

1 APPEARANCES

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1 (8:48 a.m.)

2 EXAMINER JONES: Okay. Let's call Cases --
3 the Pork Pie cases, are they all combined?

4 MS. BROGGI: Yes, we are.

5 EXAMINER JONES: We'll call Cases 20076,
6 20074 and 20075, application of COG Operating, LLC for
7 compulsory pooling, and let's also call Case 20077,
8 which is also styled application for compulsory pooling.
9 Call for appearances.

10 MS. BROGGI: Julia Broggi, with Holland &
11 Hart, on behalf of the Applicant, COG Operating, LLC.

12 EXAMINER JONES: Any other appearances?

13 MR. BRUCE: Mr. Examiner, Jim Bruce of
14 Santa Fe. I'm representing ConocoPhillips Company and
15 Energen Resources Corporation in these cases. I have no
16 witness, and I do not object to being presented by
17 affidavit.

18 EXAMINER JONES: Thank you.

19 Any other appearances?

20 MS. BROGGI: I thought someone had entered
21 on behalf of Devon.

22 MS. SHAHEEN: You mean Pork Pie?

23 MS. BROGGI: Yeah.

24 MS. SHAHEEN: I didn't know I need to, but
25 here I am.

1 MS. BROGGI: Well, you don't need to but --

2 MS. SHAHEEN: Let me take a look.

3 EXAMINER JONES: Okay. Just let us know
4 Sharon.

5 MS. BROGGI: We will be presenting these
6 consolidated cases by affidavit. And it follows the
7 usual format.

8 Exhibit A is an affidavit of the landman,
9 Matt Solomon. And we organized it by four different
10 cases. So in that first case, Case Number 20074, COG is
11 seeking to pool all of the uncommitted interests in the
12 Bone Spring Formation in the 320-acre spacing unit
13 comprised of the east half-east half of Sections 10 and
14 Section 15 and dedicating that spacing unit to the Pork
15 Pie State Com #106H well. And you'll see a draft C-102
16 for this attached as Exhibit 1 to the affidavit.

17 And then Exhibit 2 to the affidavit is an
18 ownership exhibit that identifies the tracts of land and
19 the interest owners and the percentage of their
20 ownership interest. And COG is seeking to pool those
21 four working interest owners and the three overriding
22 royalty interest owners identified on that C-102.

23 And then for the next case, which is Case
24 Number 20075, COG is seeking to pool all uncommitted
25 interests in the, again, Bone Spring Formation in the

1 320-acre spacing unit comprised of the west half-east
2 half of Sections 10 and 15 and dedicating that spacing
3 unit to the Pork Pie State Com #602H well. And you'll
4 see a draft C-102 attached as Exhibit A3 and the
5 ownership exhibit attached as A4. And, again, COG is
6 seeking to pool the four working interest owners and the
7 three overriding royalty interest owners identified on
8 that exhibit. And they do have -- it's actually the
9 same working interest owners and overriding royalty
10 interest owners for all four cases.

11 EXAMINER JONES: Okay.

12 MS. BROGGI: For Case Number 20076, COG is
13 seeking to pool the uncommitted working interests, this
14 time in the Wolfcamp Formation for the 320-acre spacing
15 unit comprised of the east half-east half of Sections 10
16 and 15 and dedicating that spacing unit to two wells,
17 the Pork Pie State Com #701H and 702H wells.

18 And, once again, we have a draft C-102
19 attached as A5 and A6 and then that ownership exhibit
20 attached as A7. And, again, those same four working
21 interest owners and same three overriding royalty
22 interest owners are whom COG is seeking to pool.

23 And then finally, the last case is Case
24 Number 20077, and COG is seeking to pool all the
25 uncommitted interest owners again in the Wolfcamp

1 Formation for the 320-acre spacing unit comprised of the
2 west half-east half of Sections 10 and 15.

3 And, again, the C-102s are attached as
4 Exhibits A8 and A9.

5 And then Exhibit 10 is that ownership
6 exhibit. And, again, we're seeking to pool the same
7 working interest owners and overrides in that case.

8 No depth severances in either the Bone
9 Spring or the Wolfcamp Formation.

10 And then we have the well-proposal letter
11 attached as Exhibit A11, with AFEs for each of the --
12 what do we have -- six wells.

13 EXAMINER JONES: Okay.

14 MS. BROGGI: We're seeking
15 administrative -- overhead and administrative costs of
16 7,000 a month while drilling and 700 a month while
17 producing.

