

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

**IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:**

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING OF THREE  
WELLS, AND NON-STANDARD SPACING AND  
PRORATION UNITS FOR THREE WELLS, LEA  
COUNTY, NEW MEXICO.**

**CASE NO. 15091**

**CASE NO. 15092**

**CASE NO. 15093**

**COG's CONSOLIDATED PRE-HEARING STATEMENT**

COG Operating LLC ("Concho") submits this Pre-Hearing Statement for the above-referenced cases pursuant to the rules of the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**

COG Operating LLC  
550 W. Texas Avenue, Suite 100  
Midland, Texas 79701

**INTERESTED PARTY**

Kaiser-Francis Oil Company  
P.O. Box 21468  
Tulsa, OK 74121

**ATTORNEY**

Jordan L. Kessler, Esq.  
Modrall Sperling, P.A.  
P. O. Box 2168  
Albuquerque, NM 87103-2168  
(505) 848-1800

**ATTORNEY**

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

**APPLICANT'S STATEMENT OF CASE**

Applicant in the above-styled cause seeks an order approving three non-standard spacing and proration units and pooling all uncommitted mineral interests of the Bone Spring formation underlying Section 13 in Township 24 South, Range 33 East, NMPM, Lea County, New Mexico.

In **Case No. 15091**, Concho seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 W/2 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Deckard Federal Com. Well No. 2H, to be horizontally drilled from a surface location and to a bottom-terminus in standard locations. The completed interval for this well will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Concho as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.

In **Case No. 15092**, Concho seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the W/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit.

This proposed non-standard spacing and proration unit will be the project area for the Deckard Federal Com. Well No. 3H, to be horizontally drilled from a surface location and to a bottom-terminus in standard locations. The completed interval for this well will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Concho as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.

In Case No. 15093, Concho seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Bone Spring formation, comprised of the E/2 E/2 of Section 13, Township 24 South, Range 33 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Deckard Federal Com. Well No. 4H, to be horizontally drilled from a surface location and to a bottom-terminus in standard locations. The completed interval for this well will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Concho as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 4 miles northwest of Ochoa, New Mexico.

**APPLICANT'S PROPOSED EVIDENCE**

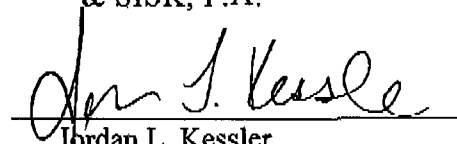
| <u>WITNESS</u>            | <u>ESTIMATED TIME</u> | <u>EXHIBITS</u> |
|---------------------------|-----------------------|-----------------|
| Michael Wallace – Landman | Approx. 20 minutes    | Approx. 8       |
| David DiGian – Geologist  | Approx. 20 minutes    | Approx. 5       |

**PROCEDURAL MATTERS**

COG requests that the above-referenced cases be consolidated for hearing.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS  
& SISK, P.A.



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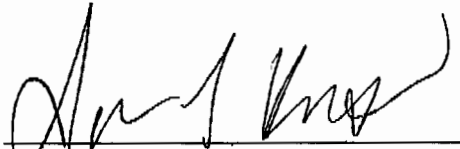
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ATTORNEY FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 13th day of February, 2014 by e-mail:

James Bruce  
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(505) 982-2043  
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Jordan L. Kessler