

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

**APPLICATION OF THE NEW MEXICO OIL
CONSERVATION DIVISION COMPLIANCE
AND ENFORCEMENT BUREAU FOR A
COMPLIANCE ORDER AGAINST COBALT
OPERATING, LLC, FOR WELLS OPERATED
IN LEA COUNTY, NEW MEXICO.**

JUL 12 2018 PM03:14

CASE NO. 16048

COBALT'S AMENDED PRE-HEARING STATEMENT

Cobalt Operating, LLC ("Cobalt") (OGRID No. 286255), the respondent in the above referenced matter, submits this Amended Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Oil Conservation Division
Compliance and Enforcement
Bureau

ATTORNEY

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OPPONENT

Cobalt Operating, LLC

ATTORNEYS

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COBALT'S STATEMENT OF CASE

Cobalt Operating, LLC ("Cobalt") (OGRID No. 286255) has three wells out of a total of 11 wells out of compliance. *See* Bureau Application at ¶ 14. One of the three non-compliant wells on the in-active well list is the Angel No. 2 well (API No. 30-025-07136). *See* Ex. 2 to Bureau Application. Cobalt has successfully returned that well to production, reducing the number of wells on the inactive well list to two wells. Cobalt, therefore, is no longer out of compliance with 19.15.5.9(A)(4) NMAC. Cobalt will supplement the record and the Division's files to confirm that the Angel No. 2 well has been returned to production. Cobalt therefore requests a continuance of two weeks.

PROPOSED EVIDENCE

WITNESS
Name and Expertise

ESTIMATED TIME

EXHIBITS

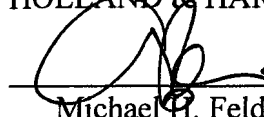
None at this time.

PROCEDURAL MATTERS

Cobalt requests that Case No. 16048 be continued to the July 26, 2018 hearing docket so that it may supplement the record and the Division's files with proof that it has returned the Angel No. 2 well to production and that Cobalt is in compliance with 19.15.5.9(A)(4) NMAC.

Respectfully submitted,

HOLLAND & HART LLP



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CERTIFICATE OF SERVICE

I hereby certify that on July 11, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail:

Keith W. Herrmann

Energy, Minerals and Natural Resources Department

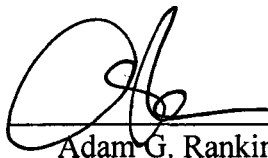
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