

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

**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. 26109

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted for the above-referenced case pursuant to the rules of the Oil Conservation Division. This application was filed on behalf of Coterra Energy Operating Co.

APPEARANCES

APPLICANT

Coterra Energy Operating Co.

ATTORNEY

Deana M. Bennett
Earl E. DeBrine, Jr.
Jeffrey H. Goodwin
MODRALL, SPERLING, ROEHL,
HARRIS & SISK, P.A.
P. O. Box 2168
Albuquerque, New Mexico 87103-2168
(505) 848-1800

OTHER PARTIES

Permian Resources Operating, LLC

ATTORNEY

Dana S. Hardy
Jaclyn M. McLean
Jaime R. Kennedy
Yarithza Peña
125 Lincoln Ave., Suite 223
Santa Fe, NM 87501
(505) 372-6375

COG Operating LLC and
Mongoose Minerals LLC

Adam G. Rankin
Paula M. Vance
A Raylee Starnes
PO Box 2208
Santa Fe, NM 87504
(505) 988-4421

STATEMENT OF CASE

APPLICANT:

In **Case No. 26109**, Coterra seeks an order from the Division approving a non-standard spacing unit and pooling all uncommitted interests within a 1918.04-acre, more or less, Bone Spring horizontal spacing unit comprised of all of irregular Section 2 (comprised of Lot 4, the SW/4NW/4 and the W/2SW/4 (the W/2W/2 equivalent); Lot 3, the SE//4NW/4 and the E/2SW/4 (E/2W/2 equivalent); Lot 2, the SW/4NE/4 and the W/2SE/4 (the W/2E/2 equivalent); and Lot 1, the SE/4NE/4 and the E/2SE/4 (the E/2E/2 equivalent), Township 20 South, Range 33 East, and all of Sections 35 and 26, Township 19 South, Range 33 East, NMPM, Lea County, New Mexico in the Teas; Bone Spring pool (pool code 58960). This spacing unit will be dedicated to the following wells: **Laguna Deep Fed Com 2-26 #221H** well with a proposed first take point in the SW/4 SW/4 (Unit M) of Section 2 and a proposed last take point in the NW/4 NW/4 (Unit D) of Section 26; **Laguna Deep Fed Com 2-26 #222H** well with a proposed first take point in the SE/4 SW/4 (Unit N) of Section 2 and a proposed last take point in the NE/4 NW/4 (Unit C) of Section 26; **Laguna Deep Fed Com 2-26 #223H** well with a proposed first take point in the SW/4 SE/4 (Unit O) of Section 2 and a proposed last take point in the NW/4 NE/4 (Unit B) of Section 26; and **Laguna Deep Fed Com 2-26 #224H** well with a proposed first take point in the SE/4 SE/4 (Unit P) of Section 2 and a proposed last take point in the NE/4 NE/4 (Unit A) of Section 26. The wells will be horizontally drilled, and the producing areas for the wells are expected to be orthodox. 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 GEM 8705 JV-P #004 well (API No. 30-025-31209) located in the SE/4SW/4 of Section 2, Township 20 South, Range 33 East and operated by BTA Oil Producers, LLC; A 40-acre spacing unit dedicated to the GEM 8705 JV-P #005 well (API No. 30-025-31271) located in the SW/4SW/4 of Section 2, Township 20 South, Range 33 East and operated by BTA Oil Producers, LLC; A 120-acre spacing unit dedicated to the GEM 8705 JV-P #006H well (API No. 30-025-31318) located in the NE/4SW/4 and the N/2NE/4 of Section 2, Township 20 South, Range 33 East and operated by BTA Oil Producers, LLC; A 40-acre spacing unit dedicated to the GEM 8705 JV-P #001 well (API No. 30-025-29916) located in the NW/4NE/4 of Section 2, Township 20 South, Range 33 East and operated by BTA Oil Producers, LLC; A 40-acre spacing unit dedicated to the GEM 8705 JV-P #009 well (API No. 30-025-34841) located in the NE/4NE/4 of Section 2, Township 20 South, Range 33 East and operated by BTA Oil Producers, LLC; A 120-acre spacing unit dedicated to the Laguna Deep Unit 35 Federal #002H well (API No. 30-025-40943) located in the SE/4SW/4 and the S/2SE/4 of Section 35 and operated by Shackelford Oil Co.; A 40-acre spacing unit dedicated to the Laguna Deep Unit 35 Federal #009H well (API No. 30-025-37686) located in the SW/4NW/4 of Section 35 and operated by Shackelford Oil Co.; A

40-acre spacing unit dedicated to the Laguna Deep Federal Unit #005 well (API No. 30-025-34749) located in the NW/4SE/4 of Section 35 and operated by Coterra Energy Operating Co.; A 40-acre spacing unit dedicated to the Laguna Deep Federal Unit #002 well (API No. 30-025-26440) located in the SE/4SW/4 of Section 35 and operated by Coterra Energy Operating Co. 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 16 miles southeast of Maljamar, New Mexico.

PROPOSED EVIDENCE

APPLICANT:

WITNESS	ESTIMATED TIME	EXHIBITS
Landman: Trey Roberson	Approx. 10 minutes	Approx. 10
Geologist: Josh Day	Approx. 10 minutes	Approx. 5

PROCEDURAL ISSUES

Coterra intends to present this case by affidavit if there are no objections.

Respectfully submitted,

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

By: Deana M. Bennett


Deana M. Bennett
Earl E. DeBrine, Jr.
Jeffrey H. Goodwin
Post Office Box 2168
500 Fourth Street NW, Suite 1000
Albuquerque, New Mexico 87103-2168
Telephone: 505.848.1800
Deana.bennett@modrall.com
Earl.debrine@modrall.com
Jeff.goodwin@modrall.com

CERTIFICATE OF SERVICE

I hereby certify that on May 28, 2026, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Dana S. Hardy
Jaclyn M. McLean
Jaime R. Kennedy
Yarithza Peña
125 Lincoln Ave., Suite 223
Santa Fe, NM 87501
dhardy@hardymclean.com
jmclean@hardymclean.com
jkennedy@hardymclean.com
ypena@hardymclean.com
***Attorneys for Permian Resources
Operating, LLC***

Adam G. Rankin
Paula M. Vance
A Raylee Starnes
PO Box 2208
Santa Fe, NM 87504
agrarkin@hollandhart.com
pmvance@hollandhart.com
arstarnes@hollandhart.com
***Attorneys for COG Operating LLC and
Mongoose Minerals LLC***

By: 
Deana M. Bennett

Sante Fe Main Office
Phone: (505) 476-3441

General Information
Phone: (505) 629-6116

Online Phone Directory
<https://www.emnrd.nm.gov/ocd/contact-us>

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

QUESTIONS

Action 589390

QUESTIONS

Operator: Coterra Energy Operating Co. 6001 Deauville Blvd Midland, TX 79706	OGRID: 215099
	Action Number: 589390
	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)	10