

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

**APPLICATION OF COG OPERATING LLC
TO AMEND ORDER NO. R-21107-A, DISMISS
ORDER NO. R-21052, AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.**

CASE NO. 24576

COG'S PRE-HEARING STATEMENT

COG Operating LLC ("COG" or "Applicant"), the applicant in the above-referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC
("COG")

ATTORNEY

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APPLICANT'S STATEMENT OF THE CASE

Under **Case No. 24576**, COG seeks to amend pooling Order No. R-21107-A to incorporate the acreage under Order No. R-21052, dismiss Order No. R-21052, and pool all uncommitted interests in the Wolfcamp formation underlying a standard 1,535.08-acre, more or less, horizontal well spacing unit comprised of all of Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico.

COG is the designated operator under Order No. R-21107-A and Order No. R-21052. Order No. R-21107-A was entered into on June 12, 2020, and Order No. R-21052 was entered into on January 20, 2020.

Order No. R-21107-A, under Case No. 21308, adopted the terms and conditions of the Amended Order Template. Order No. R-21107, under Case No. 20903, pooled uncommitted mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool [98220]) underlying a standard 767.51-acre horizontal well spacing unit comprised of the W/2 of Sections 20 and 29, and the N/2 NW/4 and Lots 1-2 of irregular Section 32 (NW/4 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is dedicated to the producing **Honey Graham State Com 702H** (API No. 30-015-46385), drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 2 (SE/4 NW/4 equivalent); and the producing **Honey Graham State Com 703H** (API No. 30-015-46386), drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 20, a first take point in the NW/4 NW/4 (Unit D) of Section 20 and a last take point in Lot 1 (SW/4 NW/4 equivalent).

Order R-21052, under Case No. 20928, pooled uncommitted mineral interests in the Wolfcamp formation (Purple Sage-Wolfcamp Gas Pool [98220]) underlying a standard 767.57-acre horizontal well spacing unit comprised of the E/2 of Sections 20 and 29, and the N/2 NE/4 and Lots 3-4 of irregular Section 32 (NE/4 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard horizontal well spacing unit is dedicated to the producing **Honey Graham State Com 701H** (API No. 30-015-46381), drilled from a surface location in the NE/4 NE/4 (Unit A) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 4 (SE/4 NE/4 equivalent).

Applicant requests to combine the dedicated acreage from the two original units to form a standard 1,535.08-acre, more or less, horizontal well spacing unit in the Wolfcamp formation comprised of all of Sections 20 and 29, and the N/2 N/2 and Lots 1-4 of irregular Section 32 (N/2 equivalent), Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This standard spacing unit will be rededicated to the existing wells, and include the following additional wells:

- **Honey Graham State Com 704H** (API No. 30-015-PENDING), which will be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NE/4 (Unit A) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent); and
- **Honey Graham State Com 706H** (API No. 30-015-PENDING), which will be drilled from a surface location in the NW/4 NE/4 (Unit B) of Section 20, a first take point in the NE/4 NW/4 (Unit C) of Section 20 and a last take point in Lot 3 (SW/4 NE/4 equivalent). The completed interval of the **Honey Graham State Com 706H** well is expected to remain within 330 feet of the offsetting quarter section or equivalent tracts to include that acreage in a standard horizontal well spacing unit.

The completed interval for the wells will comply with Special Pool Rules for the Purple Sage Wolfcamp. Applicant has reached a voluntary agreement with all working interest owners in this proposed unit and seeks to only pool certain non-cost-bearing interest owners, including an overriding royalty interest owner and record title owner, who have yet to execute the necessary state communitization agreements.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Shelley Klingler, Landman	Self-Affirmed Statement	Approx. 5
Jessica Pontiff, Geologist	Self-Affirmed Statement	Approx. 4

PROCEDURAL MATTERS

COG intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

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State of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division
1220 S. St Francis Dr.
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QUESTIONS

Action 356624

QUESTIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 356624
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

QUESTIONS

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