

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

AUG 15 2018 4:11:02

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

CASE NO. 16318

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
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Midland, Texas 79701

ATTORNEYS:

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OPPOSING:

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STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order (1) creating a standard 480-acre, more or less, horizontal spacing and proration unit comprised of the SW/4 of Section 18 and the W/2 of Section 19, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring Formation, WC-025 G-09 S243532M; Wolfbone Pool [98098]. COG is a working interest owner in the proposed standard horizontal spacing unit and has the right to drill thereon. COG proposes to dedicate the above-referenced standard horizontal spacing and proration unit for its proposed **Snapback Fed Com Well No. 503H**, to be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 19 to a bottom hole location in the NE/4 SW/4 (Unit K) of Section 18, and the **Snapback Fed Com Well No. 504H**, to be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 19 to bottom hole locations in the NW/4 SW/4 (Unit L) of Section 18. The completed intervals for the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H** will remain within the 330-foot offset as required by the Statewide rules for horizontal oil wells. The first and last take points for the **Snapback Fed Com Well No. 503H** and the **Snapback Fed Com Well No. 504H** will remain within the 100-foot offset required by the Statewide rules for horizontal oil wells. COG has sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the subject horizontal spacing unit ("HSU"). Approval of the standard HSU and the pooling of all mineral interest owners in the Bone Spring formation underlying the HSU will avoid the drilling of unnecessary wells, will prevent waste, and will protect correlative rights. Because the proposed wells will be simultaneously drilled and completed, 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 HSU should be pooled and COG Operating LLC should be designated the operator of this proposed HSU.

PROPOSED EVIDENCE

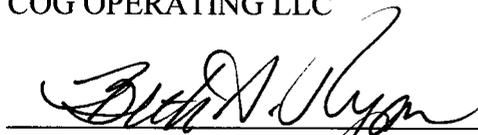
| <u>WITNESS</u> | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|------------------------|------------------------------|------------------------|
| Matt Solomon, Landman | 45 | Approx. 8 |
| Matt Fisher, Geologist | 45 | Approx. 8 |
| Alec Ledet, Engineer | 45 | Approx. 5 |

PROCEDURAL MATTERS

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

Respectfully submitted,

COG OPERATING LLC



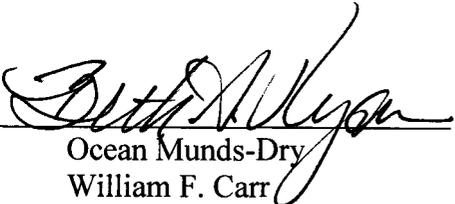
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ATTORNEYS FOR COG OPERATING LLC

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:

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