

**BEFORE THE NEW MEXICO OIL CONSERVATION DIVISION**

**APPLICATION OF COG OPERATING LLC  
FOR A NON-STANDARD SPACING AND  
PRORATION UNIT AND COMPULSORY POOLING,  
IN EDDY COUNTY, NEW MEXICO.**

**Case No. 15607**

**PRE-HEARING STATEMENT**

This Pre-hearing Statement is submitted by Christine Speidel Fowlkes, Christopher Clegg, Fowlkes, Janet Renee Fowlkes Murrey, Kathleen K. Fowlkes, J.M. Fowlkes, Jr., Maco Stewart Fowlkes, Nancy Fowlkes Donley, John M. Fowlkes, Preston L. Fowlkes, Lauren Fowlkes and Trey Fowlkes (hereafter "Fowlkes Mineral Interest Owners) by and through their undersigned counsel, Ernest L. Padilla, PADILLA LAW FIRM, P.A., as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**APPLICANT:** COG Operating LLC

**ATTORNEY:** Michael Feldewert  
Jordan L. Kessler  
Holland & Hart LLP  
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Santa Fe, NM 87504-2208

**OPPOSITION OR OTHER PARTY:** Christine Speidel Fowlkes,  
Christopher Clegg, Fowlkes, Janet Renee Fowlkes Murrey, Kathleen K. Fowlkes,  
J.M. Fowlkes, Jr., Maco Stewart Fowlkes, Nancy Fowlkes Donley, John M. Fowlkes,  
Preston L. Fowlkes, Lauren Fowlkes and Trey Fowlkes.

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**STATEMENT OF CASE**

**APPLICANT:**

OPPOSITION OR OTHER PARTY:

The Fowlkes Mineral Interest Owners own approximately 16% of the mineral interests underlying the proposed spacing unit. Applicant or its related affiliates have made essentially one leasing proposal to the Fowlkes Mineral Interest Owners on terms that, upon information and belief, are below leasing rates for similar drilling proposals. Among other things, Applicant has previously leased the same acreage for over twice of the current bonus proposal of \$1,500 per mineral acre. Through its compulsory pooling application, Applicant is using unfair and predatory leverage to lease the Fowlkes Mineral Interest Owners’ mineral interests on its terms. Applicant’s “take it or leave it” negotiation tactic does not meet the good faith requirement for New Mexico compulsory pooling statutes and regulations.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Maco Fowlkes	20 Minutes	Will testify concerning Applicant’s proposal
(Landman to be named)	20 Minutes	Lease terms and provisions in the area of the application

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
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**PROCEDURAL MATTERS**

PADILLA LAW FIRM, P.A.

/s/ ERNEST L. PADILLA

ERNEST L. PADILLA

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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing was electronically transmitted on this 7<sup>th</sup> day of December, 2016 to the following:

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**/s/ ERNEST L. PADILLA**  
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