

STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

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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 14919 TO POOL
THE INTERESTS OF ADDITIONAL MINERAL
OWNERS UNDER THE TERMS OF COMPULSORY
POOLING ORDER R-13659, EDDY COUNTY,
NEW MEXICO.

CASE NO. 14919

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

July 10, 2014

Santa Fe, New Mexico

BEFORE: MICHAEL McMILLAN, CHIEF EXAMINER

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This matter came on for hearing before the
New Mexico Oil Conservation Division, Michael McMillan,
Chief Examiner, on Thursday, July 10, 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
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APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

MICHAEL H. FELDEWERT, ESQ.
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EXHIBITS OFFERED AND ADMITTED

COG Operating, LLC Exhibit Letters A and B	5
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1 (8:18 a.m.)

2 EXAMINER McMILLAN: With that in mind, I'd
3 like to call Case Number 14919, application of COG
4 Operating, LLC to re-open Case Number 14919 to pool the
5 interests of additional mineral interest owners under
6 the terms of Compulsory Pooling Order R-13659, Eddy
7 County, New Mexico.

8 At this time I would like to call for
9 appearances.

10 MR. FELDEWERT: May it please the Examiner,
11 Michael Feldewert, with the Santa Fe office of Holland
12 Härt, appearing on behalf of the Applicant. And I have
13 an affidavit and one other exhibit to present today.

14 EXAMINER McMILLAN: Any other appearances?

15 MR. FELDEWERT: May I approach?

16 EXAMINER McMILLAN: Yes.

17 MR. FELDEWERT: Mr. Examiner, this case was
18 heard by the Division back in November of 2012, and it
19 resulted in Order Number 14 -- Order Number 13659, which
20 I've handed you a courtesy copy. You'll see, as you
21 page through that order and get to the ordering
22 paragraphs on page 3, that this particular order entered
23 by the Division back in December of 2012 created a
24 160-acre spacing and proration unit comprised of the
25 east half-east half of Section 8, Township 19 South,

1 Range 26 East: It pooled all the mineral interests in
2 the Glorieta-Yeso Formation and dedicated this
3 particular spacing unit to the Bradley 8 Fee well #4H,
4 all of which is identified in the order. That well,
5 Mr. Examiner, has not yet been drilled. There are plans
6 to drill it by the end of this year. In fact, I think
7 they got an extension from the division to drill that
8 well.

9 I've marked two additional exhibits that
10 I'm presenting here today, and I've marked them first as
11 Exhibit A and B primarily to avoid any confusion with
12 the previous docket.

13 Exhibit A is an affidavit from Mr. Joseph
14.. Scott. He is a landman with COG Operating. And it
15 reflects that they have recently discovered five
16 additional mineral owners who were in the pooled.
17 Paragraph four reflects the efforts that were undertaken
18 to locate these parties, to which they were not
19 successful, and paragraph five then lists these parties.
20 And although we have addresses for the latter two of
21 these five parties, those addresses were not good.

22 So in addition to Exhibit A, the third page
23 of what I've handed you is Exhibit B, and it is a Notice
24 of Publication in the Artesia Daily Press informing all
25 five of these mineral interest owners by name of the

1 hearing here today to seek pooling of their interests.

2 So the spacing unit has already been
3 created. It's already been dedicated to the initial
4 well. That has not been changed. That well is going to
5 be drilled. The only thing that needs to occur is an
6 additional order pooling these five additional mineral
7 owners that are identified on page number 2 of Exhibit
8 A.

9 And so I'd like to move the admission of
10 COG Exhibits A and B.

11 EXAMINER McMILLAN: So accepted.

12 (COG Operating, LLC Exhibit Letters A and B
13 were offered and admitted into evidence.)

14 MR. FELDEWERT: And with that, we'd ask the
15 Division take this matter under advisement again and
16 issue a pooling order that includes the additional
17 unlocatable mineral owners.

18 EXAMINER McMILLAN: What about the costs
19 involved?

20 MR. FELDEWERT: The costs would be -- it
21 would be the same order. Nothing changes under the
22 order. So the better way to put it is we'd like to
23 amend the existing order to include these existing
24 mineral interest owners.

25 EXAMINER McMILLAN: Okay.

1 MR. FELDEWERT: And if you'd like,
2 Mr. Examiner, this has previously been done. And, in
3 fact, if you give me a second, I think I can reference
4 you an order recently issued that -- if you take a look
5 at Order Number R-13578A, that was issued by Examiner
6 Goetze in February of 2014. It essentially accomplished
7 for another matter exactly what we're trying to do here
8 today.

9 EXAMINER McMILLAN: And I guess the one
10 question I have is: Does COG plan to go past December
11 15th, because you asked for an extension up to December
12 the 15th? So do you want it December 31st, or do you
13 want it December 15th?

14 MR. FELDEWERT: It's my understanding that
15 they plan to get this well drilled in time to meet that
16 initial extension, but if I may, I think I'd like to
17 follow up and -- check with the client and follow up and
18 see if we need any kind of additional extension.

19 EXAMINER McMILLAN: Okay.

20 MR. FELDEWERT: With that, Mr. Examiner,
21 that concludes my presentation.

22 EXAMINER McMILLAN: Do you have an API
23 number?

24 MR. FELDEWERT: Not in my file, but I can
25 get you one.

1 EXAMINER McMILLAN: Okay.

2 MR. FELDEWERT: Hold on. Let me see if the
3 order has one. Yes. If you look at Order 13659, the
4 one we seek to amend, on page 3 of that order, the third
5 ordering paragraph identifies that Bradley 8 Fee 4H
6 well. It has an API number in the order.

7 EXAMINER McMILLAN: Okay. Thank you.

8 And at this time, this case will be taken
9 under advisement. Thank you.

10 (Case Number 14919 concludes, 8:25 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. 14919,
heard by me on July 10 2014.

Michael McMILLAN, Examiner
Oil Conservation Division

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

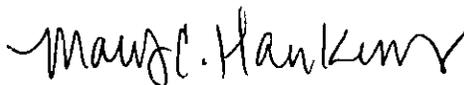
5 I, MARY C. HANKINS, New Mexico Certified
6 Court Reporter No. 20, and Registered Professional
7 Reporter, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that
9 the foregoing pages are a true and correct transcript of
10 those proceedings that were reduced 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, Inc.
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2014

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