

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. 20120
FOR COMPULSORY POOLING, LEA 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
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1 APPEARANCES

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7 FOR INTERESTED PARTY CONOCOPHILLIPS COMPANY:

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20 EXHIBITS OFFERED AND ADMITTED

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| 21 | COG Operating, LLC Exhibit Letters A through C | 5 |
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1 (2:03 p.m.)

2 EXAMINER JONES: Let's call Case 20120.
3 Call for appearances.

4 MS. BROGGI: Mr. Examiner, Julia Broggi,
5 with the Holland & Hart Law Firm, on behalf of the
6 Applicant, COG Operating, LLC.

7 EXAMINER JONES: Other appearances?

8 MR. BRUCE: Mr. Examiner, Jim Bruce
9 representing ConocoPhillips Company, and I have no
10 objection to doing it by affidavit.

11 EXAMINER JONES: Any other appearances?

12 MS. BROGGI: This is the application of COG
13 Operating, LLC for compulsory pooling in Lea County, New
14 Mexico. This is the Goose State Com #601H well.

15 Again, the affidavit of the landman is
16 Exhibit A. It's Danny Kidwell. COG is seeking to pool
17 all the uncommitted interests in the Bone Spring
18 Formation for this 160-acre horizontal spacing unit and
19 to dedicate that horizontal spacing unit to the proposed
20 Goose State well.

21 This is the case where COG is seeking to
22 pool the one working owner, and it's ConocoPhillips
23 Company. There are no unleased mineral interest owners,
24 and COG is not seeking to pool overrides.

25 Exhibit B is the affidavit of the geologist

1 with the accompanying exhibits and his testimony that
2 the granting of this application would be in the best
3 interest of conservation, the prevention of waste and
4 the protection of correlative rights.

5 Exhibit C is my affidavit regarding notice,
6 but we're asking to continue this case to the January
7 24th docket as well.

8 EXAMINER JONES: If that is all in this
9 case, any objection to admitting these --

10 MR. BRUCE: No.

11 EXAMINER JONES: -- exhibits?

12 EXAMINER BROOKS: Who did you say COG was
13 not seeking to pool?

14 MS. BROGGI: It is just seeking to pool one
15 working interest owner, and it's ConocoPhillips Company.
16 There are no unleased mineral interest owners, and we're
17 not seeking to pool overriding royalty interest owners.

18 EXAMINER BROOKS: Okay.

19 EXAMINER JONES: And ConocoPhillips owns
20 100 percent of one of the tracts?

21 MS. BROGGI: Yeah. That's Exhibit A2, I
22 believe. Yeah, 100 percent of Tract 2.

23 EXAMINER JONES: Is there a chance they
24 will sign the JOA?

25 MR. BRUCE: You got me. That's the best I

1 can do.

2 MS. BROGGI: But if they do, we will let
3 you know that we're no longer seeking to pool them.

4 EXAMINER JONES: Okay. That case is --
5 20120 is continued to January 24th.

6 And just to make sure the record is clear,
7 we admitted the exhibits in Cases 20078, 20120, 20121
8 and 20122.

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

12 (Case Number 20120 concludes, 2:06 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.
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23 MARY C. HANKINS, CCR, RPR
24 Certified Court Reporter
25 New Mexico CCR No. 20
Date of CCR Expiration: 12/31/2019
Paul Baca Professional Court Reporters