

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

03/16/2018 #11:58

**APPLICATION OF COG OPERATING LLC
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

CASE NO. 16316

PRE-HEARING STATEMENT OF COG OPERATING LLC

COG Operating LLC, the applicant in the above referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES OF THE PARTIES:

APPLICANT:

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

ATTORNEYS:

Ocean Munds-Dry
William F. Carr
Elizabeth A. Ryan
Concho Resources
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
(505) 428-0485 Facsimile
omundsdry@concho.com
wcarr@concho.com
eryan@concho.com

OPPOSING:

Marathon Oil Permian, LLC
5555 San Felipe Street
Houston, Texas 77056

ATTORNEYS

Earl E. DeBrine
Jennifer Bradfute
Zoe E. Lees
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
earl.debrine@modrall.com
jennifer.bradfute@modrall.com
zoe.lees@modrall.com

STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order (1) creating an 160-acre, more or less, spacing and proration unit comprised of E/2SE/4 of Section 18 and E/2NE/4 of Section 19, Township 24 South, Range 35 East, N.M.P.M., Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, WC-025 G-09 S243532M; Wolfbone Pool [98098]. COG proposes to dedicate the above-referenced spacing and proration unit for the proposed **Snapback Fee 501H Well** which will be horizontally drilled from the surface location in NE/4SE/4 (Unit I) of Section 18 to a bottom hole location of SE/4NE/4 (Unit H) of Section 19. The completed interval for this Well will meet the 330-foot standard offset from the outer boundaries of the spacing unit as required by the Statewide Rules for horizontal wells in 19.15.16.15 NMAC. COG has sought in good faith and been unable to obtain voluntary agreement for the development of these lands from all of the working interest owners in the subject spacing unit. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights. As a part of a larger simultaneous drilling and completion project, COG requests an extension of the 120-day time period to drill and complete a well provided by the standard pooling order. In order to permit COG to obtain its just and fair share of the oil and gas underlying the subject lands, all uncommitted interests in this spacing unit should be pooled, and COG Operating LLC should be designated the operator of the proposed horizontal wells and spacing unit.

PROPOSED EVIDENCE

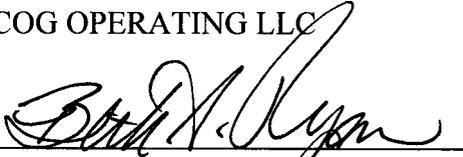
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Matt Solomon, Landman	45	Approx. 8
Matt Fisher, Geologist	45	Approx. 8
Alec Ledet, Engineer	45	Approx. 5

PROCEDURAL MATTERS

COG requests that the following cases 16316, 16317, 16318, 16319 and 16320 be consolidated for hearing.

Respectfully submitted,

COG OPERATING LLC



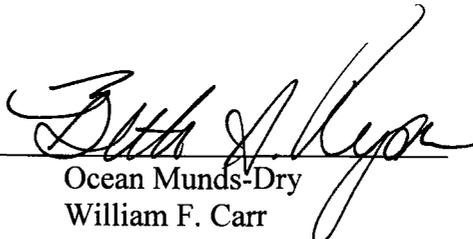
Ocean Munds-Dry
William F. Carr
Elizabeth A. Ryan
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
(505) 428-0485 Facsimile
omundsdry@concho.com
wcarr@concho.com
eryan@concho.com

ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on August 16, 2018, I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

Earl E. DeBrine
Jennifer Bradfute
Zoe E. Lees
Modrall, Sperling, Roehl, Harris & Sisk, P.A.
Post Office Box 2168
Albuquerque, New Mexico 87103-2168
earl.debrine@modrall.com
jennifer.bradfute@modrall.com
zoe.lees@modrall.com


Ocean Munds-Dry
William F. Carr
Elizabeth A. Ryan