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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 20489

PRE-HEARING STATEMENT OF COG OPERATING LLC

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

APPEARANCES OF THE PARTIES

<u>APPLICANT</u>

COG Operating LLC One Concho Center 600 West Illinois Avenue Midland, Texas 79701

ATTORNEY

William F. Carr
Ocean Munds-Dry
Elizabeth A. Ryan
1048 Paseo de Peralta
Santa Fe, New Mexico 87501
(505) 780-8000
wcarr@concho.com
omundsdry@concho.com
eryan@concho.com

STATEMENT OF THE CASE

COG OPERATING, LLC (COG), seeks an order pooling all uncommitted interests in the Bone Spring formation, WC-025 G-06 S213217K; Bone Spring (Pool ID 97961) and the Wolfcamp formation, WC-025 G-10 S213328O; Wolfcamp (Pool ID 98033) in the 477.95-acre standard horizontal spacing unit comprised of Lots 1, 2, 7, 8, 9, 10, 15, 16 and the SE/4 of irregular

Section 2, Township 21 South, Range 32 East Lea County, New Mexico. COG seeks to dedicate the above referenced horizontal spacing unit to the following three initial wells to be drilled simultaneously:

- A. The proposed Cougar Federal Com 601H to be horizontally drilled to a depth sufficient to test the Bone Spring formation from an orthodox surface location in Lot 1 of Section 2 to an orthodox bottom hole location in the SE/4 SE/4 (Unit P) of Section 2;
- B. The proposed Cougar Federal Com 701H and the Cougar Federal Com 901H to be horizontally drilled to a depth sufficient to test the Wolfcamp formation from orthodox surface locations in Lot 1 of Section 2 to orthodox bottom hole locations in the SE/4SE/4 (Unit P) of Section 2.

Each of the three initial wells will be at orthodox locations at least 330 feet from the outer boundary of the spacing unit and the completed interval in each will be orthodox. COG also seeks approval of an extension of the timeframe for drilling and completion of the initial wells on this horizontal spacing unit, the cost of drilling and completing the wells and the allocation of the costs thereof, as well as actual operating costs and charges for supervision, designation of COG Operating, LLC as operator of the wells and horizontal well unit and a 200% charge for risk involved in drilling and completing the wells. COG has negotiated in good faith with all parties it seeks to pool in this case.

PROPOSED EVIDENCE

EXCURSE A COURSE OFFI AND

WIINESS	ESTIMATED TIME	<u>EXHIBITS</u>
Luke Bederick , Land	Approx. 15 minutes	Approx. 6
Allison Holcomb, Geology	Approx. 10 Minutes	Approx. 5

SEZEMBERGO

PROCEDURAL MATTERS

The parties have requested this case be continued to the June 27, 2019 Examiner Hearing Docket.

Respectfully Submitted,

COG OPERATING LLC

Ocean Munds-Dry William F. Carr

Elizabeth A. Ryan 1048 Paseo De Peralta

Santa Fe, New Mexico 87501

(505) 780-8000

wcarr@concho.com

omundsdry@concho.com

eryan@concho.com

ATTORNEY FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on June 6, 2019 I served a copy of the foregoing document to the following counsel of record via Electronic Mail to:

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
jamesbruc@aol.com

Ocean Munds-Dry

William F. Carr

Elizabeth A. Ryan