

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                      CASE NO. 20078  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

January 10th, 2019

Santa Fe, New Mexico

BEFORE:    WILLIAM V. JONES, CHIEF EXAMINER  
             KATHLEEN MURPHY, TECHNICAL EXAMINER  
             LEONARD LOWE, TECHNICAL EXAMINER  
             DAVID K. BROOKS, LEGAL EXAMINER

             This matter came on for hearing before the  
New Mexico Oil Conservation Division, William V. Jones,  
Chief Examiner; Kathleen Murphy and Leonard Lowe,  
Technical Examiners; and David K. Brooks, Legal  
Examiner, on Thursday, January 10th, 2019, 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

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# APPEARANCES

FOR APPLICANT COG OPERATING, LLC:

JULIA BROGGI, ESQ.  
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# EXHIBITS OFFERED AND ADMITTED

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1 (1:52 p.m.)

2 EXAMINER JONES: Let's go back on the  
3 record and call Case Number 20078, application of COG  
4 Operating, LLC.

5 Call for appearances.

6 MS. BROGGI: Julia Broggi on behalf of the  
7 Applicant, COG Operating, LLC.

8 EXAMINER JONES: Any other appearances in  
9 this case?

10 Okay.

11 MS. BROGGI: Do you want me to read the --  
12 So this is the application of COG Operating, LLC for  
13 compulsory pooling, Lea County, New Mexico. And we'll  
14 be presenting this, as well as the next three cases by  
15 affidavit. And for your reference, it's -- the wells  
16 are Way South State Com Numbers 701H, 702H, 703H, 704H,  
17 705H and 706H.

18 And it's our usual format. Exhibit A is  
19 the affidavit from the landman, Ashley Roush, with the  
20 accompanying exhibits. They are, you know, seeking to  
21 pool all the uncommitted interests in the Wolfcamp  
22 Formation and dedicating the horizontal spacing unit to  
23 those Way South wells. There are six of them. This is  
24 state land only. There are no depth severances.

25 The parties that COG is seeking to pool are

1 identified on Exhibit A7 to the affidavit of the  
2 landman. And COG is not seeking to pool overrides, and  
3 there are no unleased mineral owners.

4 Oh, the one thing I did want to point out  
5 about this one is at paragraph 16, the landman's  
6 affidavit, COG is planning to simultaneously drill and  
7 complete all the six proposed wells, and so they are  
8 requesting an extension of time of up to 365 days to  
9 drill and complete the initial well.

10 EXAMINER BROOKS: What time are they  
11 requesting?

12 MS. BROGGI: I'm sorry? What?

13 EXAMINER BROOKS: What time are they  
14 requesting?

15 MS. BROGGI: Well, in the application, I  
16 think it said 120 to 365, but I recall from past  
17 hearings -- at least I think it was Examiner McMillan,  
18 just said it was better to ask for the 365.

19 EXAMINER BROOKS: Well, I think we've  
20 decided to give everybody a year.

21 MS. BROGGI: Okay.

22 EXAMINER BROOKS: I think we made that  
23 decision, didn't we?

24 EXAMINER JONES: Yeah.

25 Everything that's going to come out of here

1     now is going to say one year unless you request  
2     something else.

3                     EXAMINER BROOKS:   That's why I asked the  
4     question.

5                     EXAMINER JONES:   If you ask for 365, I'm  
6     just going to say one year.

7                     (Laughter.)

8                     MS. BROGGI:   That's fine.   Got it.

9                     EXAMINER BROOKS:   From 2019 to the same  
10    date in 2020, if it's after -- well, not unless it's  
11    after February -- after March the 1st, but probably will  
12    be when we get the order written.

13                    EXAMINER JONES:   Of what year?

14                    EXAMINER BROOKS:   From 2019 to 2020 will be  
15    366 days, but we don't begrudge them the extra day.

16                    MS. BROGGI:   And the Exhibit B is the  
17    affidavit of the geologist, Matt Fisher, with the  
18    accompanying exhibits and his testimony that each  
19    quarter-quarter section will be productive and  
20    contribute more or less equally to each 40-acre unit  
21    comprising the spacing unit, and that his opinion is  
22    that it's in the best interest of conservation, the  
23    prevention of waste and the protection of correlative  
24    rights.

25                    And then the last two exhibits, Exhibit C

1 is an affidavit from myself regarding notice. As you  
2 know, though, we are requesting to continue the case  
3 until the January 24th docket to perfect notice.

4 And then Exhibit --

5 EXAMINER JONES: But there won't be  
6 anything else presented?

7 MS. BROGGI: We won't be presenting  
8 anything else. We've already provided the notice,  
9 but --

10 EXAMINER JONES: Oh, yeah. So it'll just  
11 be a placeholder --

12 MS. BROGGI: Yes, please.

13 EXAMINER JONES: -- in the docket?

14 MS. BROGGI: And Exhibit D is the Affidavit  
15 of Publication.

16 EXAMINER JONES: Okay. Now, this case is a  
17 duplicate of a case that was continued because -- and so  
18 it was new and re-opened for some reason.

19 MS. BROGGI: Oh. It was an amended  
20 application. And the reason was initially there were  
21 two additional wells proposed that were -- it was Way  
22 South State Com 707 and 708H, but those were rescinded.  
23 And the letter to the working interest owners is  
24 attached as Exhibit A11, and we filed an amended  
25 application.

1                   EXAMINER JONES:   Okay.   I had forgotten  
2   whether the first application was actually presented or  
3   not.

4                   MS. BROGGI:   It was not presented.

5                   And with that, we would ask to continue  
6   this until January 24th.

7                   EXAMINER JONES:   Okay.   Case 20078 is  
8   continued to 1/24.

9                   (COG Operating, LLC Exhibit Letters A  
10   through D are offered and admitted into  
11   evidence.)

12                  (Case Number 20078 concludes, 1:53 p.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 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

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