

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

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING AND
APPROVAL OF NON-STANDARD
SPACING UNIT, EDDY COUNTY, NEW MEXICO.**

CASE NO. 23959

PRE-HEARING STATEMENT

COG Operating LLC (“COG” or “Applicant”) submits its Consolidated Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPLICANT

COG Operating LLC

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INTERESTED PARTIES

XTO Energy, Inc.

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STATEMENT OF THE CASE

COG applies for an order pooling all uncommitted interests in the Bone Spring formation underlying a 1,440-acre, more or less, non-standard horizontal spacing unit comprised of the W/2 and W/2 E/2 of Sections 3, 10, and 15, Township 26 South, Range 29 East, Eddy County, New Mexico. Applicant seeks to dedicate the Unit to the following wells: **Rock Jelly Federal Com 703H** well, which will be drilled from a surface hole location in Lot 3 (NE/4 NW/4 equivalent) of Section 3 to a bottom hole location in the SE/4 SW/4 (Unit N) of Section 15; and **Rock Jelly Federal Com 704H** well, which will be drilled from a surface hole location in Lot 3 (NE/4 NW/4 equivalent) of Section 3 to a bottom hole location in the SW/4 SW/4 (Unit M) of Section 15.

COG seeks approval of a non-standard spacing unit to develop the W/2 and W/2 E/2 of Sections 3, 10, and 15 and optimally locate its proposed wells and surface facilities. COG’s plan to drill three-mile laterals will allow it to efficiently produce the underlying reserves without the setback limitations that would apply if the acreage were developed with shorter laterals. The proposed non-standard unit will allow COG to consolidate surface facilities and thereby reduce costs and environmental impacts. COG’s comprehensive development plan protects correlative rights and prevents the drilling of unnecessary wells.

Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs, the designation of COG as operator of the wells, and a 200% charge for the risk involved in drilling and completing the wells.

PROPOSED EVIDENCE

Witness	Occupation	Estimated Time	Exhibits
Gianna Romero	Land Negotiator	Affidavit	Approx. 5
Chris Wray	Geologist	Affidavit	Approx. 4

PROCEDURAL MATTERS

Applicant intends to present this case by affidavit if there is no opposition to its application.

Respectfully submitted,

HINKLE SHANOR, LLP

/s/ Dana S. Hardy

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Counsel for COG Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that on December 14, 2023, I served a true and correct copy of the foregoing pleading on the following counsel of record by electronic mail:

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State of New Mexico
Energy, Minerals and Natural Resources
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QUESTIONS

Action 294901

QUESTIONS

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 294901
	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>