

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:

ORIGINAL

APPLICATION OF COG OPERATING, LLC
TO RE-OPEN CASE NUMBER 14861 TO
POOL THE INTERESTS OF ADDITIONAL
MINERAL OWNERS UNDER THE TERMS OF
COMPULSORY POOLING ORDER R-13629-A,
EDDY COUNTY, NEW MEXICO.

CASE NO. 14861

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 24, 2014

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, on Thursday, July 24, 2014, at the
New Mexico Energy, Minerals and Natural Resources
Department, Wendell Chino Building, 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
(505) 843-9241

1 APPEARANCES

2 FOR APPLICANT COG Operating, LLC:

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1 (9:14 a.m.)

2 EXAMINER GOETZE: Last case, I believe, on
3 the docket is Case Number 14861, re-opened, the
4 application of COG Operating, LLC to re-open Case Number
5 14861 to pool the interests of additional mineral owners
6 under the terms of Compulsory Pooling Order R-13629-A,
7 Eddy County, New Mexico.

8 Call for appearances.

9 MR. FELDEWERT: May it please the Examiner,
10 Michael Feldewert, with the Santa Fe office of Holland &
11 Hart, appearing on behalf of the Applicant. And I
12 have -- I do not have any witnesses here today. I do
13 have an affidavit to present.

14 EXAMINER GOETZE: Have we been down this
15 road before?

16 MR. FELDEWERT: We have.

17 EXAMINER GOETZE: You keep finding people?

18 MR. FELDEWERT: Yes. They remain diligent.

19 Mr. Examiner, this case was heard by the
20 Division in June of 2012 and resulted in Order 12 --
21 13629-A, which I provided to you. The "A" was added
22 because it ended up being a nunc pro tunc order. There
23 was a mistake in the initial land description. I've
24 given you a copy of that order because you'll see that
25 it creates a 160-acre spacing unit comprised of the east

1 half of the east half of Section 9, in Township 19
2 South, Range 26 East. It also pooled the known mineral
3 interest owners at that time in the Yeso Formation, and
4 it dedicated that spacing and proration unit to the
5 Stonewall 9 Fee Well #4H. And actually, the API number
6 is in the order itself for that particular well. That
7 well has not yet been drilled. The company has received
8 an extension to drill that well on or before April 2015.

9 And so we are here today to present three
10 additional exhibits, which I have marked in the package
11 to you as Exhibits A, B and C so as not to confuse it
12 with the prior record.

13 Exhibit A is the affidavit of
14 Mr. Dirks. He had hoped to be here today, but given all
15 the interns that were brought up by the company, he got
16 bumped off the plane. So I don't think he's very happy
17 about that, but he's here presenting this case by
18 affidavit. And if you look at paragraph three, it
19 reflects that in preparing this well for drilling, they
20 discovered some additional mineral interest owners.
21 Paragraph four identifies the efforts to reach an
22 agreement with these additional mineral owners. And
23 they actually did reach agreement with a number of them,
24 but there are two remaining parties that are listed in
25 paragraph five, one of which is in the state that has

1 some title issues.

2 Exhibit B in this package is a Notice of
3 Publication in the local newspaper directed to the
4 estate by name providing notice of this hearing here
5 today.

6 And in Exhibit -- COG Exhibit Number -- COG
7 Exhibit C is my affidavit with attached letters
8 providing notice of this hearing to the additional
9 parties. And of particular interest to you and what
10 remains to be pooled is the Nuevo Seis Limited
11 Partnership, which the last page of Exhibit C reflects
12 that they actually received the notice.

13 So, Mr. Examiner, the spacing unit has
14 already been formed. It's been dedicated to the initial
15 well. None of that has changed. The company does not
16 seek to change any other aspect of the pooling order.
17 It simply seeks here today to bring these two additional
18 mineral interest owners under the existing order, so
19 they are likewise then treated as pooled working
20 interest owners subject to that pool number.

21 And with that, that concludes my
22 presentation.

23 EXAMINER GOETZE: So you would like to have
24 Exhibits A, B and C put on record?

25 MR. FELDEWERT: Please.

1 EXAMINER GOETZE: Exhibits A, B and C are
2 so entered.

3 And we shall adjust in the order the
4 obligation dates to reflect the addition of the new
5 affidavit information.

6 (COG Operating, LLC Exhibit Letters A, B
7 and C were offered and admitted into
8 evidence.)

9 MR. FELDEWERT: I believe you had
10 previously entered a similar order for another matter.

11 EXAMINER GOETZE: Yes.

12 So we will go ahead and take this one under
13 advisement. That would be Case 14861, reopened.

14 And at this point, if there are no other
15 comments or questions, that's the end of today's docket.

16 Thank you, ladies and gentlemen.

17 (Case Number 14861 concludes, 9:18 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. 14861 - Re-Opened
heard by me on July 24 2014.

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