

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

**APPLICATION OF COG OPERATING LLC  
FOR APPROVAL OF AN OVERLAPPING  
HORIZONTAL WELL SPACING UNIT AND  
COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.**

**CASE NO. 24224**

**COG'S PRE-HEARING STATEMENT**

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

**APPEARANCES**

**APPLICANT**

COG Operating LLC

**ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Holland & Hart, LLP  
Post Office Box 2208  
Santa Fe, New Mexico 87504-2208  
(505) 988-4421  
(505) 983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**APPLICANT'S STATEMENT OF THE CASE**

Under **Case No. 24224**, COG seeks an order (a) approving a standard 959.23-acre, more or less, overlapping horizontal well spacing unit in the Third Bone Spring interval of the Bone Spring formation (Red Tank; Bone Spring [51683] and Diamondtail; Bone Spring [17644]) comprised of Lots 1 & 2, S/2 NE/4, and the SE/4 of irregular Section 2 (E/2 equivalent) and the E/2 of Sections 11 and 14, Township 23 South, Range 32 East, NMPM, Lea County, New Mexico,

and (b) pooling this proposed horizontal well spacing unit. COG seeks to initially dedicate this Bone Spring spacing unit to the proposed **Redtail Federal Com 602H** well, to be horizontally drilled from a surface location in the NE/4 of Section 2, with a first take point in Lot 2 of irregular Section 2 and the last take point in the SW/4 SE/4 (Unit O) of Section 14.

This horizontal well spacing unit will overlap the following existing Bone Spring spacing units:

- 160-acre horizontal well spacing unit comprised of Lot 1, SE/4 NE/4 and the E/2 SE/4 of irregular Section 2 (E/2 E/2 equivalent), dedicated to COG's Redtail State Com 1H (API: 30-025-40181);
- 160-acre horizontal wells spacing unit comprised of the E/2 E/2 of Section 14, dedicated to Cimarex Energy Co. of Colorado's Cuervo Federal 20H (API: 30-025-40559) and Cuervo Federal 26H (API: 30-025-42094); and
- 160-acre horizontal wells spacing unit comprised of the W/2 E/2 of Section 14, dedicated to Cimarex Energy Co. of Colorado's Cuervo Federal 21H (API: 30-025-41495).

The completed interval of the **Redtail Federal Com 602H** is expected to remain within 330 feet of the adjoining quarter-quarter section (or equivalent) tracts to allow inclusion of these proximity tracts within the proposed horizontal spacing unit under 19.15.16.15.B(1)(b) NMAC.

An ownership depth severance exists in the Bone Spring formation, within the proposed horizontal well spacing unit. Accordingly, Applicant seeks to pool only the Third Bone Spring interval of the Bone Spring formation, defined as the stratigraphic equivalent of between 11,104 feet and 12,312 feet total vertical depth, as seen in the Triste Draw Federal #2 (API 30-025-27708). COG will provide notice of this hearing to the vertical offset parties within the pool who are not subject to this pooling application.

Applicant has reached a voluntary agreement with all working interest owners in this proposed unit but seeks a pooling order for certain non-cost-bearing interest owners, including

overriding royalty interest owners and record title owners, who have yet to execute the necessary federal and state communitization agreements.

**APPLICANT’S PROPOSED EVIDENCE**

<b>WITNESS Name and Expertise</b>	<b>ESTIMATED TIME</b>	<b>EXHIBITS</b>
Michael Monju, Landman	Self-Affirmed Statement	Approx. 3
Ben Breyman, Geologist	Self-Affirmed Statement	Approx. 3

**PROCEDURAL MATTERS**

COG intends to present this case by self-affirmed statement if there is no opposition at the time of hearing.

Respectfully submitted,

HOLLAND & HART LLP

By:  \_\_\_\_\_

Michael H. Feldewert  
Adam G. Rankin  
Paula M. Vance  
Post Office Box 2208  
Santa Fe, NM 87504  
505-988-4421  
505-983-6043 Facsimile  
mfeldewert@hollandhart.com  
agrarkin@hollandhart.com  
pmvance@hollandhart.com

**ATTORNEYS FOR COG OPERATING LLC**

**District I**  
 1625 N. French Dr., Hobbs, NM 88240  
 Phone:(575) 393-6161 Fax:(575) 393-0720

**District II**  
 811 S. First St., Artesia, NM 88210  
 Phone:(575) 748-1283 Fax:(575) 748-9720

**District III**  
 1000 Rio Brazos Rd., Aztec, NM 87410  
 Phone:(505) 334-6178 Fax:(505) 334-6170

**District IV**  
 1220 S. St Francis Dr., Santa Fe, NM 87505  
 Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

QUESTIONS

Action 323275

**QUESTIONS**

Operator: COG OPERATING LLC 600 W Illinois Ave Midland, TX 79701	OGRID: 229137
	Action Number: 323275
	Action Type: [HEAR] Prehearing Statement (PREHEARING)

**QUESTIONS**

<b>Testimony</b>	
<i>Please assist us by provide the following information about your testimony.</i>	
Number of witnesses	<i>Not answered.</i>
Testimony time (in minutes)	<i>Not answered.</i>