

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

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

Case No. 15879

OCCIDENTAL'S PRE-HEARING STATEMENT

Occidental Permian Limited Partnership ("Occidental") files this pre-hearing statement in accordance with section 19.15.4.13.B NMAC.

APPEARANCES

APPLICANT

COG Operating LLC

ATTORNEY

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OPPONENT

Occidental Permian Limited Partnership
5 East Greenway Plaza, #110
Houston, TX 77046

ATTORNEY

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OPPONENT'S STATEMENT OF CASE

Applicant seeks an order (i) approving a 320-acre, non-standard spacing and proration unit in the W/2 E/2 of Section 8 and the W/2 E/2 of Section 17, Township 26 South, Range 33 East, Lea County, New Mexico, and (ii) pooling all uncommitted mineral interests in the Bone

Spring formation. Applicant proposes to dedicate the above-referenced non-standard spacing and proration unit as the project area for its Tigercat Federal Com #2H well. Applicant has filed three related applications in cases No. 15778 (Bone Spring, E/2 E/2 of Section 8 and E/2 E/2 of Section 17—Tigercat Federal Com #1H well), No. 15780 (Wolfcamp, E/2 W/2 of Section 8—Tigercat Federal Com #3H well), and No. 15781 (Bone Spring, W/2 W/2 of Section 8—Tigercat Federal Com #4H well).

Opponent Occidental holds material working interests in the S/2 of the same Section 8 (320 acres), the S/2 of NE/4 and SE/4 of NW/4 of the same Section 8 (120 acres), and the W/2 of the same Section 17 (320 acres). Consequently, Occidental holds a 37.5% working interest in the proposed Tigercat Federal Com #1H and #2H wells, a 75% working interest in the proposed Tigercat Federal Com #3H well, and a 50% working interest in the proposed Tigercat Federal Com #4H well. Occidental does not agree with Applicant's development plans. Occidental's concerns include, but are not limited to, a preference for earlier development of proven prolific and shallower benches. Occidental has sought to discuss these matters in order to reach a mutually agreeable resolution with Applicant, but Applicant has not been responsive to Occidental's concerns.

OPPONENT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jonathan Gonzales Land Negotiator with Occidental	15 minutes	Approx. 10 land maps and/or plats and related agreements

Tyler Evans
Geologist

15 minutes

Approx. 5 geologic
maps and cross-
sections

Sam Moonesan
Senior Reservoir Engineer

15 minutes

Approx. 5 reservoir
maps and figures

PROCEDURAL MATTERS

As of the date of this filing, Occidental has had only one week's notice of this hearing. Occidental has filed a Motion for Continuance of this matter requesting a continuance to the next regular Hearing Examiner docket on December 21, 2017.

Respectfully submitted,

GALLAGHER & KENNEDY, P.A.

By: 

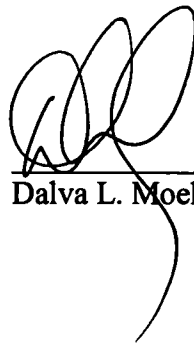
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ATTORNEY FOR Occidental Permian Limited
Partnership

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading, was served electronically upon the following counsel on this 21st day of November, 2017.

Gary W. Larson, Esq.
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A handwritten signature in black ink, consisting of several loops and a long trailing line, positioned above a horizontal line.

Dalva L. Moellenberg