

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

**APPLICATION OF PRIDE ENERGY
COMPANY FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 25562

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

Case No. 25564

PREHEARING STATEMENT

Coterra Energy Operating Co. ("Coterra"), OGRID No. 215099, through its undersigned attorneys, submits the following Prehearing Statement pursuant to the rules of the Oil Conservation Division ("Division").

APPLICANT

Coterra Energy Operating Co.

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APPLICANT’S STATEMENT OF THE CASE

In Case No. 25564, Coterra seeks an order pooling all uncommitted mineral interests in the Wolfbone Pool, designated as an oil pool, encompassing the Third Bone Spring Sand and the Upper Wolfcamp Formation, underlying a standard 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Sections 12 and 13, Township 19 South, Range 34 East, NMPM, Lea County, New Mexico.

Coterra is a working interest owner in the proposed horizontal spacing and proration unit (“HSU”) and has a right to drill a well thereon.

Coterra proposes and dedicates to the HSU one initial well: the **Showbiz 13-12 State Com 301H Well**, to be drilled to sufficient depth to test the Wolfbone Pool, targeting the basal Third Bone Spring Sand of the Wolfbone Pool.

The **Showbiz 13-12 State Com 301H Well** proposed herein is orthodox in its location; the take points and completed intervals will comply with setback requirements under statewide rules.

In Case No. 25562, Pride Energy Company (“Pride”) is proposing a competing application for the same lands. Specifically, Pride is proposing to drill the **Go State Com. Well No. 401H** to a depth sufficient to test the Wolfbone Pool. The **Go State Com. Well No. 401H** well will be completed in the Upper Wolfcamp Formation.

There is a depth severance between the Bone Spring Sand and the Upper Wolfcamp Formation in this acreage, creating non-uniform ownership between the Third Bone Spring Sand and the Upper Wolfcamp Formation. However, the only two parties subject to the depth severance are Coterra and Pride. Pride and Coterra have agreed on a 50/50 split between the formations. Thus, because the parties have stipulated to the allocation formula, it is not in dispute. The allocation formula eliminates any concerns the Division may have regarding force pooling over a depth severance because two sophisticated operators have agreed to this allocation and, in doing so, have agreed that the allocation will not adversely affect either of their respective correlative rights in the Wolfbone Pool.

Both parties are requesting an overhead and administrative rates of \$10,000/month for drilling each well and \$1,000/month for producing each well. These rates are fair and comparable to the rates charged by other operators for wells of this type in this area of southeastern New Mexico. Both parties are requesting that these rates be adjusted periodically as provided in the COPAS Accounting Procedure.

Both parties are requesting the maximum cost, plus 200% risk charge, be assessed against non-consenting working interest owners to the extent needed.

Coterra owns a 41.25% working interest in the Subject Lands, while Pride owns a 12.5% working interest. Counting the support for Coterra’s proposal as evidenced by elections to participate in Showbiz 13-12 State Com 301H Well, Coterra owns or has the support of 48.1875% of the working interest in the Subject Lands.

To Coterra’s knowledge, there are no factual dispute regarding the ownership or geology of the Subject Lands. However, Pride may have elections from working interest owners of which Coterra is unaware. In addition, Coterra does not believe that there is any dispute regarding the facts set forth by Coterra’s Facilities Engineer, Calvin Boyle, in his Statement (Exhibit D) or his Exhibits (Exhibits D-1 through D-4).

There is a dispute regarding which interval is the Wolfbone Pool is the optimum target zone: Coterra contends that it is the Third Bone Spring Sand while Pride contends it is the Upper Wolfcamp. In addition, there is a dispute on the economics and ultimate recovery between the two proposals. Finally, there is an obvious dispute between the parties on which operator has proposed the best development plan for the Subject Lands.

COTERRA’S PROPOSED EVIDENCE AND WITNESS QUALIFICATIONS

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Ashley St. Pierre	Approximately 30 minutes	5

Qualifications: Ms. St. Pierre graduated in 2007 from Texas Tech University with a Bachelor of Business Administration degree in Energy Commerce. She has worked at Coterra for approximately 11 months with a primary focus on Lea County, New Mexico. Prior to Coterra, she worked in the Permian Basin for the past 11 years with various operators. Ms. St. Pierre has previously testified before the Division and her credentials as an expert witness in Petroleum Land Matters have been accepted by the Division and made a matter of record.

Geologist: Staci Frey, f/k/a Staci Miller Approximately 20 minutes 7

Qualifications: Ms. Frey has a Bachelor of Science Degree in Geophysical Engineering from Colorado School of Mines, and a Master of Science Degree in Geophysics from Colorado School of Mines. She has worked on New Mexico Oil and Gas matters since July 2018. Ms. Frey has previously testified before the Division and her credentials as an expert witness in Geology have been accepted by the Division and made a matter of record.

Reservoir Engineer: Kent Weinkauff Approximately 40 minutes 7

Qualifications: Mr. Weinkauff holds a Bachelor of Science in Petroleum Engineering and a Bachelor of Science in Business and Finance from the University of Tulsa. He has worked in oil and gas for 11 years, including over 7 years as a reservoir engineer. Kent has worked on New Mexico oil and gas matters since 2021 through reservoir engineer roles within Coterra’s Permian Business Unit and the Asset Evaluation Team. Mr. Weinkauff has previously testified before the Division and his credentials as an expert witness in Reservoir Engineering and Economic Analysis have been accepted of record.

Facilities Engineer: Calvin Boyle Approximately 10 minutes 4

Qualifications: Mr. Boyle has a Bachelor of Science Degree in Petroleum Engineering from The University of Oklahoma, and a Master of Business Administration from Oklahoma State University. He has approximately 8 years of experience as facilities engineer working in various technical capacities. Mr. Boyle has testified previously before the Division and his credentials as an expert witness in Facilities Engineering have been accepted of record.

**PRIDE ENERGY COMPANY’S PROPOSED EVIDENCE AND WITNESS
QUALIFICATIONS**

To be submitted in Pride Energy Company’s Prehearing Statement

PROCEDURAL MATTERS

There are no procedural matters pending.

Respectfully submitted,

ABADIE & SCHILL, PC

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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 January 20, 2026:

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
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QUESTIONS

Action 545252

QUESTIONS

Operator: Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 545252
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	4
Testimony time (in minutes)	100