

3 IN THE MATTER OF THE HEARING CALLED
4 BY THE OIL CONSERVATION DIVISION FOR
5 THE PURPOSE OF CONSIDERING:

6 APPLICATION OF COG OPERATING, LLC
7 FOR A NONSTANDARD SPACING AND
8 PRORATION UNIT AND COMPULSORY
9 POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 14911
(Reopened)

ORIGINAL

10 REPORTER'S TRANSCRIPT OF PROCEEDINGS
11 EXAMINER HEARING

12
13 BEFORE: RICHARD EZEANYIM, CHIEF EXAMINER
14 DAVID K. BROOKS, LEGAL EXAMINER
15 PHILLIP GOETZE, TECHNICAL EXAMINER

16 March 21, 2013
17 Santa Fe, New Mexico

18 This matter came on for hearing before the
19 New Mexico Oil Conservation Division, Richard Ezeanyim,
20 Chief Examiner, David K. Brooks, Legal Examiner and
21 Phillip Goetze, Technical Examiner, on Thursday, March
22 21, 2013, at the New Mexico Energy, Minerals and Natural
23 Resources Department, 1220 South St. Francis Drive,
24 Porter Hall, Room 102, Santa Fe, New Mexico.

25 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

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APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

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EXHIBITS OFFERED AND ADMITTED

COG Operating, LLC Exhibit Numbers 13 and 14	5
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1 (11:22 a.m.)

2 EXAMINER EZEANYIM: At this point, I call
3 Case Number 14911. This case is reopened. It is
4 application of COG Operating, LLC for a nonstandard
5 spacing and proration unit and compulsory pooling, Eddy
6 County, New Mexico.

7 Call for appearances.

8 MR. FELDEWERT: May it please the Examiner.
9 Michael Feldewert, with the Santa Fe office of Holland &
10 Hart, appearing on behalf of the Applicant, COG
11 Operating, LLC, and I have no witnesses here today, and
12 just two exhibits to present to the Division.

13 EXAMINER EZEANYIM: Okay. Very good.

14 EXAMINER BROOKS: Once again, as with
15 Mr. Bruce, do you know what date this was actually
16 heard?

17 MR. FELDEWERT: I have that in my notes.
18 Give me one minute.

19 EXAMINER EZEANYIM: And, once again,
20 Mr. Feldewert, what are you asking for? The case has
21 been approved, even amended. What are you asking for
22 now?

23 MR. FELDEWERT: Give me one second.

24 First off, Mr. Examiner, the order
25 approving COG's application for pooling was entered

1 December 18th, 2012.

2 EXAMINER EZEANYIM: Yes.

3 MR. FELDEWERT: It's Order R-13669.

4 EXAMINER EZEANYIM: Yes, I have it here.

5 EXAMINER BROOKS: I believe I wrote that
6 order.

7 MR. FELDEWERT: You did.

8 That order was then amended in February of
9 2013, under R-13699-A, to amend the approved overhead
10 rates. There had been some confusion in the
11 transcription of the testimony, and so the order was
12 amended to reflect the actual testimony taken at the
13 hearing on the overhead rates. A total of 12 exhibits
14 were entered in the previous case.

15 I've now handed you two additional
16 exhibits, Exhibit Number 13, the affidavit of Stuart
17 Dirks, and Exhibit 14 is a Notice of Publication.

18 As the affidavit reflects and the reason
19 I'm here today is because COG, in doing some additional
20 work out there, has recently discovered a small interest
21 that was held by an estate not previously noticed for
22 hearing. It's a very small interest. It didn't show up
23 on the prior title searches. And his affidavit reflects
24 that they undertook efforts to locate the heirs of this
25 estate without success. So Exhibit 14 is a Notice of

1 Publication directed to the Estate of Don Phillips or
2 his successors, heirs and devisees for the hearing here
3 today as to the purpose of including his very small
4 interest in the pooling of these lands. So it requires
5 a slight amendment to -- I believe, to the existing
6 order to reflect that this additional estate has now
7 received notice. Therefore, it can be pooled with
8 the -- with the lands. So once that occurs, we can
9 then -- will have things buttoned up as we need to.

10 So at this point, I would move the
11 admission of COG Exhibits 13 and 14 and ask that the
12 Division then issue an order reflecting that this estate
13 is an additional pooled working interest owner subject
14 to the provisions of Pooling Order 13699 and 13699-A.

15 EXAMINER EZEANYIM: Exhibits 13 and 14 are
16 admitted.

17 EXAMINER BROOKS: Yes, Exhibit 13 and 14.
18 (COG Operating, LLC Exhibit Numbers 13 and
19 14 were offered and admitted into
20 evidence.)

21 MR. FELDEWERT: That concludes my
22 presentation.

23 EXAMINER EZEANYIM: Let me understand.
24 What I was wondering in this order -- because you got
25 everything you wanted. Still your point is, you

1 missed -- what is the name of this guy that you missed?

2 MR. FELDEWERT: It's an estate, and the
3 individual is deceased.

4 EXAMINER EZEANYIM: Now, you missed that
5 estate, and that's why you wanted to make sure you take
6 care of that by doing this?

7 MR. FELDEWERT: In other words, when notice
8 went out to the initial pooling order --

9 EXAMINER EZEANYIM: They didn't get it?

10 MR. FELDEWERT: -- we didn't realize that
11 that estate, that particular individual, had an
12 interest; therefore, they were not noticed. So now we
13 want to cure that notice issue, so they could be
14 included as a pooled working interest owner.

15 EXAMINER EZEANYIM: But that mistake
16 created more work for me (laughter).

17 EXAMINER BROOKS: Well, yeah. This case
18 was my case, so I think it's really fair and reasonable
19 that I should write it, because this was my case. So
20 just give this one to me.

21 EXAMINER EZEANYIM: Yeah, I know, but, you
22 see, I have to take this time.

23 Thank you very much, Mr. Feldewert. Never
24 mind what I'm saying. You have to do what you have to
25 do; otherwise, it's not complete.

1 Are you done?

2 MR. FELDEWERT: With that case, yes.

3 EXAMINER EZEANYIM: At this point, Case
4 Number 14911 will be taken under advisement.

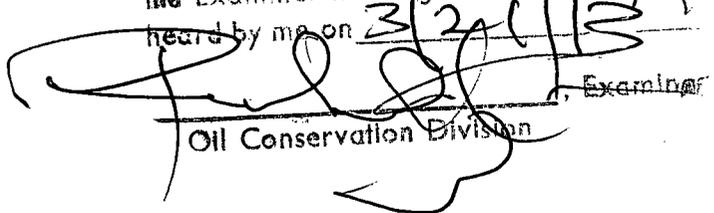
5 Okay. 1:15. Anybody object, because I
6 don't want to cause trouble? We need to take a lunch
7 break and come back at 1:15. Is that a problem?

8 See you at 1:15.

9 (Case Number 14911 concludes, 11:28 a.m.)

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I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 14911
heard by me on 3/29/13


Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

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

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

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

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MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2013

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