

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:

CASE NOS: 20854 and 20855

APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING,  
LEA COUNTY, NEW MEXICO

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

November 14, 2019

SANTA FE, NEW MEXICO

This matter came on for hearing before the New Mexico Oil Conservation Division, EXAMINERS LEONARD LOWE, KATHLEEN MURPHY, PHILLIP GOETZE, and LEGAL EXAMINER ERIC AMES, on Thursday, November 14, 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: Irene Delgado, NMCCR 253  
PAUL BACA PROFESSIONAL COURT REPORTERS  
500 Fourth Street, NW, Suite 105  
Albuquerque, NM 87102  
505-843-9241

1 A P P E A R A N C E S

2 For the Applicant:

3  
 4 KAITLYN LUCK  
 5 HOLLAND & HART  
 6 110 North Guadalupe, Suite 1  
 7 Santa Fe, NM 87501  
 8 505-954-7286

8 I N D E X

9	CASE NO. 20854 AND 20855 CALLED	
10	GRANT BOHLS (By Affidavit)	03
11	ALLISON HOLCOMB (By Affidavit)	04
12	TAKEN UNDER ADVISEMENT:	06

13  
 14 E X H I B I T I N D E X

15		Admitted
16	Exhibit A and Attachments	05
17	Exhibit B and Attachments	05
18	Exhibit C and Attachments	05

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1                   HEARING EXAMINER LOWE: We will call case Number  
2   20854 COG for compulsory pooling. Call for appearance.

3                   MS. LUCK: Katelyn Luck on behalf of the COG  
4   Operating LLC.

5                   HEARING EXAMINER LOWE: You may proceed.

6                   MS. LUCK: Thank you. And COG has requested that  
7   Cases 20854 and 20855 be consolidated for hearing. And our  
8   exhibits and affidavits we'll be presenting apply to both  
9   cases.

10                  HEARING EXAMINER LOWE: That's fine.

11                  MS. LUCK: Okay. Thank you. Behind Tab A is the  
12   affidavit of Grant Bohls in support of both cases. And in  
13   these cases -- in 20854 COG is seeking to create a Bone  
14   Spring spacing unit comprised of 640 acres in the E/2 of  
15   Sections 1 and 12, Township 20 South, Range 33 East, Lea  
16   County, New Mexico.

17                  In Case Number 20855, it's the same acreage, but  
18   COG is seeking to create a spacing unit in the Wolfcamp  
19   formation, so these are both in the E/2.

20                  And behind Tab A-1 you will find the C-102s for  
21   the Bone Spring wells, that's A-1 and A-2.

22                  And then behind Tab A-3 is a tract map reflecting  
23   the acreage involved in the breakdown of the interest owners  
24   in the Bone Spring unit.

25                  And then behind Tab A-4 is the C-102 for the

1 701-H well, which is the Wolfcamp well.

2 Behind his Tab A-5 is a tract map again, but for  
3 the Wolfcamp unit, and then it also highlights the parties  
4 that COG is seeking to pool in this case.

5 Finally behind his A-6 are the well proposal  
6 letters for both cases, together with the AFE that was  
7 proposed prior to applying for this pooling hearing.

8 Mr. Bohls finally notes in his affidavit that COG  
9 is seeking overhead and administrative rates of 7000 per  
10 month while drilling and 700 while producing. And he also  
11 requests 200 percent charge for the risk involved for any  
12 non-consenting parties.

13 Now Exhibit B is the affidavit of Allison Holcomb  
14 in support of both. She provides project locator maps as  
15 her B-1 spacing unit for both of these cases and nearby  
16 wells producing for both the Bone Spring and Wolfcamp.

17 She then provides behind Exhibit B-2 her  
18 structure map for the Bone Spring. And then behind -- I'm  
19 sorry, that's for the Second Bone Spring.

20 And behind B-3 is for the Third Bone Spring.

21 And then behind her Tab B-4 is the structure map  
22 for the Wolfcamp.

23 And behind B-5 is the cross section map for the  
24 cross section that's behind B-6.

25 Ms. Holcomb notes in her affidavit that the

1     standup orientation of these wells is the preferred  
2     orientation for horizontal well development in the area and  
3     is appropriate to efficiently and effectively develop the  
4     acreage in both the Bone Spring and Wolf Camp Formations.

5             And then finally, our Exhibit C is an affidavit  
6     by me reflecting that our office provided notice of this  
7     hearing to the parties to be pooled, and we also include an  
8     affidavit of publication for both cases because there was a  
9     few of the notice of hearing letters that were not received  
10    at the time of this hearing, so as an abundance of caution,  
11    we published the hearing as well.

12            So with that, we would ask that Exhibits A, B, C  
13    be admitted into the record and both of these cases be taken  
14    under advisement.

15            HEARING EXAMINER LOWE: Exhibits A, B, C will be  
16    accepted for this case. Any questions?

17            (Exhibits A, B and C admitted.)

18            EXAMINER MURPHY: There is no unit stipulation?

19            MS. LUCK: Those are found behind A-3 and A-5.

20    So A-3 is for the first case, 20854, and that has a  
21    breakdown of the working interest owners in the Bone Spring  
22    unit, as well as the record title owners and the overrides  
23    that we are seeking to pool.

24            And then A-5 has the same breakdown for the  
25    Wolfcamp formation.

1 EXAMINER MURPHY: Okay. I have no more  
2 questions.

3 HEARING EXAMINER LOWE: Mr. Goetze?

4 EXAMINER GOETZE: What is the building blocks we  
5 are using for the Wolfcamp as far as spacing.

6 MS. LUCK: This is an oil pool that we're for the  
7 701H well, so these are 40-acres.

8 EXAMINER GOETZE: 40 acres, that's fine. Thank  
9 you.

10 MR. AMES: I have nothing.

11 MS. LUCK: I would also like to note, I didn't  
12 submit Exhibit A with the packet, but we will mail it in  
13 after the hearing.

14 HEARING EXAMINER LOWE: Thank you. Case Numbers  
15 20854 and 20855 will be taken under advisement.

16 MS. LUCK: Thank you.

17 HEARING EXAMINER LOWE: Thank you.

18 (Cases 20854 and 20855 taken under advisement.)  
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1 STATE OF NEW MEXICO )  
 )SS  
2 COUNTY OF SANTA FE )

3 I, IRENE DELGADO, certify that I reported the  
4 proceedings in the above-transcribed pages, that pages  
5 numbered 1 through 6 are a true and correct transcript of my  
6 stenographic notes and were reduced to typewritten  
7 transcript through Computer-Aided Transcription, and that on  
8 the date I reported these proceedings I was a New Mexico  
9 Certified Court Reporter.

10 Dated at Santa Fe, New Mexico, this 14th day of  
11 November 2019.

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Irene Delgado, NMCCR 253  
Expires: 12-31-19

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