

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

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

APPLICATION OF NEARBURG EXPLORATION COMPANY, LLC; SRO2, LLC AND SRO3, LLC FOR AN ACCOUNTING AND LIMITATION ON RECOVERY OF WELL COSTS, AND FOR CANCELLATION OF APPLICATIONS FOR PERMIT TO DRILL, EDDY COUNTY, NEW MEXICO. CASE NO. 15441 (De Novo)

Consolidated with

APPLICATION OF COG OPERATING, LLC FOR A NONSTANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. CASE NO. 15481 (De Novo)

APPLICATION OF COG OPERATING, LLC FOR A NONSTANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO. CASE NO. 154821 (De Novo)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

COMMISSIONER HEARING

May 18, 2017

Santa Fe, New Mexico

BEFORE: DAVID R. CATANACH, CHAIRPERSON
PATRICK PADILLA, COMMISSIONER
DR. ROBERT S. BALCH, COMMISSIONER
BILL BRANCARD, ESQ.

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This matter came on for hearing before the New Mexico Oil Conservation Commission on Thursday, May 18, 2017, 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 (9:03 a.m.)

2 CHAIRMAN CATANACH: Next is the final
3 disposition of Case Numbers 15441, 15481 and 15482. Let
4 me go ahead and read those cases.

5 Number 15441 is the application of Nearburg
6 Exploration Company, LLC; SRO2, LLC and SRO3, LLC for an
7 accounting and limitation on the recovery of well costs
8 and for cancellation of applications for permits to
9 drill, Eddy County, New Mexico.

10 Case Number 15481 is the application of COG
11 Operating, LLC for a nonstandard spacing and proration
12 unit and compulsory pooling, Eddy County, New Mexico,
13 and Case Number 15482 is the application of COG
14 Operating, LLC for a nonstandard spacing and proration
15 unit and compulsory polling, Eddy County, New Mexico.

16 Commissioners, these cases were heard by
17 this body on February 28th and March 1st, and
18 deliberations were held on April 25th, 2017. Prior to
19 the hearing, we had circulated a consolidated draft
20 order in these three cases. I will ask you at this
21 time, Commissioners, have you reviewed the draft order?
22 Do you have any changes to the draft order?

23 COMMISSIONER BALCH: I reviewed the order,
24 and I have no changes.

25 COMMISSIONER MARTIN: I have reviewed it

1 and have no changes.

2 CHAIRMAN CATANACH: Okay. So I'll you ask
3 you, motion to adopt the order in Cases 15441 -- do I
4 hear a motion to adopt the order?

5 COMMISSIONER BALCH: So moved.

6 COMMISSIONER MARTIN: Second.

7 CHAIRMAN CATANACH: All in favor?

8 (Ayes are unanimous.)

9 CHAIRMAN CATANACH: So the motion to adopt
10 the order in Cases 15441, 15481 and 15482 is passed.

11 Thank you, Mr. Wade.

12 (Mr. Wade exits the room.)

13 (Case Numbers 15441, 15481 and 15482
14 conclude, 9:04 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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4 CERTIFICATE OF COURT REPORTER

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

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

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

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MARY C. HANKINS, CCR, RPR
Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2017
Paul Baca Professional Court Reporters