

Davidson Florene, EMNRD

From Jennifer L Bradfute <jlb@modrall.com>
Sent Friday, June 16, 2017, 8:35 AM
To Ocean Munds Dry <OMundsDry@concho.com> (OMundsDry@concho.com)
wcarr@concho.com Dawson Scott EMNRD Jones William V EMNRD McMillan
Michael EMNRD Goetze Phillip EMNRD Lowe Leonard EMNRD Brooks David K
EMNRD Davidson Florene EMNRD
Cc Earl E DeBrine
Subject FW: [External] Case No. 15727 EOG Request for Continuance and PHS

All I received COG's response last night. Ocean kindly resent her e-mail which was not delivered to me due to a power outage in Downtown Albuquerque late yesterday. I am available today or on Monday and can send out a call-in number and passcode for a conference call if needed.

To respond to the points below, I wanted to point out that continuing the hearing would not delay or prevent the spudding of COG's well. Operators commonly spud wells before their hearing dates and I have heard several landmen testify that wells have been spudded in more recent pooling cases. I am unable to find any well files for this well in the NMOCD records on line. The only wells for COG in Township 22S Range 33 East are for the Bevo 11 Federal No. 004H and the Mesa Verde Federal No. 001, not at issue here. An APD has not yet been issued by the BLM for the well. As a result, it is clear that COG is still in the earlier stages of planning this well. COG has not indicated any need for an expedited order from the Division in its application, and there is no reason why a continuance should not be granted in these circumstances.

COG had been working directly with Chuck Moran concerning this well proposal, and Mr. Moran was not notified about the application until only recently. A copy of the application was not sent directly to him despite the fact that COG had been communicating directly with him and had his contact information. While COG was not *per se* required to send a copy of the application to Mr. Moran, operators commonly send applications to the individuals whom they have been working with. EOG wants to continue negotiating with COG concerning this proposal and is hopeful that the parties will reach a deal concerning the well. However, in the event the parties are not able to reach a deal, EOG has questions concerning the completion of the well. EOG owns the majority of the working interests in the last 80 acres of the proposed 2-mile lateral, and it should be afforded with an adequate opportunity by the Division to put on evidence which ensures that its correlative rights are protected.

As stated below, EOG offers to allow COG to put on its case at the June 22 hearing date, but would like the case continued to the July 20 docket for EOG to put on its evidence. This continuance is needed because Mr. Moran cannot attend the June 22/July 6 hearings, and EOG's geologist will be out of town on July 6. Since there are currently no permits or well files even associated with this well, and there is no request for an expedited order from the Division, this request for a continuance should be granted in order to protect EOG's correlative rights and further the Division's interest in the reduction of waste.

Thanks
Jennifer



Jennifer L Bradfute
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From Ocean Munds Dry [mailto:OMundsDry@concho.com]
Sent Thursday, June 15, 2017 8:53 PM
To Jennifer L Bradfute
Subject Fwd [External] Case No 15727 EOG Request for Continuance and PHS

Jennifer I received a didn't deliver message to you so trying again

Sent from my iPhone

Begin forwarded message

From Ocean Munds Dry <OMundsDry@concho.com>
Date June 15 2017 at 5:08:39 PM MDT
To "Jennifer L Bradfute" <jlb@modrall.com>
Cc "Florene davidson@state.nm.us" <Florene.davidson@state.nm.us> Jones William V EMNRD
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<edebrine@modrall.com>
Subject Re [External] Case No 15727 EOG Request for Continuance and PHS

All

Please excuse the brevity of this response but I'm typing from my phone and want you to understand the reasons for Concho's objection as soon as possible.

Concho has a drilling rig scheduled to spud this well on July 30, 2017. We have applied to amend the APD but have every assurance it will be approved before the spud date. That is not a reason to delay a hearing.

Concho sent well proposals on February 13, 2017. Concho has been actively negotiating with EOG since that time. We have been unable to reach agreement but Concho will continue to attempt an agreement with EOG even as the pooling application progresses (and even after its heard). However, Concho cannot wait any longer to proceed to hearing given the close spud date.

Concho was instructed in December 2016 by Paul Boland to send all notices to the Artesia EOG office. We cannot be held responsible for internal delays at EOG.

This is the first Concho has been made aware that EOG has geologic and engineering concerns with the proposed well.

Mr. Moran and EOG have had since February to evaluate this well.

Concho respectfully requests the Division deny the request for a continuance.

I am on a plane tomorrow morning but can try to be available for phone conference in the afternoon Or I'll be back in the office on Monday

Thanks
Ocean

Sent from my iPhone

On Jun 15 2017 at 4 12 PM Jennifer L Bradfute <jlbr@modrall.com> wrote

**** External email Use caution ****

All EOG Y Resources Inc would like to request that Case No 15727 involving the Tenderloin Federal Com 4H well be continued to the July 20th docket I have contacted Ocean Munds Dry concerning this request and COG opposes the request for a continuance

EOG Y is submitting this request for a continuance for several reasons

- First EOG has not been able to locate any drilling permits for the well which have been approved by the BLM or a C 102 for the well on the NMOCD's website
- Second COG had been discussing the proposed well with Chuck Moran at EOG in Midland but it sent its notification of this case to EOG's office in Artesia Mr Moran is the person at EOG who is knowledgeable about the discussions negotiations and issues pertaining to this well proposal and only recently received notice of the hearing
- Third and perhaps most importantly Mr Moran is not able to attend the hearing next week on June 22 and may also not be available to attend the hearing the week of July 6 due to the 4th of July holiday EOG's geologist responsible for the subject area will also be out on vacation on July 6th
- Fourth EOG needs additional time to prepare geologic and engineering data related to this application and has not yet been given adequate information to evaluate COG's completion plan for the well This well is a 2 mile long lateral and EOG owns the majority of the working interests in the last 80 acres of the lateral

In the event that COG needs to present its case at the June 22 hearing EOG asks that at a minimum that the case be continued until the July 20 docket so that it can put on its evidence EOG's geologist for this area will be out on vacation on the July 6th docket date Thank you for your consideration and please let me know if there are any questions If possible EOG would appreciate a response to this request a few days prior to the hearing next week As a precautionary measure EOG is also submitting a pre hearing statement today as well which is attached Hard copies of the prehearing statement are being sent in today's mail

Thanks
Jennifer Bradfute

<image003.jpg>
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