

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:

APPLICATION OF COG OPERATING, LLC
TO RE-OPEN CASE NO. 15090 TO POOL
THE INTERESTS OF ADDITIONAL MINERAL
OWNERS UNDER THE TERMS OF COMPULSORY
POOLING ORDER R-13808, EDDY COUNTY,
NEW MEXICO.

CASE NO. 15090
(Re-opened)

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

August 9, 2018

Santa Fe, New Mexico

BEFORE: SCOTT DAWSON, CHIEF EXAMINER
LEONARD LOWE, TECHNICAL EXAMINER
DAVID K. BROOKS, LEGAL EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Scott Dawson,
Chief Examiner, Leonard Lowe, Technical Examiner, and
David K. Brooks, Legal Examiner, on Thursday, August 9,
2018, 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
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APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

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1 (8:40 a.m.)

2 EXAMINER DAWSON: Next we will go to number
3 six on the list, which is Case Number 15090. It's
4 re-opened. It's an application of COG Operating, LLC to
5 re-open Case Number 15090 to pool the interests of
6 additional mineral owners under the terms of Compulsory
7 Pooling Order R-13808, Eddy County, New Mexico.

8 Ms. Kessler, again, when you're ready.

9 MS. KESSLER: Mr. Examiner, I'm Jordan
10 Kessler from the Santa Fe office of Holland & Hart, and
11 once again this case will be presented by affidavit.

12 EXAMINER DAWSON: Okay.

13 MS. KESSLER: If I may proceed.

14 EXAMINER DAWSON: When you're ready.

15 MS. KESSLER: This will sound very
16 familiar, Mr. Examiner. I have, behind the cover page
17 of this exhibit book, an affidavit from Stuart Dirks,
18 who is the landman for COG.

19 The prior case formed an east half-west
20 half spacing unit.

21 This is a west half-west half spacing unit
22 of Section 6, Township 19 South, Range 26 East in Eddy
23 County.

24 On March 11th, 2014, the Division entered
25 Order Number R-13808, which created a spacing unit

1 comprised of the west half-west half of Section 6. It
2 also pooled uncommitted interest owners in the Atoka:
3 Glorieta-Yeso Pool and dedicated the spacing unit to the
4 Arabian 6 Fee #10H well. The original order is included
5 as Attachment A, and the C-102 is included as Attachment
6 B.

7 Once again, this case was also re-opened.
8 Additional mineral interest owners were pooled under
9 Order R-13808-A, which is included as Attachment C. The
10 Arabian 10H well was shut in on May 4th, 2015, and
11 because it was shut in, multiple leases expired and the
12 joint operating agreement terminated.

13 So since the entry of Order R-13808-A,
14 multiple additional interest owners are no longer
15 committed to the 10H well, and that would be due to both
16 lease expirations and also the termination of the joint
17 operating agreement.

18 Again, we have as Attachment D a list of
19 all of the interest owners that were pooled under the
20 original orders and then also highlighted in bold, the
21 interest owners that COG seeks to pool today.

22 COG has undertaken good-faith efforts to
23 reach agreement with all of these parties, and the
24 letter for both the well proposal and term assignment,
25 as well as lease offers, are included as Attachments E

1 and F. All of these parties were locatable, and COG has
2 been negotiating, and it is my understanding they are
3 close to an agreement with all of these parties.

4 EXAMINER DAWSON: Okay.

5 MS. KESSLER: Mr. Examiners, I would move
6 that Exhibits A through G be accepted into the record
7 and that this case be taken under advisement.

8 EXAMINER DAWSON: So since there is no
9 opposition to Case Number 15090, Exhibits A through G
10 will be admitted to the record at this time.

11 (COG Operating, LLC Exhibit Letters A
12 through G are offered and admitted into
13 evidence.)

14 EXAMINER DAWSON: And Case Number 15090 --
15 Do you have any questions?

16 EXAMINER LOWE: No, I don't.

17 EXAMINER DAWSON: Any questions, David?

18 EXAMINER BROOKS: Same scenario, right?

19 MS. KESSLER: Exactly.

20 EXAMINER BROOKS: Thank you.

21 EXAMINER DAWSON: So the same questions
22 that were asked in the previous case, 15023, since this
23 is the same section, the same, you know -- the same
24 questions will be reviewed in this case.

25 So at this moment, Case Number 15090 will

1 be taken under advisement.

2 Thank you, Ms. Kessler.

3 (Case Number 15090 concludes, 8:44 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.

20 DATED THIS 16th day of August 2018.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2018
Paul Baca Professional Court Reporters