

STATE OF NEW MEXICO
ENERGY, MINERALS, AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

IN THE MATTTTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:

Application of COG Operating, LLC CASE NO. 21911
to Amend Order No. R-21450,
Eddy County, New Mexico

Application of COG Operating, LLC CASE NO. 21912
to Amend Order No. R-21451,
Eddy County, New Mexico

REPORTER'S TRANSCRIPT OF PROCEEDINGS

STATUS CONFERENCE

THURSDAY, JUNE 3, 2021

This matter came on for hearing before the
New Mexico Oil Conservation Division, before
Hearing Examiner William Brancard, and Technical
Examiner Leonard Lowe on Thursday, June 3, 2021,
via Webex Videoconferencing Platform.

Reported by: Mary Therese Macfarlane
 New Mexico CCR No. 122
 PAUL BACA COURT REPORTERS
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 Albuquerque, New Mexico 87102
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A P P E A R A N C E S

For the Applicant COG Operating, LLC:

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C O N T E N T S

CASE NOS.	21911, 21912	PAGE
CASE CALLED		3

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

- APPLICANT COG OPERATING, LLC:
- A Application
 - B Affidavit of Lizzie Laufer (Landman)
 - C Notice Affidavit
 - D Notice of Publication

1 (Time noted 8:34 a.m.)

2 HEARING EXAMINER BRANCARD: Okay. We have one
3 more status conference here today, Cases is 21911, 21912,
4 Cog Operating.

5 Holland and Hart.

6 MS. LUCK: Kaitlyn Luck with the Santa Fe office
7 of Holland and Hart on behalf of COG Operating, LLC, in
8 both of these cases.

9 HEARING EXAMINER BRANCARD: Okay. And we have
10 something from Chevron. I didn't actually see an entry of
11 appearance but it was some sort of objection, the Modrall
12 firm.

13 MR. DeBRINE: Yes, Mr. Examiner. Earl DeBrine
14 of Modrall Sperling. We did file an Entry of Appearance,
15 I don't know why it didn't make its way into the file, but
16 on behalf of Chevron USA.

17 HEARING EXAMINER BRANCARD: So this is an
18 amendment application. So what's going on here?

19 Ms. Luck.

20 MS. LUCK: In this case COG is seeking an
21 amendment of these Orders to extend the drilling Order.
22 And Chevron has entered an appearance, so Mr. DeBrine -- I
23 believe the parties have reached an agreement, but I'll
24 allow him to confirm.

25 HEARING EXAMINER BRANCARD: Mr. DeBrine.

1 MR. DeBRINE: No, the parties were talking, and
2 I had not heard an agreement was reached. They were very
3 close last time I heard, but I believe -- I know they have
4 been talking. I do know that.

5 HEARING EXAMINER BRANCARD. Okay. We need to
6 set this for another time. Do we have a suggestion?

7 MS. LUCK: I might have misunderstood. I
8 thought that the parties would be able to -- that the
9 parties had reached an agreement and COG would be able to
10 proceed at the hearing today.

11 So if that is not correct, we would ask it
12 to be set for hearing as soon as possible.

13 MR. DeBRINE: Perhaps if that is the case we can
14 push these to the back of today's docket and we can
15 reconvene, and then you could proceed by affidavit if an
16 agreement is reached. I just do not have confirmation
17 that that is the case right now.

18 MS. LUCK: No problem.

19 HEARING EXAMINER BRANCARD: Thank you,
20 Mr. DeBrine. I was actually thinking that, too.

21 Why don't we do that, just move these to
22 the end of today's docket, and hopefully, Mr. DeBrine, you
23 will get some clarification from your client on this, and
24 maybe we can do these by affidavit today.

25 MR. DeBRINE: That works.

1 HEARING EXAMINER BRANCARD: Any other parties
2 interested in Cases 21911 or 21912? (Note: No response.)

3 Hearing none, we are just going to adjust
4 our docket for today and move these cases to the end,
5 address them then. Thank you.

6 MS. LUCK: Thank you.

7 MR. DeBRINE: I just had one more thing to add,
8 Mr. Examiner.

9 HEARING EXAMINER BRANCARD: Go ahead.

10 MR. DeBRINE: Mr. Hough is going to be
11 presenting cases on today's docket for Colgate. It's his
12 last appearance before the Division, he is going to be
13 moving to Arizona, so just wanted on the record to thank
14 him for the work he has done for the clients and the work
15 before the Division and Commission.

