

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. 22369
for Compulsory Pooling,	Case No. 22370
Eddy County, New Mexico	Case No. 22371
	Case No. 22372

REPORTER'S TRANSCRIPT OF PROCEEDINGS

THURSDAY, JANUARY 6, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq. Hearing Examiner, John Garcia Technical Examiner, on Thursday, January 6, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

Reported by: Mary Therese Macfarlane  
New Mexico CCR #122  
PAUL BACA COURT REPORTERS  
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A P P E A R A N C E S

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C O N T E N T S

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1 (Time noted 9:14 a.m.)

2 EXAMINER BRANCARD: All right. I have now Items  
3 37 and 38, maybe 39 and 40 on the docket here, and that  
4 would be Cases 22369, 22370, 22371, 22372, COG Operating.

5 MR. RODRIGUEZ: Good morning, Mr. Examiner. Can  
6 you hear me all right?

7 EXAMINER BRANCARD: I can.

8 MR. RODRIGUEZ: Perfect. Michael Rodriguez with  
9 Hinkle Shanor on behalf of COG Operating, LLC, and I would  
10 like to request that Case Nos. 22369 and -71 be  
11 consolidated, and Notice of Dismissals for Case Nos. 22370  
12 and -72, which were scheduled today were filed yesterday.  
13 New applications were submitted yesterday, as well, to  
14 replace those two cases, and if you would like those case  
15 numbers, I have those, as well.

16 EXAMINER BRANCARD: Okay. Yes, we have those  
17 Notices of Dismissal for -372 and -370, correct?

18 MR. RODRIGUEZ: Correct.

19 EXAMINER BRANCARD: Thank you. And I think we  
20 have an entry of appearance for 22371, MRC  
21 Permian/Matador. (Note: Pause.)

22 I thought I saw something from you, Mr.  
23 Bruce. (Note: Pause.)

24 MR. BRUCE: Just to be safe I will enter an  
25 appearance for Matador Production Company, and I have no

1 objection to the cases moving forward.

2 EXAMINER BRANCARD: Yes. Yes, you did file an  
3 Entry of Appearance yesterday. Thank you.

4 All right. So, Mr. Rodriguez, you would  
5 like to proceed, then, with 22369 and 22371; is that  
6 correct?

7 MR. RODRIGUEZ: Correct.

8 EXAMINER BRANCARD: Please do.

9 Let me first ask: Are there any other  
10 persons interested in Cases 22369 and 22371?

11 Hearing none, please proceed, Mr.  
12 Rodriguez.

13 MR. RODRIGUEZ: Thank you, Mr. Hearing Examiner.

14 In Case No. 22369 COG seeks an Order  
15 pooling all uncommitted interests in the Coral Canyon Bone  
16 Spring South Pool that is in the Bone Spring Formation  
17 underlying a 320-acre standard horizontal spacing unit  
18 comprised of the east half/east half of Sections 5 and 8,  
19 Township 26 South, Range 29 East in Eddy County, New  
20 Mexico, and COG seeks to dedicate this unit to the Hambone  
21 Federal Com 501H well.

22 In Case No. 22371 COG seeks an Order  
23 pooling all uncommitted interests in the Coral Canyon Bone  
24 Spring South Pool in the Bone Spring Formation underlying  
25 a 280-acre, more or less, standard horizontal spacing unit

1 comprised of the east half/west half of Section 5, the  
2 east half/northwest quarter and northeast quarter of the  
3 southwest quarter of Section 8, Township 26 South, Range  
4 29 East in Eddy County, New Mexico. COG seeks to dedicate  
5 this unit to the Hambone Federal Com 505H well.

6 The exhibit packets submitted to the  
7 division for these case are identical and contain  
8 Compulsory Pooling Checklist, Exhibit A which is the land  
9 professional's testimony and related land exhibits.

10 Exhibit B is the geologist's testimony and  
11 related geology exhibits.

12 And Exhibits A-6 and A-7 are the Sample  
13 Notice of Hearing letters and Affidavits of Publication  
14 reflecting all Notice requirements have been met.

15 With that I submit Exhibits A and B, and  
16 A-1 through A-7 and B-1 through B-4 be admitted into the  
17 record and Case Nos. 22369 and 22371 be taken under  
18 advisement.

19 EXAMINER BRANCARD: Thank you.

20 Mr. Bruce, do you have any questions.

21 MR. BRUCE: No questions.

22 EXAMINER BRANCARD: Thank you.

23 Mr. Garcia.

24 EXAMINER GARCIA: I have one question for each  
25 case.

1                   On Case -369 it looks like you're pooling  
2   only overriding interest, but you included two provision  
3   rates in your checklist. Was there supposed to be working  
4   interests pooled also?

5                   MR. RODRIGUEZ: No, it's strictly overrides.

6                   EXAMINER GARCIA: Okay. Then in Case -371 I was  
7   curious about the 280 acres. How come you left out the  
8   southwest 40 acres and if that acreage is just going be  
9   stranded, and if you have exhibits discussing the stranded  
10   acreage, or that it won't be stranded.

11                  MR. RODRIGUEZ: My understanding is that that  
12   acreage is already committed to another spacing unit, but  
13   I can double check for you, if you would like, and provide  
14   that information after the hearing.

15                  EXAMINER GARCIA: I think it would be best.

16                  MR. RODRIGUEZ: Sure.

17                  EXAMINER GARCIA: That's all the questions I  
18   had.

19                  EXAMINER BRANCARD: Thank you. That was on  
20   -371, correct, Mr. Garcia? I noticed that, too.

21                  EXAMINER GARCIA: Yeah.

22                  EXAMINER BRANCARD: Okay. Are there any other  
23   concerns or comments on Cases 22369, 22371?

24                         Hearing none, the exhibits will be admitted  
25   into the record. We will take Case 22369 under

1     advisement, Case 22370 will be dismissed. Case 22371 will  
2     be taken under advisement with hopes that you can send us  
3     an email clarifying the potentially stranded acreage.

4                     Mr. Garcia?

5                     EXAMINER GARCIA: If we could get it to the OCD  
6     portal.

7                     MR. RODRIGUEZ: All right.

8                     EXAMINER BRANCARD: Then Case 22372 will be  
9     dismissed.

10                    MR. RODRIGUEZ: Thank you.

11                    (Time noted 9:20 a.m.)

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1 STATE OF NEW MEXICO )  
2 : ss  
3 COUNTY OF TAOS )  
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5 REPORTER'S CERTIFICATE

6 I, MARY THERESE MACFARLANE, New Mexico Reporter  
7 CCR No. 122, DO HEREBY CERTIFY that on Thursday,  
8 January 6, 2022, the proceedings in the above-captioned  
9 matter were taken before me; that I did report in  
10 stenographic shorthand the proceedings set forth herein,  
11 and the foregoing pages are a true and correct  
12 transcription to 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  
16 that I have no interest whatsoever in the final  
17 disposition of this case in any court.

18 /s/ Mary MacFarlane  
19 \_\_\_\_\_

20 MARY THERESE MACFARLANE, CCR  
21 NM Certified Court Reporter No. 122  
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