

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

**APPLICATION OF NEARBURG EXPLORATION COMPANY, SRO2 LLC AND SRO3 LLC FOR AN ACCOUNTING AND LIMITATION ON RECOVERY OF WELLS COSTS, AND FOR CANCELLATION OF APPLICATION FOR PERMIT TO DRILL, EDDY COUNTY, NEW MEXICO.**

**CASE NO.15441**

**COG's PRE-HEARING STATEMENT**

COG Operating, LLC, ("COG") a party affected by the this application, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

**ATTORNEY**

**RESPONDENT**

**ATTORNEY**

COG Operating LLC  
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**COG'S STATEMENT OF CASE**

On January 15, 2016, COG filed a Motion To Dismiss Application And Quash Subpoena on the grounds that most of the relief sought by Applicant is outside the jurisdiction of the Oil Conservation Division and mirrors relief requested under a Complaint contemporaneously filed in the First Judicial District Court under a case styled *Nearburg Exploration Company, L.L.C., SRO2 LLC, and SRO3 LLC v. COG Operating LLC*, CV-2015-02541. Since Applicant has

indisputably ratified a Joint Operating Agreement governing the subject property in 2009, and confirmed that Joint Operating Agreement by executing in May of 2015 two communitization agreements recognizing COG as operator of the subject property, no basis exists to suggest COG violated any division rules by permitting, drilling and completing the disputed wells. Accordingly, this matter should be dismissed and the issued subpoena quashed since the discovery sought serves no discernable purpose to any issue lawfully before the Division.

### **COG'S PROPOSED EVIDENCE**

Since Applicant has yet to file a response to COG's Motion to Dismiss and the Division not ruled on the pending Motion, COG is not prepared at this time to present any evidence in this matter.

### **PROCEDURAL MATTERS**

On January 15, 2016, COG filed a Motion to Dismiss Application And Quash Subpoena. Applicant has not yet responded to the Motion nor has the Division ruled on the pending Motion.

Respectfully submitted,

HOLLAND & HART, LLP

A handwritten signature in black ink, appearing to read "Michael H. Feldewert", is written over a horizontal line.

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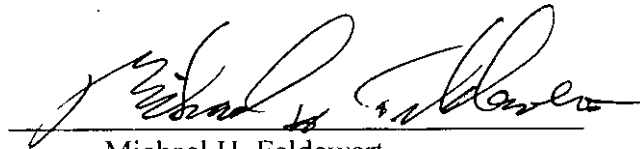
**CERTIFICATE OF SERVICE**

I hereby certify that on January 28, 2016, I served a copy of the foregoing document to the following counsel of record via electronic mail:

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Handwritten signatures of Michael H. Feldewert and Jordan L. Kessler, written in black ink over a horizontal line.

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