

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:

ORIGINAL

AMENDED APPLICATION OF COG
OPERATING, LLC FOR A NONSTANDARD
SPACING AND PRORATION UNIT,
COMPULSORY POOLING, AND AN
UNORTHODOX WELL LOCATION,
LEA COUNTY, NEW MEXICO.

CASE NO. 15162

REPORTER'S TRANSCRIPT OF PROCEEDINGS

EXAMINER HEARING

September 4, 2014

Santa Fe, New Mexico

BEFORE: PHILLIP GOETZE, CHIEF EXAMINER

This matter came on for hearing before the
New Mexico Oil Conservation Division, Phillip Goetze,
Chief Examiner, on Thursday, September 4, 2014, 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: Mary C. Hankins, CCR, RPR
New Mexico CCR #20
Paul Baca Professional Court Reporters
500 4th Street, Northwest, Suite 105
Albuquerque, New Mexico 87102
(505) 843-9241

1 APPEARANCES

2 FOR APPLICANT COG OPERATING, LLC:

3 MICHAEL H. FELDEWERT, ESQ.
 4 HOLLAND & HART
 5 110 North Guadalupe, Suite 1
 6 Santa Fe, New Mexico 87501
 7 (505) 988-4421
 8 mfeldewert@hollandhart.com

8 INDEX

	PAGE
9 Case Number 15162 Called	3
10 Exhibits Presented	3
11 Proceedings Conclude	6
12 Certificate of Court Reporter	7

13

14

15 EXHIBITS OFFERED AND ADMITTED

16 COG Operating, LLC Exhibit Numbers 1 through 3	6
---	---

17

18

19

20

21

22

23

24

25

1 (9:18 a.m.)

2 EXAMINER GOETZE: All right. We'll get
3 back on the record. There has been a request for a
4 change in the docket. And on agreement with all
5 parties, we will go ahead and hear Case 15162.

6 Is that correct?

7 MR. FELDEWERT: We'll go, yes.

8 EXAMINER GOETZE: Okay. On that approval,
9 Case 15162, amended application of COG Operating, LLC
10 for a nonstandard spacing and proration unit, compulsory
11 pooling and an unorthodox well location, Lea County,
12 New Mexico.

13 Call for appearances.

14 MR. FELDEWERT: May it please the Examiner,
15 Michael Feldewert with the Santa Fe office of Holland &
16 Hart, and I have three exhibits and no witnesses.

17 EXAMINER GOETZE: Very good.

18 Any other appearances?

19 Proceed, Mr. Feldewert.

20 MR. FELDEWERT: Mr. Examiner, if you turn
21 to what's been marked as COG Exhibit Number 1, you'll
22 see that this is an approved C-102 for the Super Cobra
23 1H well in the east half-east half of Section 13, and
24 the second page of this exhibit provides you with the
25 API number, and you'll also have on these exhibits the

1 pool code that's involved.

2 This was an amended application that
3 initially sought pooling for the east half of the east
4 half of Section 13, as well as approval of the
5 nonstandard location. And the nonstandard location is
6 necessary because the special rules for this Scharb-Bone
7 Spring pool call for 80-acre spacing and requires wells
8 to be within 200 feet of the center of a quarter-quarter
9 section. So if you look on this plat, you'll see that
10 the well encroaches both to the north and the south
11 because it's only 330 feet off of the two end lines, the
12 north end line and the south end line. So it would be
13 unorthodox of the special pool rules.

14 I'm happy to report that the pooling aspect
15 of this case be dismissed.

16 EXAMINER GOETZE: So you're going to
17 request dismissal --

18 MR. FELDEWERT: Dismissal of the pooling
19 aspect of this case because we reached agreement with
20 the party that was seeking to be pooled. So at this
21 point, all we really need is approval of the nonstandard
22 location. So in the interest of time, I went ahead and
23 continued with this case so that that can be
24 accomplished.

25 And if you turn to what's been marked as

1 COG Exhibit Number 2, this is my Notice of Affidavit
2 with the attached letter to the offsetting interest
3 owners to the north and the south, noting that they're
4 being provided notice of this hearing due to the
5 unorthodox well location. And there's no party,
6 Mr. Examiner, that has appeared in this case in
7 opposition to the nonstandard location.

8 Since you'll see that this is a well that
9 involves state acreage, we have additionally provided,
10 as COG Exhibit Number 3, a letter from the Commissioner
11 of Public Lands waiving not only notice of the hearing
12 but also any issue with respect to the nonstandard
13 location.

14 So with that said, I'd request that the COG
15 Exhibits 1 through 3 be admitted into evidence and that
16 the Division take this matter under advisement and issue
17 an order approving the nonstandard location.

18 EXAMINER GOETZE: What about your spacing
19 and proration unit?

20 MR. FELDEWERT: With respect to this
21 particular well?

22 EXAMINER GOETZE: Correct.

23 MR. FELDEWERT: It's 80-acre spacing.

24 EXAMINER GOETZE: So you've got your --

25 MR. FELDEWERT: Two stacks.

1 EXAMINER GOETZE: All right. Then we will
2 take it under advisement, and we will exclude the
3 compulsory pooling item from the application request.
4 And that's it. And as far as Exhibits 1 through 3, they
5 are so entered into the record.

6 (COG Operating, LLC Exhibit Numbers 1
7 through 3 were offered and admitted into
8 evidence.)

9 EXAMINER GOETZE: No further questions.

10 MR. FELDEWERT: Thank you, Mr. Examiner.

11 EXAMINER GOETZE: Thank you very much,
12 Mr. Feldewert.

13 (Case Number 15162 concludes, 9:22 a.m.)
14
15
16
17
18
19

20 I do hereby certify that the foregoing is
21 a complete record of the proceedings in
22 the Examiner hearing of Case No. 15162
23 heard by me on Sept. 4 2014.
24 Phillip J. Goetze, Examiner
25 Oil Conservation Division

1 STATE OF NEW MEXICO
2 COUNTY OF BERNALILLO
3

4 CERTIFICATE OF COURT REPORTER

5 I, MARY C. HANKINS, New Mexico Certified
6 Court Reporter No. 20, and Registered Professional
7 Reporter, do hereby certify that I reported the
8 foregoing proceedings in stenographic shorthand and that
9 the foregoing pages are a true and correct transcript of
10 those proceedings that were reduced to printed form by
11 me to the best of my ability.

12 I FURTHER CERTIFY that the Reporter's
13 Record of the proceedings truly and accurately reflects
14 the exhibits, if any, offered by the respective parties.

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

19 
20

21 MARY C. HANKINS, CCR, RPR
22 Paul Baca Court Reporters, Inc.
23 New Mexico CCR No. 20
24 Date of CCR Expiration: 12/31/2014
25