

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

**APPLICATION OF ARD ENERGY, LLC TO REOPEN CASE NO. 15185 PURSUANT  
TO THE PROVISIONS OF ORDER NO. R-13913 FOR THE PURPOSE OF  
DETERMINING REASONABLE WELL COSTS, LEA COUNTY, NEW MEXICO.**

**CASE NO. 15185 (re-opened)**

**COG's PRE-HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP on behalf of COG Operating LLC ("COG") as required by the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

Ard Energy, LLC

**ATTORNEY**

Ernest L. Padilla, Esq.  
Padilla Law Firm, P.A.  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
padillalaw@qwestoffice.net

**OPPONENT**

COG Operating LLC  
One Concho Center  
600 W. Illinois Avenue  
Midland, Texas 79701

**ATTORNEY**

Michael H. Feldewert, Esq.  
Jordan L. Kessler, Esq.  
Holland & Hart LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile

RECEIVED OGD  
2016 JUL 28 PM 4:42

**COG'S STATEMENT OF CASE**

COG is the operator of the Ivar the Boneless Federal Well No. 11H Well, which was drilled in the non-standard spacing and proration unit comprised of the W/2 W/2 of Section 15, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico (the "Unit"). Division Orders R-13913 and R-13913-A authorized pooling of the uncommitted interest owners in the Unit.

Ard Energy, LLC ("Ard") is a working interest owner that elected to participate in the well under Order R-13913. Ard received an AFE dated February, 11, 2015, that anticipated total wells costs of \$3,403,000, executed that AFE in May of 2015, and transmitted to COG in August of 2015 \$180,784 as its share of the estimated costs. In its application, Ard now incorrectly suggests there was a "38.97% increase in drilling costs" and has requested a hearing to determine "reasonable well costs."

COG will address the components of the actual increase in the final well costs at the hearing and explain the reason for those increases.

#### **COG'S PROPOSED EVIDENCE**

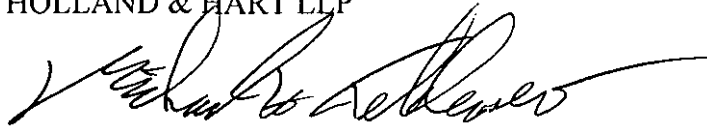
<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Joseph Scott, Landman	Approx. 10	Approx. 2
Kevin Hinshaw, Senior Facilities Engineer	Approx. 10	Approx. 2

#### **PROCEDURAL MATTERS**

None at this time.

Respectfully submitted,

HOLLAND & HART LLP



Michael H. Feldewert  
Jordan L. Kessler  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
[mfeldewert@hollandhart.com](mailto:mfeldewert@hollandhart.com)  
[jlkessler@hollandhart.com](mailto:jlkessler@hollandhart.com)

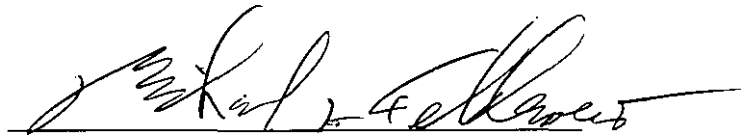
**ATTORNEYS FOR COG OPERATING LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on July 28, 2016, I served a copy of the foregoing document to  
the following via electronic mail to:

Ernest L. Padilla, Esq.  
Padilla Law Firm, P.A.  
Post Office Box 2523  
Santa Fe, New Mexico 87504  
(505) 988-7577  
padillalaw@qwestoffice.net

**ATTORNEY FOR ARD ENERGY, LLC**

A handwritten signature in black ink, appearing to read "Michael H. Feldewert" and "Jordan L. Kessler", is written over a horizontal line.

Michael H. Feldewert  
Jordan L. Kessler