

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

**APPLICATIONS OF COG OPERATING LLC FOR
APPROVAL OF A NON-STANDARD OVERLAPPING
SPACING UNIT AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 25440-25441

**APPLICATIONS OF COG OPERATING LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NOS. 25442-25443

COG'S PRE-HEARING STATEMENT

COG Operating LLC ("COG") (OGRID No. 229137) submits this pre-hearing statement, as required by the Amended Prehearing Order in these consolidated matters.

APPEARANCES

APPLICANTS

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STATEMENT OF THE CASE

These consolidated cases involve the continued development of the Bone Spring formation, and the initiation of development of the Wolfcamp formation, underlying Sections 20 and 29, Township 23 South, Range 34 East, Lea County, New Mexico. COG currently operates four Bone Spring spacing units covering Section 20 and two Bone Spring spacing units covering the E2 of Section 29. There are also two existing Bone Spring spacing units in the W2 of Section 29 that are now operated by Paloma Permian AssetCo, LLC ("Paloma"). COG owns a majority of the working interest the Bone Spring and Wolfcamp formations in these two sections.

An ownership depth severance exists in the Bone Spring formation under Sections 20 and 29, creating differing ownership above and below the base of the First Bone Spring interval. To address this differing ownership and to accommodate the existing development in Sections 20 and 29, COG seeks to create and pool horizontal well spacing units for proposed 2-mile wells in the Bone Spring formation as follows:

- Under **Case 25440**, COG seeks to create and pool a non-standard 1280-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation underlying Sections 20 and 29 defined as the top of the Bone Spring formation, at a stratigraphic equivalent of 8,653' TVD to the base of the First Bone Spring interval at a stratigraphic equivalent of approximately 10,289' TVD, as observed in the well log for the West Copperline 29 State Com 1H well (API No. 30-025-41313). Applicant seeks to initially dedicate this spacing unit to the following proposed wells:
 - **PowerCaster Federal Com 301H and 401H** wells, with first take points in the NE4NE4 (Unit A) of Section 20 and last take points in the SE4SE4 (Unit P) of Section 29;
 - **PowerCaster Federal Com 302H and 402H** wells, with first take points in the NW4NE4 (Unit B) of Section 20 and last take points in the SW4SE4 (Unit O) of Section 29;
 - **PowerCaster Federal Com 403H** well, with a first take point in the NE4NW4 (Unit C) of Section 20 and a last take point in the SE4SW4 (Unit N) of Section 29; and
 - **PowerCaster Federal Com 303H and 404H** wells, with first take points in the NW4NW4 (Unit D) of Section 20 and last take points in the SW4SW4 (Unit M) of Section 29.

This proposed non-standard horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of the E2E2 of Section 20, dedicated to the Stratocaster 20 Federal 4H (API No. 30-025-27051), operated by COG Operating;
 - A 160-acre spacing unit comprised of the W2E2 of Section 20, dedicated to the Stratocaster 20 Federal 3H (API No. 30-025-41447) operated by COG Operating;
 - A 160-acre spacing unit comprised of the E2W2 of Section 20, dedicated to the Stratocaster 20 Federal 2H (API No. 30-025-41381), operated by COG Operating;
 - A 160-acre spacing unit comprised of the W2W2 of Section 20, dedicated to the Stratocaster 20 Federal 1H (API No. 30-025-37295), operated by COG Operating;
 - A 160-acre spacing unit comprised of the E2E2 of Section 29, dedicated to the Broadcaster 29 Federal 4H (API No. 30-025-42954) operated by COG Operating;
 - A 160-acre spacing unit comprised of the W2E2 of Section 29, dedicated to the Broadcaster 29 Federal 3H (API No. 30-025-41909) operated by COG Operating;
 - A 160-acre spacing unit comprised of the E2W2 of Section 29, dedicated to the West Copperline 29 Fed State Com 1H (API No. 30-025-41313) and West Copperline 29 Fed State Com 3H (API No. 30-025-41536), operated by Paloma Permian Asset Co, LLC;
 - A 160-acre spacing unit comprised of the W2W2 of Section 29, dedicated to the West Copperline 29 Fed State Com 2H (API No. 30-025-41640) and West Copperline 29 Fed State Com 4H (API No. 30-025-41802), operated by Paloma Permian Asset Co, LLC;
 - A proposed non-standard 1280-acre spacing unit in a lower interval of the Bone Spring formation underlying Sections 20 and 29 to be dedicated to Applicant's proposed PowerCaster Federal Com 501H, 502H and 602H wells targeting this lower interval.
- Under **Case 25441**, COG seeks to create and pool a non-standard 1280-acre, more or less, overlapping horizontal well spacing unit in an interval of the Bone Spring formation underlying Sections 20 and 29 defined as the top of the Second Bone Spring interval, at a stratigraphic equivalent of approximately 10,290' TVD, to the base of the Third Bone Spring interval, at a stratigraphic equivalent of approximately 11,631' TVD as observed in the well log for the West Copperline 29 State Com 1H (API No. 30-025-41313). Applicant seeks to initially dedicate this spacing unit to the following proposed wells:
 - **PowerCaster Federal Com 501H**, with a first take point in the NE4NE4 (Unit A) of Section 20 and a last take point in the SE4SE4 (Unit P) of Section 29;
 - **PowerCaster Federal Com 502H**, with a first take point in the NW4NW4 (Unit D) of Section 20 and a last take point in the SW4SW4 (Unit M) of Section 29; and

- **PowerCaster Federal Com 602H**, with a first take point in the NE4NW4 (Unit C) of Section 20 and a last take point in the SE4SW4 (Unit N) of Section 29.

