will go to Mr.
10 McClure.

11 TECHNICAL EXAMINER McCLURE: Mr. Brancard I have
12 the same question I guess you also had on these, and that
13 is, Mr. Rodriguez, the S/2 of the SW/4, is there a reason
14 that's not being included here?

15 MR. RODRIGUEZ: Yes. I believe it's already
16 committed to another unit that COG is planning to develop.

17 TECHNICAL EXAMINER McCLURE: Do we have a pooling
18 order already established for that, or is that going to be
19 submitted at a future time?

20 MR. RODRIGUEZ: I have to check -- I'm unaware
21 myself, but I will check with COG to provide you with that
22 information after the hearing if that's okay.

23 TECHNICAL EXAMINER McCLURE: Please do, and that
24 there was the only question, I guess, that I had.

25 MR. RODRIGUEZ: I will get that for you later

1 this afternoon, Mr. McClure.

2 HEARING EXAMINER BRANCARD: Thank you, that was
3 my question, too, about the SW/4 of the SW/4, whether it's
4 being stranded or not. Okay. Any other persons then for
5 Cases 22595 and 22596?

6 (No audible response.)

7 HEARING EXAMINER BRANCARD: Hearing none, the
8 exhibits in cases 25595 and 22596 will be admitted into the
9 record, and these cases will be taken under advisement and
10 we'll leave the record open if there is any explanation
11 about that potentially stranded acreage that you provide,
12 Mr. Rodriguez.

13 MR. RODRIGUEZ: Perfect, thank you.

14 HEARING EXAMINER BRANCARD: Thank you.

15 (Exhibits admitted.)

16 (Taken under advisement.)

17

18

19

20

21

22

23

24

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

4 REPORTER'S CERTIFICATE

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

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

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

16 Dated this 3rd day of March 2022.

17

/s/ Irene Delgado

18

Irene Delgado, NMCCR 253
License Expires: 12-31-22

19

20

21

22

23

24

25