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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20903

PRE-HEARING STATEMENT OF COG OPERATING LLC

COG Operating LLC, the applicant in the above referenced matter, submits this Pre-

Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES OF THE PARTIES

APPLICANT

ATTORNEY

COG Operating LLC One Concho Center 600 West Illinois Avenue Midland, Texas 79701

William F. Carr
Ocean Munds-Dry
Elizabeth A. Ryan
Michael Rodriguez
Concho Resources
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
wcarr@concho.com
omundsdry@concho.com
eryan@concho.com
mrodriguez@concho.com

OTHER PARTY

ATTORNEY

EOG Resources, Inc.

Earl E. Debrine, Jr.
Deana M. Bennett
Lance D. Hough
Modrall, Sperling, Roehl, Harris & Sisk
Post Office Box 2168
Albuquerque, New Mexico 87103
edebrine@modrall.com
dmb@modrall.com
ldk@modrall.com

STATEMENT OF THE CASE

COG Operating LLC (COG), seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage-Wolfcamp Gas Pool (Pool Code 98220) underlying the 767.51-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 20 and 29 and the N/2NW/4 and Lots 1 and 2 of irregular Section 32, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. This horizontal spacing unit will be dedicated to the following two initial wells to be drilled simultaneously. The proposed Honey Graham State Com 702H to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit C (NE4NW/4) of Section 20 and the last take point in Lot 2 of Section 32; and the proposed Honey Graham State Com 703H to be horizontally drilled to a depth sufficient to test the Wolfcamp formation with the first take point for this well in Unit D (NW4NW/4) of Section 20 and the last take point in Lot 1 of Section 32.

All take points in each of the two initial wells shall be at legal locations pursuant to the rules of the Purple Sage-Wolfcamp Gas Pool. Also to be considered will be approval of an extension of time for the drilling and completion of the initial wells on this horizontal spacing unit, the cost of drilling and completing each well and the allocation of costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the wells and horizontal well unit, and a 200% charge for risk involved in the drilling and completing the wells.

PROPOSED EVIDENCE

WIINESS	ESTIMATED TIME	<u>EXHIBITS</u>
Travis Macha, Land	Approx. 20 minutes	Approx. 5
Benjamin Davis, Geology	Approx. 19 Minutes	Approx. 4

STIMBINGO

PROCEDURAL MATTERS

COG will present this case by affidavit.

Respectfully Submitted,

COG OPERATING LLC

William F. Carr

Ocean Munds-Dry

Elizabeth A. Ryan

Michael Rodriguez

1048 Paseo De Peralta

Santa Fe, New Mexico 87501

(505) 780-8000

wcarr@concho.com

omundsdry@concho.com

eryan@concho.com

mrodriguez@concho.com

ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on November 7, 2019 I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Earl E. DeBrine, Jr.

Deana M. Bennett

Lance D. Hough

William F. Carr