

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. 20121
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
 Albuquerque, New Mexico 87102
 (505) 843-9241

1 APPEARANCES

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7 FOR INTERESTED PARTY KAISER-FRANCIS OIL COMPANY:

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23 REPORTER'S NOTE: These exhibits were not supplied to
 24 the court reporter and are not
 attached to this record.

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1 (1:59 p.m.)

2 EXAMINER JONES: How about 20121?

3 We'll call Case Number 20121, application
4 of COG Operating, LLC.

5 Call for appearances.

6 MS. BROGGI: Again, Julia Broggi, with the
7 Holland & Hart Law Firm, on behalf of the Applicant, COG
8 Operating, LLC.

9 MR. BRUCE: Mr. Examiner, Jim Bruce
10 entering an appearance on behalf of Kaiser-Francis Oil
11 Company. I have no witnesses, and I do not object to
12 this being presented by affidavit.

13 EXAMINER JONES: Any other appearances?

14 MS. BROGGI: This is the application of COG
15 Operating, LLC for a compulsory pooling in Lea County,
16 New Mexico. This is the proposed Lychee State Com #3H
17 well, and we are presenting this one by affidavit as
18 well.

19 Exhibit A is the affidavit of the landman,
20 Danny Kidwell. With this application, COG is seeking to
21 pool all of the uncommitted interests in the Bone Spring
22 Formation in the proposed horizontal spacing unit and to
23 dedicate that horizontal spacing unit to that Lychee
24 well.

25 EXAMINER JONES: Mr. Bruce, is

1 Kaiser-Francis Oil Company, your client?

2 MR. BRUCE: Yes.

3 EXAMINER JONES: I just want to make sure.

4 I've actually already gotten this one written. I'll

5 just enter the appearance in this case.

6 MR. BRUCE: Yeah. That's fine.

7 EXAMINER JONES: Okay. And this one's not

8 going to be continued; is that correct?

9 MS. BROGGI: This one is not going to be
10 continued, and this is the one that we're asking for the
11 expedited order.

12 EXAMINER JONES: Yeah. This one's already
13 done. I've just got to get it through management and
14 Kathleen.

15 MS. BROGGI: The pooled parties are on
16 Exhibit A2. There are no unleased mineral interest
17 owners. COG is not seeking to pool any overriding
18 royalty interest owners.

19 EXAMINER JONES: This is the one you wanted
20 on the December 4th docket.

21 MS. BROGGI: Yeah. The issue -- my
22 understanding is the issue is there is a lease
23 expiration.

24 EXAMINER JONES: Like next week?

25 MS. KESSLER: Shortly.

1 MS. BROGGI: So in the near term.

2 Exhibit B is the affidavit of the
3 geologist, Cody Bacon, again with the accompanying
4 exhibits and his testimony that the granting of this
5 application would be in the best interest of
6 conservation, the prevention of waste and the protection
7 of correlative rights.

8 Mr. Examiners, as you pointed out, we do
9 not need to continue this for notice purposes. My
10 affidavit addressing notice is attached as Exhibit C.

11 And unless anybody has any questions, we
12 would ask that Case Number 20121 be taken under
13 advisement.

14 EXAMINER JONES: Okay. Any objection to
15 admitting the exhibits, Mr. Bruce?

16 MR. BRUCE: No objection.

17 EXAMINER JONES: Okay. The exhibits in
18 this case will be admitted, and Case 20121 is taken
19 under advisement.

20 (COG Operating, LLC Exhibit Letters A
21 through C are offered and admitted into
22 evidence.)

23 (Case Number 20121 concludes, 2:02 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

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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