

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

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR
COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF AN OVERLAPPING SPACING UNIT,
EDDY COUNTY, NEW MEXICO**

CASE No. 25805

**APPLICATION OF COTERRA ENERGY
OPERATING CO. FOR APPROVAL OF
A NON-STANDARD UNIT, COMPULSORY POOLING,
AND TO THE EXTENT NECESSARY,
APPROVAL OF AN OVERLAPPING SPACING UNIT,
LEA COUNTY, NEW MEXICO**

CASE NO. 25806

CONSOLIDATED PRE-HEARING STATEMENT

Coterra Energy Operating Co. ("Coterra") submits this Consolidated Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

Coterra Energy Operating Co.

ATTORNEY

Deana M. Bennett
Earl E. DeBrine, Jr.
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
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(505) 848-1800

OTHER PARTIES

None.

ATTORNEY

STATEMENT OF CASES

APPLICANT:

In **Case No. 25805**, Coterra seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 640-acre, more or less, Wolfcamp horizontal spacing unit comprised of the E/2 of Sections 25 and 36, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the following wells: the **Eastwood Federal Com 36-25 #703H** well with a proposed surface hole location in the SE/4 SE/4 (Unit P) of Section 36 and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 25; and the **Eastwood Federal Com 36-25 #404H, Eastwood Federal Com 36-25 #704H, and Eastwood Federal Com 36-25 #804H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 25. The wells will be drilled at orthodox locations. The completed interval for the **Eastwood Federal Com 36-25 #804H** well is expected to be less than 330 feet from the adjoining tracts thereby allowing for the inclusion of the proximity tracts within the proposed spacing unit under Rule 19.15.16.15(B)(1)(b) NMAC. Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 28 miles west of Hobbs, New Mexico.

In **Case No. 25806**, Coterra seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 640-acre, more or less, Bone Spring horizontal spacing unit comprised of the E/2 of Sections 25 and 36, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico. This spacing unit will be dedicated to the following wells: **Eastwood Federal Com 36-25 #123H, Eastwood Federal Com 36-25 #153H, Eastwood Federal Com 36-25 #223H, and Eastwood Federal Com 36-25 #353H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 36 and proposed last take points in the NW/4 NE/4 (Unit B) of Section 25; and **Eastwood Federal Com 36-25 #124H, Eastwood Federal Com 36-25 #154H, and Eastwood Federal Com 36-25 #224H** wells with proposed surface hole locations in the SE/4 SE/4 (Unit P) of Section 36 and proposed last take points in the NE/4 NE/4 (Unit A) of Section 25. The wells will be drilled at orthodox locations. Applicant also seeks, to the extent necessary, approval of an overlapping spacing unit. This proposed unit will partially overlap with the following existing spacing units:

- A 40-acre spacing unit dedicated to the Smith #001H (API No. 30-025-27705) located in the NW/4 SE/4 of Section 25, Township 19 South, Range 33 East and operated by Cimarex Energy Co. of Colorado;
- A 40-acre spacing unit dedicated to the Smith #002H (API No. 30-025-38952) located in the SE/4 SE/4 of Section 25, Township 19 South, Range 33 East and operated by Cimarex Energy Co. of Colorado;
- A 40-acre spacing unit dedicated to the Penzoil "36" State #002H well (API No. 30-025-35971) located in the NE/4 NE/4 of Section 36, Township 19 South, Range 33 East and operated by Cimarex Energy Co. of Colorado;

- A 40-acre spacing unit dedicated to the Penzoil “B” 36 State #002H well (API No. 30-025-38300) located in the NW/4 SE/4 of Section 36, Township 19 South, Range 33 East and operated by Cimarex Energy Co. of Colorado;
- A 40-acre spacing unit dedicated to the Penzoil “B” 36 State #004H well (API No. 30-025-38559) located in the SW/4 SE/4 of Section 36, Township 19 South, Range 33 East and operated by Cimarex Energy Co. of Colorado; and
- A 40-acre spacing unit dedicated to the Penzoil “B” 36 State #005H well (API No. 30-025-38560) located in the SE/4 SE/4 of Section 36, Township 19 South, Range 33 East and operated by Cimarex Energy Co. of Colorado.

Also to be considered will be the cost of drilling, completing, and equipping said wells, the allocation of these costs as well as the actual operating costs and charges for supervision while drilling and after completion, designation of Coterra Energy Operating Co. as operator of the wells, and a 200% charge for risk involved in drilling said wells. Said area is located approximately 28 miles west of Hobbs, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Ashley St. Pierre	Approx. 10 minutes	Approx. 8
Geologist: Joshua Russo	Approx. 10 minutes	Approx. 9

PROCEDURAL ISSUES

Coterra intends to present these cases by affidavit if there is no opposition to the applications.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
Santa Fe, NM 87505

QUESTIONS

Action 547960

QUESTIONS

Operator: Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 547960
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

Testimony	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	2
Testimony time (in minutes)	Not answered.