

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

APPLICATION OF COG OPERATING, LLC
FOR A NONSTANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15063

COPY

APPLICATION OF COG OPERATING, LLC
FOR A NONSTANDARD SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 15064

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 9, 2014

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER
MICHAEL McMILLAN, TECHNICAL EXAMINER
GABRIEL WADE, LEGAL EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, Michael McMillan, Technical Examiner,
and Gabriel Wade, Legal Examiner, on Thursday,
January 9, 2014, at the New Mexico Energy, Minerals and
Natural Resources Department, 1220 South St. Francis
Drive, Porter Hall, Room 102, Santa Fe, New Mexico.

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

1 APPEARANCES

2 FOR APPLICANT COG OPERATING, LLC:

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 4 HOLLAND & HART
 5 110 North Guadalupe, Suite 1
 6 Santa Fe, New Mexico 87501
 (505) 988-4421
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7 FOR INTERESTED PARTY KAISER-FRANCIS OIL COMPANY:

8 JAMES G. BRUCE, ESQ.
 9 Post Office Box 1056
 10 Santa Fe, New Mexico 87504
 (505) 982-2043
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20 EXHIBITS OFFERED AND ADMITTED

21 COG Operating, LLC Exhibit Number 11	5
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1 (8:20 a.m.)

2 EXAMINER GOETZE: At this point in time, we
3 will start off with Case 15063, application of COG
4 Operating, LLC for a nonstandard spacing and proration
5 unit and compulsory pooling, Lea County, New Mexico,
6 consolidated with Case 15064, which is application of
7 COG Operating, LLC for a nonstandard spacing and
8 proration unit and compulsory pooling, Lea County,
9 New Mexico.

10 Call for appearances.

11 MR. FELDEWERT: Mr. Examiner, Michael
12 Feldewert, with the Santa Fe office of Holland & Hart,
13 appearing on behalf of the Applicant, COG Operating,
14 LLC.

15 EXAMINER GOETZE: Mr. Bruce?

16 MR. BRUCE: Mr. Examiner, I think I entered
17 an appearance for Kaiser-Francis Oil Company who is not
18 opposing the case.

19 EXAMINER GOETZE: Correct, you did.

20 MR. BRUCE: We're just interested parties.

21 EXAMINER GOETZE: Very good.

22 MR. FELDEWERT: Mr. Examiner, you may
23 recall with these cases, we seek to create two 160-acre
24 nonstandard spacing units in the east half of Section
25 18, Township 24 South, Range 34 East. We seek to then

1 pool the Bone Spring Formation underlying this acreage.
2 These cases were consolidated for hearing at the last
3 docket, December 19th, 2013, and at that time you heard
4 the testimony from the landman and the geologist. And
5 the Division accepted ten exhibits at that time.

6 The cases were then continued to allow
7 timely notice to two additional parties. One was the
8 New Mexico Department of Transportation, which owns less
9 than two percent of the subject acreage. And as the
10 landman testified, the company has been unable to reach
11 a lease with this state agency.

12 The other individual was June Cook. She
13 owns less than one percent of the interest in the
14 acreage, as the landman also testified at the last
15 hearing. We had given her notice by publication, but
16 then we had located an address.

17 And so we'd asked that the case be
18 continued to allow timely notice to both the Department
19 of Transportation and for Ms. June Cook.

20 As reflected in Exhibit Number 11, which
21 I've handed to you this morning, timely notice has now
22 been provided both to the New Mexico Department of
23 Transportation and to Ms. June Cook. So we ask that
24 Exhibit Number 11 be admitted into the record and that
25 you take these consolidated cases under advisement.

1 EXAMINER GOETZE: Very good. Exhibit
2 Number 11 is accepted, and Case 15063 and Case 15064 are
3 taken under advisement.

4 (COG Operating, LLC Exhibit Number 11 was
5 offered and admitted into evidence.)

6 (Case Numbers 15063 and 15064 conclude,
7 8:22 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. _____
heard by me on _____.

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_____, Examiner
Oil Conservation Division

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3 CERTIFICATE OF COURT REPORTER

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

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

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

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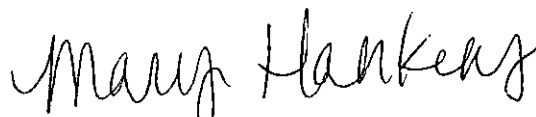
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MARY C. HANKINS, CCR, RPR
Paul Baca Court Reporters, Inc.
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2014