

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

**APPLICATION OF COG OPERATING LLC FOR
TWO NON-STANDARD PROJECT AREAS, TWO
NON-STANDARD OIL SPACING AND PRORATION
UNITS, AND APPROVAL OF NON-STANDARD
LOCATIONS FOR TWO WELLS,
LEA COUNTY, NEW MEXICO.**

Case No. 15,035 (*de novo*)

**IN THE MATTER OF THE APPLICATION OF
COG OPERATING LLC FOR A NON-STANDARD
SPACING AND PRORATION UNIT AND
COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO**

**Case No. 15044 (*de novo*)
Order No. R-13810**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by OXY USA WTP, LLC (OXY) as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC

APPLICANT'S ATTORNEY

Michael Feldewert

DE NOVO APPEAL PARTIES

Yates Brothers,
Yates Holdings LLC,
Sugarberry Oil & Gas Corporation
Katy Pipeline and Production Corporation
c/o Yates Holdings, LLC
Post Office Box 1394
Artesia, New Mexico 88211

DE NOVO APPEAL ATTORNEY

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INTERESTED AND AFFECTED PARTY
APPEARING WITH THE DE NOVO APPEAL
PARTIES AT DIVISION HEARING

OXY USA WTP, LLC,
Assignee of Inland Title, LLC,
5 Greenway Plaza, Ste 110
Houston, TX 77046

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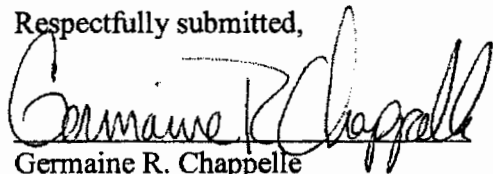
STATEMENT OF THE CASE

OXY, as assignee of Inland Title LLC's interest, is a mineral owner of a certain amount of undivided minerals under the N/2NW, NW/4NE/4 of Section 5, T26S-R34E, Lea County, NM which is excluded from the well units that are the subject of the above-referenced applications. As with its predecessor-in-interest at the hearing before the Division, OXY supports the Appeal and Pre-Hearing Statement filed by Yates Brothers and continues to maintain that its correlative rights will be harmed by the granting of COG's proposed well units. OXY also states that it is participating in settlement discussions with the parties and is hoping that an amicable solution can be reached to resolve the disputed issues in this proceeding.

PROPOSED EVIDENCE

OXY supports the witnesses identified by Yates Brothers and does not intend to call additional witnesses.

Respectfully submitted,



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