

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

**APPLICATION OF WPX ENERGY PERMIAN, LLC
FOR A HORIZONTAL SPACING UNIT AND COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

Case No. 21371

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

Case No. 21344

PREHEARING STATEMENT

WPX Energy Permian, LLC/WPX Energy (“WPX”), OGRID No. 246289, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division (“Division”).

APPEARANCES

APPLICANT

WPX Energy Permian, LLC/WPX Energy

ATTORNEY

Darin C. Savage
Andrew D. Schill
William E. Zimsky
Abadie & Schill, PC
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

PARTY IN COMPETITION

COG Operating LLC (“COG”)

ATTORNEY

Ocean Munds-Dry
Michael Rodriquez
COG Operating LLC
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone: (505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

APPLICANT’S STATEMENT OF CASE

In Case No. 21371, WPX seeks an Order for (1) establishing, to the extent necessary, a 640-acre, more or less, standard horizontal spacing and proration unit comprised of the W/2 of Sections 15 and 22, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico, and (2) pooling all uncommitted mineral interests in the Wolfcamp formation (PURPLE SAGE; WOLFCAMP [Pool Code 98220]), designated by the Division as a gas field, underlying said unit. WPX seeks to dedicate to the HSU five proposed wells as identified and described herein to a depth to test the Wolfcamp formation, as follows:

WPX proposes the **French 22-15 Fed Com 411H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15.

WPX proposes the **French 22-15 Fed Com 421H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NW/4 NW/4 (Unit D) of Section 15.

WPX proposes the **French 22-15 Fed Com 412H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.

WPX proposes the **French 22-15 Fed Com 422H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.

WPX proposes the **French 22-15 Fed Com 413H Well**, to be horizontally drilled from a surface location in SE/4 SW/4 (Unit N) of Section 22 to a bottom hole location in the NE/4 NW/4 (Unit C) of Section 15.

The completed intervals for the proposed wells will comply with the setback requirements imposed by the Special Rules for the Purple Sage Gas Pool, as provided in Order No. R-14262. Also to be considered will be the costs of drilling and completing said wells; the allocation of these costs and the actual operating costs and charges for supervision; designating WPX as operator of the wells; and a 200% charge for risk involved in drilling the wells.

Issues of correlative rights, waste, and stranded acreage are major factors and considerations in the comparison of WPX's application, described herein, and COG's application in Case No. 21344, which covers Section 3, 10, and 15, Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico. WPX will show that COG's development plan results in damage to correlative rights, excessive waste and undeveloped acreage. WPX's development plan, by comparison, provides for the optimal development of all the sections involved (Sections 3, 10, 15, and 22), the protection of correlative rights and the prevention of waste. COG's operation of Sections 3, 10, and 15 would preclude WPX's development plan in Sections 15 and 22.

APPLICANT'S PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Aaron Young - Landman See Exhibit A in Hearing Packet for credentials	Approx. 30	Approx. 7

Keegan DePriest – Geologist See Exhibit B in Hearing Packet for credentials	Approx. 30	Approx. 11
Justin Stolworthy – Engineer/ Geologist See Exhibit D in Hearing Packet for credentials	Approx. 30	Approx. 9

PROCEDURAL MATTERS

Case Nos. 21371 and 21344 are competing applications between WPX and COG. Procedurally, WPX plans to submit the written testimony of its witnesses to the Division, with an overview of the key points from the testimony of each witness. After its presentation of key points, WPX will present its witnesses to the Division and COG for further questioning and cross-examination. WPX requests opportunity for redirect should any matters need additional clarification after cross and opportunity for the subsequent call of rebuttal witnesses in order to address any matters or issues that remain outstanding or unresolved, or that necessitate further review.

Respectfully submitted,

ABADIE & SCHILL, PC

/s/ Darin C. Savage

Darin C. Savage
Andrew D. Schill
William E. Zimsky
214 McKenzie Street
Santa Fe, New Mexico 87501
Telephone: 970.385.4401
Facsimile: 970.385.4901
darin@abadieschill.com
andrew@abadieschill.com
bill@abadieschill.com

**Attorneys for WPX Energy Permian LLC/
WPX Energ**

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was filed with the New Mexico Oil Conservation Division and was served on counsel of record via electronic mail on October 15, 2020:

Ocean Munds-Dry
Michael Rodriquez
COG Operating LLC
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone: (505) 780-8000
omundsdry@concho.com
mrodriguez@concho.com

/s/ Darin C. Savage

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