

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

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2015 MAY 21 P 3: 29

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

CASE NOS. 15311, 15312, 15313

CHEVRON'S PRE-HEARING STATEMENT

Counsel for Chevron U.S.A. Inc., Benjamin L. Bosell, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC

ATTORNEY

Ocean Munds-Dry, Esq.
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
(505) 428-0485 fax

RESPONDENT

Chevron U.S.A. Inc.

ATTORNEY

Benjamin L. Bosell, Esq.
1400 Smith Street
Houston, Texas 77002

RESPONDENT'S STATEMENT OF THE CASE

COG Operating LLC ("COG") seeks an order to create three 320-acre spacing and proration units and to pool all mineral interests in the Bone Spring formation underlying this acreage. The specific lands and well names are accurately described in COG's Pre-Hearing Statement. Respondent Chevron U.S.A. Inc. ("Chevron") is an affected working interest owner. Chevron has elected to participate in each of the three wells; however, despite multiple attempts by Chevron to work on a joint operating agreement ("JOA") with COG in good faith, no response was received by Chevron until phone calls on May 20, 2015 and May 21, 2015, respectively, and those were not substantive in nature. Chevron reasonably believes there may be issues to be raised in connection with the proposed JOA and the negotiation sequence and process utilized by COG.

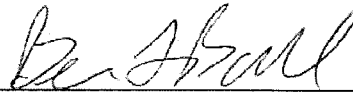
RESPONDENT'S PROPOSED EVIDENCE

| WITNESS | ESTIMATED TIME | EXHIBITS |
|-------------------------------|----------------|-----------|
| Those witnesses called by COG | 10 minutes | Approx. 2 |
| Jason Levine – landman | 10 minutes | Approx. 2 |

PROCEDURAL MATTERS

Chevron has no objection to the consolidation of Cases 15311, 15312 and 15313 as proposed by COG. Chevron retains the option to submit, in a timely fashion, a Motion for Continuance should the circumstances support more time is needed for the parties to negotiate the JOA in good faith.

Respectfully submitted,



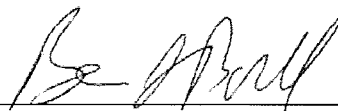
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ATTORNEY FOR CHEVRON U.S.A. INC.

CERTIFICATE OF SERVICE

I hereby certify that on May 21, 2015, I served a copy of the foregoing document to the following via electronic mail to:

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