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APPEARANCES

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EXHIBITS OFFERED AND ADMITTED

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1 (3:08 p.m.)

2 EXAMINER JONES: Back on the record.

3 Let's call Cases 20070, 20071, 20072 and
4 20073, application of COG Operating, LLC for compulsory
5 pooling in Lea County, New Mexico.

6 Call for appearances.

7 MS. KESSLER: Jordan Kessler, from the
8 Santa Fe office of Holland & Hart, on behalf of the
9 Applicant.

10 EXAMINER JONES: Any other appearances?

11 MR. BRUCE: Mr. Examiner, Jim Bruce
12 representing Energen Resources Corporation, and I have
13 no witnesses.

14 EXAMINER JONES: Okay. Any other
15 appearances?

16 Energen is still around? I thought they
17 were sold.

18 Okay. Please proceed.

19 MS. KESSLER: Thank you.

20 This is for four combined cases,
21 Mr. Examiner. There is an east half-east half spacing
22 unit and a west half-west half spacing unit of two
23 sections. Those are Sections 24 and 25, Township 24
24 South, Range 34 East in Lea County. And each of the
25 cases involves the same spacing units, and there is a

1 Bone Spring spacing unit and a Wolfcamp spacing unit,
2 and that's all set forth in paragraphs five, six, eight
3 and nine of the affidavit of Matt Solomon -- Matthew
4 Solomon, which is Exhibit 1 that's in front of you.

5 So we have C-102s for -- there are several
6 proposed wells. The 601H -- Baseball Cap Federal Com
7 601H is in the east half-east half spacing unit, and the
8 607H and 608H are in the west half-west half spacing
9 unit in the Bone Spring Formation.

10 And behind Tab B, you have the Wolfcamp
11 series. That would be the Baseball Cap Fed Com 701H in
12 the east half-east half and the 702H as well in the east
13 half-east half and then the 707 and 708 in the west
14 half-west half spacing units.

15 You'll see based on these -- I don't
16 believe that the affidavit specifies what pools these
17 wells are in, but the Wolfcamp is a 40-acre oil pool.
18 And that's been confirmed. That's why the spacing units
19 are 40 acres.

20 EXAMINER JONES: And they're 700 series
21 wells, so they're Wolfcamp.

22 MS. KESSLER: That's right.

23 Exhibit C contains all of the ownership
24 plats for the various wells and spacing units. So the
25 first page of each of the -- for each of the spacing

1 units shows a tract breakdown, and then the working
2 interest owners are listed on the second page. It shows
3 the working interest owners in the spacing unit and then
4 also a pooling notification list. Those are the working
5 interest owners they seek to pool. And this is the same
6 for each of the four spacing units.

7 And they're all working interest owners,
8 Mr. Examiners. There are no overriding royalty interest
9 owners that we seek to pool for any of these spacing
10 units.

11 Exhibit D has -- the way that these wells
12 were proposed is the east half-east half versus the west
13 half-west half.

14 So Tab D has the well-proposal letters for
15 both the Bone Spring and the Wolfcamp spacing units on
16 the east half-east half.

17 And Tab E has the well-proposal letters --
18 it should be for the west half-west half. And it looks
19 like -- I'm not exactly sure why this was put together
20 this way, but the 601H, 701H, 702H wells and their AFE
21 and the 607, 608H and 707 and 708H wells are all behind
22 Tabs D and E, so you just have them a bunch of times.
23 You have all of the well-proposal letters twice.

24 EXAMINER JONES: Very nice proposal there
25 for whoever would sign the paperwork.

1 MS. KESSLER: Yeah.

2 EXAMINER JONES: It really looks nice.

3 Wow.

4 MS. KESSLER: Thanks.

5 Exhibit 2 is the geology exhibit with both
6 Bone Spring and Wolfcamp attachments. So the Wolfcamp
7 wells are presented first. There's a structure map that
8 shows all of the data points and the contour lines and
9 shows that there is no major structure in the area. And
10 the Bone Spring wells' structure map is next. Then you
11 have an exhibit for the Wolfcamp that shows the wells
12 that were used for the cross section.

13 Tab D is the Wolfcamp and the Bone Spring
14 cross section. I guess they must have just used all of
15 the same logs because they were deep enough. So you
16 have the 3rd Bone Spring target called out in the green
17 bracket on Tab D and the Wolfcamp target called out in
18 the bracket also on Tab D.

19 3 is our notice exhibit. And, again, just
20 for clarity, we have -- we have the cases broken out by
21 tab so that you have notice information for each of the
22 cases separately. This notice actually went out in
23 November, so we do not need a continuance for these
24 cases.

25 And there are affidavits of publication out

1 of an abundance of -- attached to each of these tabs
2 is -- out of an abundance of caution, but the working
3 interest owners were locatable.

4 EXAMINER JONES: Okay. You okay with that,
5 Mr. Brooks?

6 EXAMINER BROOKS: Sounds pretty clean.

7 MS. KESSLER: Mr. Examiner, I would ask
8 that these exhibits be entered as part of the record and
9 that would be Exhibits 1 through 3, including the
10 attachments.

11 EXAMINER JONES: Any objection from
12 Energen? No objection?

13 MR. BRUCE: No.

14 MS. KESSLER: And I would ask that these
15 cases be taken under advisement.

16 EXAMINER JONES: The exhibits are admitted
17 in the three cases -- 20070, 20071, 20072 and 20073, all
18 four cases, are taken under advisement.

19 Thank you very much.

20 (COG Operating, LLC Exhibit Numbers 1
21 through 3 are offered and admitted into
22 evidence.)

23 (Case Numbers 20070, 20071, 20072 and 20073
24 conclude, 3:15 p.m.)

25

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

3

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 31st day of January 2019.

21

22

23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters

25