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

**APPLICATIONS OF COG OPERATING LLC FOR NON-STANDARD SPACING  
AND PRORATION UNITS AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 16117, 16188, 16189, 16190,  
16191 and 16192**

**APPLICATIONS OF MARATHON OIL COMPANY FOR NON-STANDARD  
SPACING AND PRORATION UNITS AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NOS. 16050, 16051 and 16213**

**COG's PRE-HEARING STATEMENT**

COG Operating LLC ("COG") submits this Pre-Hearing Statement in these consolidated cases pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT IN CASES 16117,  
16188, 16189, 16190, 16191 and 16192**

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and 16213**

Marathon Oil Permian LLC

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**OTHER PARTIES**

MRC Permian Company

Tap Rock Resources

**ATTORNEY**

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**COG's STATEMENT OF THE CASE**

COG seeks orders from the Division pooling the following standard horizontal well spacing units for development of the Bone Spring and Wolfcamp formations underlying Sections 5 and 8 of Township 26 South, Range 29 East, NMPM, Eddy County, New Mexico:

A 640-acre spacing unit in the Wolfcamp formation comprised of the W/2 of Sections 5 and 8 to be dedicated to the proposed **Hambone Federal Com 25H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 5.

A 640-acre spacing unit in the Wolfcamp formation comprised of the E/2 of Sections 5 and 8 to be dedicated to the proposed **Hambone Federal Com 26H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 5.

A 320-acre spacing unit in the Bone Spring formation comprised of the E/2 W/2 of Sections 5 and 8 to be dedicated to the proposed **Hambone Federal Com 27H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 5.

A 320-acre spacing unit in the Bone Spring formation comprised of the W/2 W/2 of Sections 5 and 8 to be dedicated to the proposed **Hambone Federal Com 28H Well**, which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in the NW/4 NW/4 (Unit D) of Section 5.

A 320-acre spacing unit in the Bone Spring formation comprised of the W/2 E/2 of Sections 5 and 8 to be dedicated to the proposed **Hambone Federal Com 29H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in the NW/4 NE/4 (Unit B) of Section 5.

A 320-acre spacing unit in the Bone Spring formation comprised of the E/2 E/2 of Sections 5 and 8 to be dedicated to the proposed **Hambone Federal Com 30H Well**, which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in the NE/4 NE/4 (Unit A) of Section 5.

These standard horizontal well spacing units are part of COG's overall plan to develop the Bone Spring and Wolfcamp formations in Sections 5 and 8 using two-mile standup horizontal wells.

In contrast to COG's development plan, Marathon has proposed one-mile laydown wells in the S/2 of Section 5. Marathon's development plan contradicts the standup horizontal well development pattern in the area, risks stranding acreage and is much less efficient than COG's proposed two-mile laterals. COG's development plan will more efficiently and economically develop the reserves underlying Sections 5 and 8.

#### **APPLICANT'S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Ashley Roush – Landman	Approx. 20	Approx. 4
Matt Fisher – Geologist	Approx. 20	Approx. 5
Tyler Adams– Reservoir Engineer	Approx. 20	Approx. 5

#### **PROCEDURAL MATTERS**

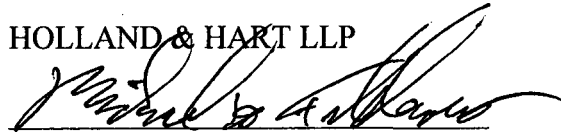
Since COG's proposed spacing units are now standard spacing units for horizontal wells, the portion of COG's applications requesting the creation of non-standard spacing and proration units will be dismissed at hearing.

Marathon's application filed in Case No. 16051 has been amended to add additional wells in the Wolfcamp formation.

The cases listed above have been consolidated for a special hearing on October 30, 2018.

Respectfully submitted,

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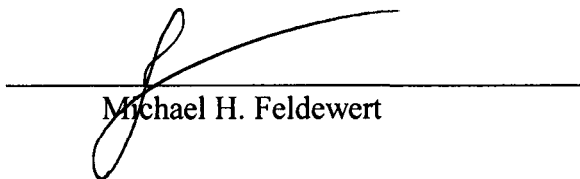
**ATTORNEYS FOR COG OPERATING LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on October 23, 2018, I filed with the Division clerk the foregoing document served a copy to the following counsel of record via Electronic Mail:

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