18 And all parties were locatable, and we have
19 a notice affidavit attached here as Exhibit C from my
20 office showing that notice of this hearing was provided
21 to all of those parties.

22 And then Exhibit B is, of course, the
23 geologist's affidavit, with five corresponding exhibits.
24 Again, we're targeting the Bone Spring in those 600
25 series wells and the Wolfcamp in the 700.

1 EXAMINER JONES: Okay.

2 MS. BROGGI: So Exhibit B1 is the locator
3 map, and you can see COG's acreage and the wellbore
4 paths for the six proposed wells here.

5 Exhibit B2 is the subsea structure map.
6 This one's for the Bone Spring wells, and you'll see
7 those two wells depicted here. And the contour interval
8 is 100 feet, and you can see the data points that were
9 used to create that.

10 And Exhibit B3 is also a subsea structure
11 map but also this time for the Wolfcamp wells. So you
12 can see the four wells marked there and the data points
13 that were used to create that structure map.

14 Exhibit B4 shows the three wells, A to A
15 prime, that are used in that next exhibit, the cross
16 section.

17 If you turn to the final exhibit, B5, this
18 is the cross section. We have logs for gamma ray and
19 resistivity for all three wells and then porosity for
20 two of the three wells. And the target intervals are
21 marked for both the two Bone Spring wells and then the
22 four Wolfcamp wells.

23 EXAMINER JONES: Okay.

24 MS. BROGGI: And we have the testimony from
25 the geologist that she observed, you know, no faulting,

1 pinch-outs or other geologic hazards to developing these
2 wells and that in her opinion, the granting of these
3 applications are in the best interest of conservation,
4 the prevention of waste and the protection of
5 correlative rights.

6 EXAMINER JONES: Okay. Okay. So no pool
7 named yet?

8 MS. BROGGI: I do have a number for the
9 pool. It's not on the C-102, but on the affidavit, we
10 included it. It starts with a 9, 98098.

11 EXAMINER JONES: That's wildcat Wolfcamp.

12 MS. BROGGI: We're getting confirmation on
13 that. We're getting confirmation from Mr. Kautz. But
14 the landman felt fairly certainly that that was the pool
15 code. But I will let you know if it turns out that
16 that's not correct.

17 EXAMINER JONES: Okay. But the big deal is
18 if it's not -- since it's Lea County, it's not Wolfbone.
19 So if it's Wolfbone, I'll need to know whether there's
20 common ownership -- well, it'll change everything.

21 MS. BROGGI: Okay. He felt confident this
22 was the number, but we are getting confirmation.

23 EXAMINER JONES: Okay. Okay. Well, just
24 please send me that, and in the header of the email,
25 just put the case numbers --

1 MS. BROGGI: Yes, I will.

2 EXAMINER JONES: -- if you get that.

3 So these are State Com wells, so they'll be
4 permitted pretty soon, probably.

5 MS. BROGGI: It's just state acreage.

6 EXAMINER JONES: I don't know when that
7 fines thing goes into effect. Is that this summer? Is
8 that right?

9 EXAMINER BROOKS: I don't know either.

10 EXAMINER JONES: They're frantically
11 working on that right now, the fines for the
12 applications for drilling and --

13 EXAMINER BROOKS: I would assume it's not
14 fines. Those are --

15 EXAMINER WARNELL: Fees.

16 EXAMINER JONES: I mean -- I mean fees. A
17 little bit different.

18 MR. FELDEWERT: They feel like fines.

19 (Laughter.)

20 EXAMINER JONES: Yeah. They're going to
21 feel like fines.

22 EXAMINER BROOKS: Yeah. Fines and fees
23 have a lot in common.

24 (Laughter.)

25 EXAMINER BROOKS: But I think everything

1 goes into effect July 1st.

2 EXAMINER JONES: July 1st?

3 EXAMINER BROOKS: Yes.

4 EXAMINER JONES: Okay. Anyway, that's a
5 long ways off. No, it's not, actually. It's not too
6 far off.

7 MS. BROGGI: So if there are no further
8 questions, we would move the admission of Exhibits A, B
9 and C and the accompanying exhibits thereto and ask that
10 the cases be taken under advisement.

11 EXAMINER JONES: Okay. Exhibits A, B and
12 C, with their accommodating attachments, are admitted,
13 and Cases 20074 through 20077 are taken under
14 advisement.

15 (COG Operating, LLC Exhibits A, B and C are
16 offered and admitted into evidence.)

17 MS. BROGGI: Thank you very much.

18 (Case Numbers 20074 through 20077 conclude,
19 8:58 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 28th day of April 2019.

21

22

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