

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. 15033

ORIGINAL

10 REPORTER'S TRANSCRIPT OF PROCEEDINGS

11 EXAMINER HEARING

12 August 22, 2013

13 Santa Fe, New Mexico

14 BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
15 DAVID K. BROOKS, LEGAL EXAMINER

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

(No exhibits.)

1 (8:54 a.m.)

2 EXAMINER GOETZE: Next is Case 15033,
3 application of COG Operating, LLC for a nonstandard
4 spacing and proration unit and compulsory pooling, Eddy
5 County, New Mexico.

6 Call for appearances.

7 MR. FELDEWERT: May it please the Examiner,
8 Michael Feldewert, of the Santa Fe office of Holland &
9 Hart, appearing on behalf of the Applicant, COG
10 Operating, LLC.

11 Mr. Examiner, this case was presented to
12 the Division two weeks ago at the last hearing. I don't
13 think there is anybody else appearing here today.

14 At that time, there was an interest that
15 they sought to pool which was held by a -- it was held
16 in the name of Pennie Mathewson. There was a question
17 as to whether the existing lease covered the entire
18 interest of Pennie Mathewson, since it did not have with
19 it a spousal consent.

20 EXAMINER BROOKS: A what consent?

21 MR. FELDEWERT: I believe, a spousal
22 consent. I'm not a landman, but I understand the
23 paperwork was received.

24 EXAMINER BROOKS: I understand that. This
25 is in New Mexico?

1 MR. FELDEWERT: Yes.

2 EXAMINER BROOKS: Well, of course it's in
3 New Mexico.

4 MR. FELDEWERT: Yes.

5 EXAMINER BROOKS: It's community property,
6 so spousal consent is required.

7 MR. FELDEWERT: Correct. That's my
8 understanding.

9 EXAMINER BROOKS: Sounds reasonable.

10 MR. FELDEWERT: At that time, we asked that
11 the case be continued for two weeks for purposes of
12 seeing if they could cure the concerns arising out of
13 the lease. I have been informed that they now have been
14 corrected, so we can dismiss Ms. Mathewson's interest
15 from the pooling application.

16 And with that said, we'd ask that the
17 Division take this matter under advisement, because the
18 remaining parties have yet to commit. And they should
19 have also received notice of the prior hearing in a
20 timely fashion.

21 EXAMINER GOETZE: Very good. So we'll go
22 ahead and take it under advisement. If we have any
23 further questions, we will be notify you.

24 Case Number 15033 is taken under
25 advisement, and that's it for today.

1 EXAMINER BROOKS: I'm sorry, I didn't --

2 EXAMINER GOETZE: Wait a minute.

3 EXAMINER BROOKS: In case 15033, what was
4 your bottom-line conclusion about the spousal-consent
5 issue? What was your conclusion?

6 MR. FELDEWERT: I have no conclusion about
7 the spousal-consent issue, but the point I can make is
8 that they are sufficiently comfortable that they can now
9 dismiss that interest in the pooling application.

10 EXAMINER BROOKS: Because they feel like
11 they have a valid lease, right?

12 MR. FELDEWERT: Correct.

13 EXAMINER BROOKS: So there are other people
14 being force pooled in that?

15 MR. FELDEWERT: Yes, sir.

16 EXAMINER GOETZE: Yes.

17 EXAMINER BROOKS: Very good.

18 You don't have anything to file in that
19 case?

20 MR. FELDEWERT: I do not.

21 EXAMINER BROOKS: I believe that's probably
22 my case if it got heard last time.

23 MR. FELDEWERT: It was presented to you,
24 and we presented exhibits. Mr. Dirks testified, Stuart
25 Dirks, you may recall.

1 EXAMINER BROOKS: Yeah. Right. Okay.

2 Thank you. That's all I have.

3 I'm sorry.

4 EXAMINER GOETZE: That's okay. I'd rather
5 have it done right than go back and have Mr. Feldewert
6 give me a complaint.

7 But we don't have to provide any
8 documentation as far as --

9 EXAMINER BROOKS: Well, that's -- I mean,
10 we'll have the -- as far as taking it under advisement,
11 we don't have to provide any documentation because the
12 court reporter will get us a transcript of what was said
13 here today.

14 Now, whether that mysterious spouse has
15 stepped [sic] up, that is something else.

16 MR. FELDEWERT: My understanding is that
17 they have received additional paperwork that took care
18 of the spouse --

19 EXAMINER BROOKS: It's really Mike's
20 client's problem, not ours.

21 EXAMINER GOETZE: Very good. Then we will
22 bring this hearing to a close officially.

23 MR. FELDEWERT: Thank you.

24 EXAMINER GOETZE: Thank you.

25 (Case Number 15033 concludes, 8:57 a.m.)

I do hereby certify that the foregoing is
a complete record of the proceedings in
the Examiner hearing of Case No. 15033
heard by August 22, 2013

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

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.

19



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

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