

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

2013 JUN -6 PM 4:29

**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 SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO.**

**Case No. 14,999**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by ZPZ Delaware I LLC and Apache Corporation as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

COG Operating LLC

**APPLICANT'S ATTORNEY**

Michael H. Feldewert  
Adam G. Rankin

**OPPONENT**

Apache Corporation  
ZPZ Delaware I LLC  
Suite 3000  
300 Veterans Airpark Lane  
Midland, Texas 79705

**OPPONENT'S ATTORNEY**

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

Attention: Christopher Lanning  
(432) 818-1878

**STATEMENT OF THE CASE**

**APPLICANT**

**OPPONENT**

COG Operating LLC ("COG") seeks an order pooling all mineral interests in the Yeso formation underlying the S/2S/2 of Section 1, Township 17 South, Range 31 East, N.M.P.M..

ZPZ Delaware I LLC ("ZPZ") owns 100% of the working interest in the E/2 of Section 1. Apache Corporation ("Apache") operates leases owned by ZPZ Delaware I LLC. ZPZ and Apache oppose COG's application for the following reasons:

1. ZPZ and Apache are preparing to develop its acreage, on a 100% basis, with the drilling of horizontal Yeso well units. COG's proposed well will interfere with these plans.
2. The operating agreement provided to ZPZ and Apache by COG contains certain non-standard provisions on which COG is unwilling to negotiate. Thus, COG has not made a good faith effort to obtain the voluntary joinder of ZPZ in the proposed well.

### PROPOSED EVIDENCE

#### APPLICANT

##### WITNESSES

##### EST. TIME

##### EXHIBITS

#### OPPONENT

##### WITNESSES

##### EST. TIME

##### EXHIBITS

Christopher Lanning  
(landman)

20 min.

Approx. 4

Bret Percy  
(geologist)

10 min.

Approx. 4

Breezi Province  
(reservoir engineer)

10 min.

Approx. 5

### PROCEDURAL MATTERS

ZPZ and Apache request that the matter be continued for 4 weeks to allow further negotiations among the parties.

Respectfully submitted,




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

Attorney for ZPZ Delaware I LLC and  
Apache Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 6<sup>th</sup> day of June, 2013 by facsimile transmission:

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