

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

**APPLICATION OF COG OPERATING
LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT
AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

Case No. 15296

**COG OPERATING LLC'S RESPONSE IN OPPOSITION TO
THE TEXAS A&M UNIVERSITY SYSTEM'S REQUEST FOR CONTINUANCE**

RECEIVED OCD
2015 MAY -8 2:06

Pursuant to 19.15.4.16(C) NMAC, applicant COG Operating LLC ("COG") responds in opposition to the request for a continuance of the May 14th hearing that The Texas A&M University System ("TAMU") submitted to the Division via email at 3:39 p.m. on May 7, 2015. In support of its opposition to TAMU's request, COG states:

1. In this compulsory pooling case, TAMU has neither entered an appearance nor served COG's counsel with a Pre-Hearing Statement. *See* 19.15.4.10(C) and 19.15.4.13 NMAC.
2. Those procedural deficiencies aside, a continuance of the May 14th hearing date requested by COG is neither necessary nor warranted. TAMU's email request for a continuance does not state any opposition to the merits of COG's application. Rather, the only reason stated in TAMU's request is a perceived need for more time to negotiate a lease.
3. West Texas State University, which is the record interest owner and a part of the TAMU system, was notified of COG's well proposal in mid-March, leaving TAMU with ample time to communicate with COG about lease terms for TAMU's one net acre mineral interest. Conducting the hearing on May 14th as COG requested will in no way impede TAMU's ability to negotiate a lease. Those negotiations can continue before and after that date, and even after the Division issues its order addressing COG's application.

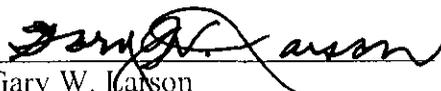
4. Conversely, the timing of the hearing is critical for COG, which faces a July 1 drilling deadline in numerous leases. If the deadline is not met, COG stands to lose numerous leases totaling more than 500 net acres. Consequently, COG needs its application to be heard as soon as possible in order to receive a Division order and spud the well in advance of the deadline.

5. COG has made a generous, good-faith offer to TAMU to lease its one net acre interest, and is ready and willing to continue negotiating with TAMU.

6. COG acknowledges receipt of the Examiner's email continuing this case until June 11, 2015 that the Examiner sent at 9:06 a.m. this date, before COG had the reasonable opportunity to file a written response contemplated by 19.15.4.16(C) NMAC. Given the significant economic risk that COG is confronted with if the case is continued, COG requests reconsideration of that decision. Additionally, COG requests the Examiner to set a telephonic pre-hearing conference at his earliest convenience, pursuant to 19.15.4.16(B) NMAC, to address the issues raised in this response.

WHEREFORE, COG respectfully requests that the Examiner (i) reconsider his decision granting a continuance, (ii) set a telephonic pre-hearing conference, (iii) deny TAMU's request for a continuance, and (iv) reset the case for hearing on May 14th.

HINKLE SHANOR, LLP


Gary W. Larson
P.O. Box 2068
Santa Fe, NM 87504-2068
Phone: (505) 982-4554
Facsimile: (505) 982-8623
glarson@hinklelawfirm.com

Counsel for COG Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 8th day of May, 2015, I served a true and correct copy of the foregoing *Response in Opposition to The Texas A&M University System's Request for Continuance* via email to:

Gina M. Joseph, Assistant General Counsel
Office of General Counsel
Moore/Connally Building
301 Tarrow, 6th Floor
College Station, TX 77840-7896
Phone: (979) 458-6120
Facsimile: (979) 458-6150
gina.joseph@tamus.edu

Counsel for The Texas A&M University System



Gary W. Larson