16 HEARING EXAMINER BRANCARD: Well, thank you for
17 mentioning that. We appreciate his work, too, and sorry
18 to see him go.

19 MR. HOUGH: Thanks, Earl.

20 (Time noted 8:37 a.m.)

21 (Note: Other cases heard.)

22 (Time noted 10:08 a.m.)

23 HEARING EXAMINER BRANCARD: With that we would
24 like to recall Items 9 and 10 on the agenda, Cases 21911,
25 21912, COG Operating, LLC. That would be Holland & Hart.

1 Chevron USA is represented by Modrall

2 Are those folks still here?

3 Ms. Luck.

4 MS. LUCK: Kaitlyn Luck for the Santa Fe office
5 of Holland and Hart for COG Operating.

6 HEARING EXAMINER BRANCARD: Okay. Where are we?

7 MR. DeBRINE: We --

8 HEARING EXAMINER BRANCARD: Sorry, Mr. DeBrine.
9 Yes, I recognize you.

10 MR. DeBRINE: Earl DeBrine, Modrall Sperling,
11 for Chevron USA, Inc., and I am pleased to report that the
12 parties that have reached an agreement concerning the
13 timing sequence and payment of estimated well costs by
14 Chevron under any Order that the Division enters
15 concerning these cases, and does not oppose the
16 presentation of them by affidavit.

17 HEARING EXAMINER BRANCARD: Excellent.

18 So I guess that means you can go forward,
19 Ms. Luck.

20 MS. LUCK: Thank you.

21 COG filed its exhibits with the Division on
22 Tuesday for both of these cases. The exhibit packet
23 includes copies of the Applications.

24 The Applications are included as Exhibit A
25 and reflect that COG is seeking in both cases a one-year

1 extension of the drilling deadline under the Pooling Order
2 Originally these Orders expired on
3 September 3, 2021, and so COG is seeking to extend the
4 Orders under both cases to September 3rd of 2022.

5 COG's Exhibit B is the affidavit of the
6 Lizzie Laufer, who is the land representative for COG.
7 And she provides the details on both of those orders and
8 also explains COG's basis for requesting a drilling
9 extension due to Covid and the market prices in 2020.

10 So for both cases COG is seeking that
11 one-year drilling exception.

12 Finally, in the packet are Exhibits C and D
13 which includes the Notice information for both and reflect
14 that Notice was timely provided for this hearing for those
15 cases.

16 So with that I would move the admission of
17 Exhibits A through D and ask that the Division takes these
18 cases under advisement and grant the drilling extension.

19 MR. DeBRINE: No objection.

20 HEARING EXAMINER BRANCARD: Excellent. Thank
21 you, Mr. DeBrine.

22 Once again I'll call for any other
23 interested parties in Cases 21911, 21912. (Note: Pause.)

24 Hearing none, the exhibits are admitted
25 into the record and Cases 21911 and 21912 are taken under

1 advisement.

2 MS. LUCK: Thank you.

3 HEARING EXAMINER BRANCARD: Thank you for
4 working that out.

5 With that I believe we've come to the end
6 of today's program. And so, Mr. Lowe, any final words or
7 thoughts for us?

8 EXAMINER LOWE: No. Have a good day. Thank you
9 very much.

10 HEARING EXAMINER BRANCARD: All Right. Thank
11 you.

12 MS. LUCK: Thank you.

13 (Time noted 10:11 a.m.)

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1 STATE OF NEW MEXICO)

2 : SS

3 COUNTY OF TAOS)

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REPORTER'S CERTIFICATE

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I, MARY THERESE MACFARLANE, New Mexico Reporter

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CCR No. 122, DO HEREBY CERTIFY that on Thursday, June 3,

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2021, the proceedings in the above-captioned matter were

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taken before me; that I did report in stenographic

10

shorthand the proceedings set forth herein, and the

11

foregoing pages are a true and correct transcription to

12

the best of my ability and control.

13

I FURTHER CERTIFY that I am neither employed by

14

nor related to nor contracted with (unless excepted by the

15

rules) any of the parties or attorneys in this case, and

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that I have no interest whatsoever in the final

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disposition of this case in any court.

18

/s/ Mary Macfarlane

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MARY THERESE MACFARLANE, CCR

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NM Certified Court Reporter No. 122

License Expires: 12/31/2021

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