

**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, EDDY COUNTY,
NEW MEXICO.**

Case No. 21292

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.**

Case No. 21293

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Mewbourne Oil Company ("Mewbourne") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
COG Operating LLC

APPLICANT'S ATTORNEY
Holland & Hart LLP

OPPONENTS
Mewbourne Oil Company

OPPONENTS' ATTORNEYS
James Bruce

STATEMENT OF THE CASE

APPLICANT

In Case No. 21292 COG Operating LLC ("COG") seeks an order pooling all mineral interests in the Wolfcamp formation underlying the East halves of Section 5, 8, and 17, Township 25 South, Range 28 East, NMPM.

In Case No. 21293 COG seeks an order pooling all mineral interests in the Wolfcamp formation underlying the West halves of Section 5, 8, and 17, Township 25 South, Range 28 East, NMPM.

OPPONENT

All of Sections 5 and 8, Township 25 South, Range 28 East, NMPM are subject to a Joint Operating Agreement dated December 15, 2018, which covers depths below the Second Bone Spring Sand zone within the Bone Spring formation (the "Pale Rider" JOA). **Exhibit A.** Mewbourne is designated operator under the JOA. *COG signed the mutually negotiated JOA on July 31, 2019*, less than a year ago. This was done after Mewbourne and COG completed an acreage trade, and part of that agreed-upon trade was that Mewbourne would operate Sections 5 and 8.

Mewbourne has proposed the following two mile Wolfcamp wells under the JOA:

Pale Rider 8/5 State Com. W1OB Well No. 1H (API No. 30-015-46916)
Pale Rider 8/5 State Com. W0OB Well No. 1H (API No. 30-015-46920)
Pale Rider 8/5 State Com. W0PA Well No. 1H (API No. 30-015-46921)
Pale Rider 8/5 State Com. W1PA Well No. 1H (API No. 30-015-46922)
Pale Rider 8/5 State Com. W0MD Well No. 1H (API No. 30-015-Pending)
Pale Rider 8/5 State Com. W1MD Well No. 1H (API No. 30-015-Pending)
Pale Rider 8/5 State Com. W0NC Well No. 1H (API No. 30-015-Pending)
Pale Rider 8/5 State Com. W1NC Well No. 1H (API No. 30-015-Pending)

Significantly, COG signed AFEs for all of these wells in April 2020.

COG's applications should be denied because (i) there is a voluntary agreement covering all of Sections 5 and 8, (ii) COG agreed that Mewbourne should be operator of the Wolfcamp formation underlying Sections 5 and 8, (iii) COG approved the drilling of the above eight wells just two months ago, and (iv) if COG wants to drill three mile laterals it can consolidate all of Sections 17, 20, and 29, Township 25 South, Range 28 East, NMPM, which it already operates. **See Exhibit A.**

COG is attempting to renege on its recent voluntary agreement with Mewbourne, and that should not be countenanced by the Division.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Mitch Robb
(landman)

30 min.

Approx. 12

Charles Crosby
(geologist)

20 min.

Approx. 10

Travis Cude
(engineer)

25 min.

Approx. 6

PROCEDURAL MATTERS

1. Mewbourne objects to the presentation of COG's cases by affidavit.
2. Due to current procedures for contested hearings, Mewbourne will be unable to adequately prepare for the June 11th hearing.
3. Mewbourne requests that the Division dismiss the above cases or, at the very least, continue the above cases to a date after June 11, 2020 docket, preferably in late July, or in August.

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

Attorney for Mewbourne Oil Company

CERTIFICATE OF SERVICE


I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 4th day of June, 2020 by e-mail:

Michael Feldewert
mfeldewert@hollandhart.com

Adam Rankin
agrarkin@hollandhart.com

Julia Broggi
jbroggi@hollandhart.com

Kaitlyn Luck
kaluck@hollandhart.cim



James Bruce

