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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION
MAY 28 A 10:55

**IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION DIVISION FOR
THE PURPOSE OF CONSIDERING:**

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

Case No. 15,520

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Yates Petroleum Corporation ("Yates") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT
COG Operating LLC

APPLICANT'S ATTORNEY
William F. Carr

OPPONENT
Yates Petroleum Corporation
105 South Fourth Street
Artesia, New Mexico 88210

OPPONENT'S ATTORNEY
James Bruce
P.O. Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attention: Chuck Moran
(575) 748-4349

STATEMENT OF THE CASE

APPLICANT

Applicant seeks pool the interest of OXY Y-1 Company ("OXY") into the well unit for the proposed Banter State Well No. 4H (the "Well"), being the W/2W/2 of Section 13, Township 23 South, Range 34 East, NMPM, in Lea County.

OPPONENT

Yates opposes the application because of the following issues:

1. Yates owns the OXY interest under an Operating Agreement dated January 1, 1987 between Yates, OXY, and other parties. OXY non-consented the Well under the Operating Agreement, and under the terms thereof Yates is entitled to OXY's interest.

2. Yates has offered the OXY interest (proportionately) to other working interest owners in the Well pursuant to a separate agreement.

As a result, the OXY interest need not be pooled because its interest is already contractually bound.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

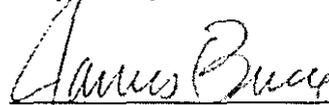
Chuck Moran
(landman)

10 min.

Approx. 2

PROCEDURAL MATTERS

Respectfully submitted,



James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043

Attorney for Yates Petroleum Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 28th day of July, 2016 by e-mail:

William F. Carr
wcarr@concho.com

Ocean Munds-Dry
omundsdry@concho.com



James Bruce