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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:

COPY

APPLICATION OF COG OPERATING, LCC FOR DESIGNATION OF A NON-STANDARD SPACING UNIT AND FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO  
CASE NO. 14203

AMENDED APPLICATION OF COG OPERATING, LLC FOR DESIGNATION OF A NON-STANDARD SPACING UNIT AND FOR COMPULSORY POOLING, CHAVES COUNTY, NEW MEXICO (Taurus State Com Well No. 2)  
CASE NO. 14204

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

BEFORE: DAVID K. BROOKS, Legal Examiner  
RICHARD EZEANYIM, Technical Examiner  
TERRY G. WARNELL, Technical Examiner

November 13, 2008  
Santa Fe, New Mexico

This matter came on for hearing before the New Mexico Oil Conservation Division, DAVID K. BROOKS, Legal Examiner, RICHARD EZEANYIM, Technical Examiner, and TERRY G. WARNELL, Technical Examiner, on Thursday, November 13, 2008, at the New Mexico Energy, Minerals and Natural Resources Department, 1220 South Saint Francis Drive, Room 102, Santa Fe, New Mexico.

REPORTED BY: JOYCE D. CALVERT, P-03  
Paul Baca Court Reporters  
500 Fourth Street, NW, Suite 105  
Albuquerque, New Mexico 87102

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A P P E A R A N C E S

FOR THE APPLICANT:

J. Scott Hall, Esq.  
MONTGOMERY & ANDREWS LAW FIRM  
325 Paseo De Peralta  
Santa Fe, New Mexico 87501

FOR CIMAREX ENERGY COMPANY:

James G. Bruce, Esq.  
ATTORNEY AT LAW  
P.O. Box 1056  
Santa Fe, New Mexico 87504

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1 MR. EZEANYIM: Then we go to page 5, as I said, and  
2 call Case No. 14203. This is the Application of COG Operating,  
3 LLC for Designation of a Non-Standard Spacing Unit for  
4 Compulsory Pooling, Chaves County, New Mexico. I thought this  
5 was scheduled for October 13th, and it was continued to today  
6 to supply additional information.

7 Call for appearances.

8 MR. HALL: Mr. Examiner, Scott Hall, Montgomery and  
9 Andrews, Santa Fe, appearing on behalf of COG Operating, LLC.

10 MR. EZEANYIM: Any other appearances?

11 MR. BRUCE: Mr. Examiner, Jim Bruce of Santa Fe,  
12 representing Cimarex Energy Company.

13 MR. EZEANYIM: Any witnesses?

14 MR. HALL: No witnesses.

15 MR. EZEANYIM: Okay.

16 MR. HALL: Mr. Examiner, this case was heard two  
17 weeks ago and Examiner Warnell asked us to provide supplemental  
18 information which would demonstrate where the horizontal well  
19 bore encounters the pool formation, the Wolfcamp formation. So  
20 we had our witness at that hearing, a petroleum engineer,  
21 Jessie Lawson, provide us with a synopsis of the drilling  
22 profile which I'll provide to you as Exhibit 20.

23 In addition to that, Mr. Examiner, there's contained  
24 in the well file the Inteq Planned Wellpath report. I'll give  
25 a copy of that to Mr. Warnell. It also shows that same

1 information for the drilling profile.

2 Mr. Brooks also asked that we supplement the record  
3 with the original of the certified notice, which we have here  
4 today for both cases, and actually, all of the COG cases that  
5 were on the docket for last week since we mailed multiple  
6 notices in one envelope to the several parties. So I'll offer  
7 those for the record.

8 MR. EZEANYIM: Okay.

9 MR. HALL: That's all we have, Mr. Examiner.

10 MR. EZEANYIM: Anything, Mr. Bruce?

11 MR. BRUCE: No, I have nothing. The case was heard  
12 and I've entered an appearances. And I did request that these  
13 matters be continued because Cimarex Energy has counter -- or  
14 has competing cases set for December 4th. But I'll leave that  
15 up to the Division.

16 MR. EZEANYIM: Okay. So you are not entering an  
17 objection to this? Any objection to it?

18 MR. BRUCE: I don't object to the exhibits. I've  
19 already received the exhibits. But we will presenting cases  
20 two weeks, three weeks, from now.

21 MR. EZEANYIM: Okay. If not done already, Case  
22 No. 14203 will be taken under advisement.

23 MR. HALL: With that, I'll supply the case with  
24 two --

25 MR. EZEANYIM: I'm going to call that case now. Have

1 you entered an appearance on Case No. 14204?

2 MR. HALL: Well, the information on the drilling  
3 profile was intended to apply to both cases. I'm sorry. I  
4 should have clarified that for the record.

5 MR. EZEANYIM: Well, I intended to call it separate.  
6 Have you given all the information that is required for those  
7 two cases?

8 MR. HALL: Yes.

9 MR. EZEANYIM: And do you have any objection on  
10 taking it under advisement, Case No. 14204, Mr. Bruce?

11 MR. BRUCE: No, Mr. Examiner.

12 MR. EZEANYIM: Okay. Case No. 14204 will also be  
13 taken under advisement.

14 \* \* \*

15  
16 I do hereby certify that the foregoing is  
17 a complete record of the proceedings in  
18 the Examiner hearing of Case No. 14204  
19 heard by Paul Baca, Examiner  
20 Oil Conservation Division  
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**REPORTER'S CERTIFICATE**

I, JOYCE D. CALVERT, Provisional Court Reporter for the State of New Mexico, do hereby certify that I reported the foregoing proceedings in stenographic shorthand and that the foregoing pages are a true and correct transcript of those proceedings and was reduced to printed form under my direct supervision.

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

DATED this 13th day of November, 2008.



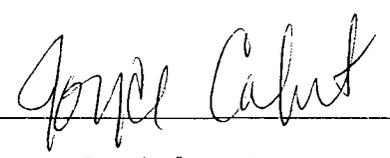
JOYCE D. CALVERT  
New Mexico P-03  
License Expires: 7/31/09

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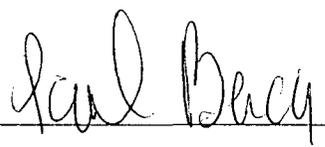
STATE OF NEW MEXICO            )  
                                          )  
COUNTY OF BERNALILLO        )

I, JOYCE D. CALVERT, a New Mexico Provisional Reporter, working under the direction and direct supervision of Paul Baca, New Mexico CCR License Number 112, hereby certify that I reported the attached proceedings; that pages numbered 1-5 inclusive, are a true and correct transcript of my stenographic notes. On the date I reported these proceedings, I was the holder of Provisional License Number P-03.

Dated at Albuquerque, New Mexico, 13th day of November, 2008.



Joyce D. Calvert  
Provisional License #P-03  
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