

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

**APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,  
THROUGH THE COMPLIANCE AND ENFORCEMENT MANAGER, FOR AN  
ORDER AUTHORIZING THE DIVISION TO RECOGNIZE AN OPERATOR OF  
RECORD FOR WELLS CURRENTLY OPERATED BY YESO, ENERGY, INC.,  
LEA, EDDY AND CHAVES COUNTIES, NEW MEXICO.**

**CASE NO. 14547**

**APPLICATION OF COG OPERATING LLC FOR CANCELLATION OF  
OPERATOR'S AUTHORITY AND TERMINATION OF SPACING UNITS, YESO  
ENERGY, INC. DOW "B" FEDERAL WELL NO. 1, EDDY COUNTY, NEW  
MEXICO.**

**CASE NO. 14472**

**PRE- HEARING STATEMENT**

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

**APPEARANCES OF PARTIES**

**CASE NO. 14547:**

**APPLICANT**

Oil Conservation Division

**ATTORNEY**

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**INTERESTED PARTY**

Judah Oil, LLC

**ATTORNEY**

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**CASE NO. 14472:**

**APPLICANT**

COG Operating LLC

**ATTORNEY**

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**RESPONDENT**

Judah Oil, LLC

**ATTORNEY**

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**STATEMENT OF CASE**

**INTERESTED PARTY/RESPONDENT**

In Case No. 14547, the Division has requested an order on how operator change requests for certain Yeso wells should be handled. Since the filing of the Division's Application, Yeso Energy and Chica Energy have submitted to the Division letters indicating these entities have no interest in the wells and that Yeso has transferred its interest to Judah. Also, since that time, the BLM has approved Judah Oil as the new operator of record for the Dow "B" 28 Federal No. 1 (API 30-15-28676). In Case No. 14472, the Division issued an order authorizing COG Operating LLC to use the well for disposal operations without the necessity of a change of operator. At this point in time, the Dow B 28 Federal Well appears to be the only well where there is a possible competing interest for operatorship. However, as noted above, the BLM has approved Judah Oil as the current operator of record for these wells. That approval was accomplished through the procedures put in place by the BLM for change of operators for wells on federal lands. Judah Oil has in place all of the necessary bonding and has met, or is in the process of meeting, all of the conditions of approval imposed by the BLM for this change of

operator. The Division's application seeking "guidance" from the Commission on how it should proceed with the change of operator notices submitted by Judah Oil for this federal well has been answered and rendered moot by the BLM's recent actions. Indeed, Judah Oil is the *only operator* that has stepped forward and obtained the necessary approvals from the BLM to take over responsibility for these federal wells. Therefore, Judah respectfully requests that the Commission approve the pending change of operator form properly submitted by Judah as well as the C-108 Application of Inject filed by Judah for the Down B 28 Federal Well No. 1.

### **PROPOSED EVIDENCE**

<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
James B. Campanella, President	30 minutes	

### **EXHIBITS**

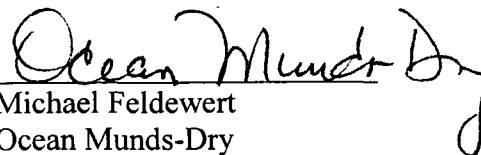
See attached Exhibits.

### **PROCEDURAL MATTERS**

Judah has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

By:   
Michael Feldewert  
Ocean Munds-Dry

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**ATTORNEYS FOR JUDAH OIL LLC**

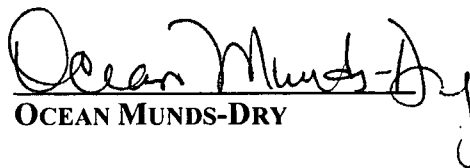
## CERTIFICATE OF SERVICE

I certify that on October 28, 2010 I served a copy of the foregoing document to the following by

- ☐ U.S. Mail, postage prepaid
- ☒ Hand Delivery
- ☐ Fax
- ☐ Electronic Service by LexisNexis File & Serve

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