

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,
for compulsory pooling, Lea County,
New Mexico

Case No. 22759

TRANSCRIPT OF PROCEEDINGS

May 5, 2022

EXAMINER HEARING

This matter came on for hearing before the New Mexico Oil Conservation Division, William Brancard, Esq., Hearing Examiner, Dean McClure, Technical Examiner, on May 5th, 2022, via Webex Virtual Conferencing Platform hosted by the New Mexico Energy, Minerals and Natural Resources Department

REPORTED BY: SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC
CCR No. 275
PAUL BACA COURT REPORTERS
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A P P E A R A N C E S

For COG Operating, LLC:

HOLLAND & HART, LLP
P.O. Box 2208
Santa Fe, NM 87504-2208
(505) 988-4421
agrarkin@hollandhart.com

BY: ADAM RANKIN

I N D E X

Case called	3:1
Summary of case and exhibits	3:11
Taken under advisement	6:9
Court Reporter's Certificate	7:1

1 (Time noted as 11:37 a.m.)

2 EXAMINER BRANCARD: We have one more COG case
3 here, this is Item 64, Case 22759.

4 MR. RANKIN: Mr. Examiner, Adam Rankin appearing
5 on behalf of the applicant, COG Operating, LLC, in this
6 case, with the Santa Fe office of Holland & Hart.

7 EXAMINER BRANCARD: Thank you. I have no other
8 entries here.

9 Are there any other interested persons for Case 22759?
10 Hearing none, Mr. Rankin, you may proceed.

11 MR. RANKIN: Thank you, Mr. Examiner. Similar to
12 the prior cases, but without the federal lease
13 complications, COG seeks an order pooling all uncommitted
14 interests in the Wolfcamp, within the Brinninstool Wolfcamp
15 west pool, underlying a standard 960-acre, approximately,
16 standard horizontal spacing unit which would be comprised of
17 the W/2 of Sections 9, 16 and 21, all in Township 23 South,
18 Range 33 East, in Lea County. COG proposes to dedicate this
19 acreage to three wells identified as Supreme wells. One of
20 which will be the defining well within 330 feet of the
21 adjacent quarter-quarter sections or equivalent tracts
22 allowing its -- their inclusion into the enlarged spacing
23 unit.

24 We filed exhibits in this case on Tuesday. Exhibit A
25 is a copy of the compulsory pooling checklist, which

1 identifies the elements of the proposed spacing and order,
2 including the target formation pool name and pool code, the
3 acreage dedication, and the wells, as well as identifying
4 that the Supreme Federal Com 606H well would be the defining
5 well in the spacing unit.

6 The -- Exhibit B is the application that was filed.
7 Exhibit C is the affidavit of Mr. Brian Dart, who's
8 previously testified. Mr. Dart reviews the acreage proposed
9 for the spacing unit, the wells that would be dedicated,
10 identifies the pool code and pool name. Attached is
11 Exhibit C1, which are the C-102s identifying each of the
12 wells, their footages, and that they are each in compliance
13 with the Statewide requirements for horizontal oil wells.
14 There's no ownership depth severance here. And Exhibit C2
15 is the land plat that he prepared identifying the tracts and
16 the interest ownership in each of those tracts, as well as a
17 recapitulation of those ownership interests on a unit-wide
18 basis.

19 In this case, COG is seeking to pool only a single
20 working interest owner, Novo Oil & Gas Northern Delaware,
21 LLC, they have an interest in Tract 3 of the proposed
22 spacing unit. COG's also seeking to pool a series of
23 overriding royalty interest owners who are identified on the
24 exhibit as well. Exhibit C3 is a summary of COG's efforts
25 to reach agreement with the owners of a working interest in

1 the acreage. C4 is a copy of the well proposals that went
2 out to the owners, along with the AFE reflecting their
3 estimated costs for each well.

4 Exhibit D is the affidavit of the geologist,
5 Mr. Joseph Dishron. He's previously testified. His
6 Exhibits D2 through D4 identify the acreage, provide an
7 overview of the structure for the target formation, and a
8 cross-section confirming that, in his view, the acreage and
9 the lateral they are proposing to pool is continuous,
10 consistent across the spacing unit. He confirms his opinion
11 that each of the tracts and the acreage would contribute,
12 more or less, equally to production from the well.

13 Exhibit E is the affidavit we prepared of notice reflecting
14 that we provided timely notice under the Division rules to
15 each of the parties that COG is seeking to pool under a
16 cover notice letter that is attached to the exhibit, and
17 that it was sent out on that date. Also attached is a
18 delivery status report from the Postal Service that was
19 generated and updated as of April 27th, and then also
20 confirms that we effected publication in the newspaper on
21 April 17th, and that affidavit of publication is attached as
22 Exhibit F.

23 At this time, I would move the admission of Exhibits A
24 through F and their attachments, and ask that the case be
25 taken under advisement, unless the Division has any

1 questions, I'd be happy to try to address them.

2 EXAMINER BRANCARD: Thank you.

3 Mr. McClure, any questions?

4 TECHNICAL EXAMINER McCLURE: Yeah, Mr. Brancard, I
5 don't have any questions on this case.

6 EXAMINER BRANCARD: Thank you.

7 Mr. Rankin, I don't have any questions. Are there any
8 other interested persons for Case 22759?

9 Hearing none, the exhibits in Case 22759 will be
10 admitted in the record, and the case will be taken under
11 advisement.

12 (Proceedings concluded at 11:42 a.m.)

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1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO

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6 REPORTER'S CERTIFICATE

7 I, SHANON R. MYERS, New Mexico Certified Court
8 Reporter, CCR #275, do hereby certify that I reported the
9 foregoing virtual proceedings in stenographic shorthand and
10 that the foregoing pages are a true and correct transcript
11 of those proceedings to the best of my ability.

12 I FURTHER CERTIFY that I am neither employed by
13 nor related to any of the parties or attorneys in this case
14 and that I have no interest in the final disposition of this
15 case.

16 I FURTHER CERTIFY that the virtual proceeding was
17 of extremely poor to good quality.

18 Dated this 2nd day of June 2022.

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/s/ Shanon R. Myers

SHANON R. MYERS, CCR, RPR, CRR, RMR, CRC
License Expires: 12/31/22