This proposed non-standard horizontal well spacing unit will overlap the following existing or proposed spacing units in the Bone Spring formation:

- A 160-acre spacing unit comprised of the E2E2 of Section 20, dedicated to the Stratocaster 20 Federal 4H (API No. 30-025-27051), operated by COG Operating;
- A 160-acre spacing unit comprised of the W2E2 of Section 20, dedicated to the Stratocaster 20 Federal 3H (API No. 30-025-41447) operated by COG Operating;
- A 160-acre spacing unit comprised of the E2W2 of Section 20, dedicated to the Stratocaster 20 Federal 2H (API No. 30-025-41381), operated by COG Operating;
- A 160-acre spacing unit comprised of the W2W2 of Section 20, dedicated to the Stratocaster 20 Federal 1H (API No. 30-025-37295), operated by COG Operating;
- A 160-acre spacing unit comprised of the E2E2 of Section 29, dedicated to the Broadcaster 29 Federal 4H (API No. 30-025-42954) operated by COG Operating;
- A 160-acre spacing unit comprised of the W2E2 of Section 29, dedicated to the Broadcaster 29 Federal 3H (API No. 30-025-41909) operated by COG Operating;
- A 160-acre spacing unit comprised of the E2W2 of Section 29, dedicated to the West Copperline 29 Fed State Com 1H (API No. 30-025-41313) and West Copperline 29 Fed State Com 3H (API No. 30-025-41536), operated by Paloma Permian Asset Co, LLC;
- A 160-acre spacing unit comprised of the W2W2 of Section 29, dedicated to the West Copperline 29 Fed State Com 2H (API No. 30-025-41640) and West Copperline 29 Fed State Com 4H (API No. 30-025-41802), operated by Paloma Permian Asset Co, LLC;
- A proposed non-standard 1280-acre spacing unit in a shallower interval of the Bone Spring formation underlying Sections 20 and 29 to be dedicated to Applicant's proposed PowerCaster Federal Com 301H, 302H, 303H, 401H, 402H, 403H, 404H wells targeting this shallower interval.

Approval of these non-standard spacing units will not only address the ownership depth severance but allow for efficient well spacing and all a reduction in surface facilities.

To commence development of the Wolfcamp formation under Sections 20 and 29, COG has proposed the following standard spacing units:

- Under **Case 25442**, COG seeks to pool a standard 640-acre, more or less, horizontal well spacing unit Wolfcamp formation underlying the E2 of Sections 20 and 29. Applicant seeks to initially dedicate this spacing unit to the proposed **PowerCaster Federal Com 601H** well, to be drilled from the N2N2 of Section

20, with a first take point in the NE4NE4 (Unit A) of Section 20 and a last take point in the SE4SE4 (Unit P) of Section 29. The completed interval of this well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in a standard horizontal well spacing unit.

- Under **Case 25443**, COG seeks to pool a standard 640-acre, more or less, horizontal well spacing unit Wolfcamp formation underlying the W2 of Sections 20 and 29. Applicant seeks to initially dedicate this spacing unit to the proposed **PowerCaster Federal Com 603H well**, to be drilled from the N2N2 of Section 20, with a first take point in the NW4NW4 (Unit D) of Section 20 and a last take point in the SW4SW4 (Unit M) of Section 29. The completed interval of this well is expected to remain within 330 feet of the offsetting quarter-quarter sections or equivalent tracts to allow inclusion of this acreage in a standard horizontal well spacing unit.

Paloma Permian AssetCo, LLC (“Paloma”) and Devon Energy Production Company LP (“Devon”) initially appeared in these cases and filed competing pooling applications. Those competing pooling cases have now been dismissed and the objections withdrawn.

APPLICANT’S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Michael Monju, Landman	Self-Affirmed Statement	Approx. 6
Bem Breyman, Geologist	Self-Affirmed Statement	Approx. 5

PROCEDURAL MATTERS

Since all objections have been withdrawn, COG intends to present these cases by self-affirmed statements per the instructions of the Hearing Examiner.

Respectfully submitted,

HOLLAND & HART LLP

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ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on July 23, 2025, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

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QUESTIONS

Action 487881

QUESTIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 487881
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
Please assist us by provide the following information about your testimony.	
Number of witnesses	Not answered.
Testimony time (in minutes)	Not answered.