

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

APPLICATION OF THE NEW MEXICO OIL CONSERVATION DIVISION,
THROUGH THE COMPLIANCE AND ENFORCEMENT MANAGER, FOR AN
ORDER AUTHORIZING THE DIVISION TO RECOGNIZE AN OPERATOR OF
RECORD FOR WELLS CURRENTLY OPERATED BY YESO, ENERGY, INC.,
LEA, EDDY AND CHAVES COUNTIES, NEW MEXICO.

CASE NO. 14547

APPLICATION OF COG OPERATING LLC FOR CANCELLATION OF
OPERATOR'S AUTHORITY AND TERMINATION OF SPACING UNITS, YESO
ENERGY, INC. DOW "B" FEDERAL WELL NO. 1, EDDY COUNTY, NEW
MEXICO.

CASE NO. 14472

PRE- HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by
the Oil Conservation Division.

APPEARANCES OF PARTIES

CASE NO. 14547:

APPLICANT

Oil Conservation Division

ATTORNEY

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INTERESTED PARTY

Judah Oil, LLC

ATTORNEY

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CASE NO. 14472:

APPLICANT

COG Operating LLC

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RESPONDENT

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ATTORNEY

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STATEMENT OF CASE

INTERESTED PARTY/RESPONDENT

In Case No. 14547, the Division has requested an order on how operator change requests for certain Yeso wells should be handled. Since the filing of the Division's Application, Yeso Energy and Chica Energy have submitted to the Division letters indicating these entities have no interest in the wells and that Yeso has transferred its interest to Judah. Also, since that time, the BLM has approved Judah Oil as the new operator of record for the Dow "B" 28 Federal No. 1 (API 30-15-28676). In Case No. 14472, the Division issued an order authorizing COG Operating LLC to use the well for disposal operations without the necessity of a change of operator. At this point in time, the Dow B 28 Federal Well appears to be the only well where there is a possible competing interest for operatorship. However, as noted above, the BLM has approved Judah Oil as the current operator of record for these wells. That approval was accomplished through the procedures put in place by the BLM for change of operators for wells on federal lands. Judah Oil has in place all of the necessary bonding and has met, or is in the process of meeting, all of the conditions of approval imposed by the BLM for this change of

operator. The Division's application seeking "guidance" from the Commission on how it should proceed with the change of operator notices submitted by Judah Oil for this federal well has been answered and rendered moot by the BLM's recent actions. Indeed, Judah Oil is the *only operator* that has stepped forward and obtained the necessary approvals from the BLM to take over responsibility for these federal wells. Therefore, Judah respectfully requests that the Commission approve the pending change of operator form properly submitted by Judah as well as the C-108 Application of Inject filed by Judah for the Down B 28 Federal Well No. 1.

PROPOSED EVIDENCE

<u>WITNESSES</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
James B. Campanella, President	30 minutes	

EXHIBITS

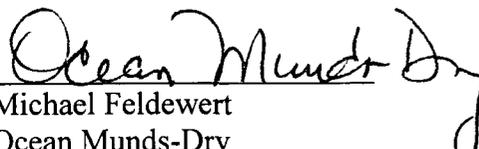
See attached Exhibits.

PROCEDURAL MATTERS

Judah has none at this time.

Respectfully submitted,

HOLLAND & HART LLP

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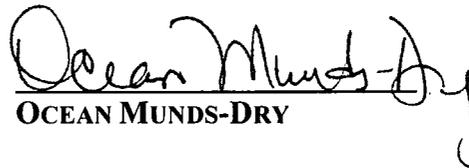
CERTIFICATE OF SERVICE

I certify that on October 28, 2010 I served a copy of the foregoing document to the following by

- U.S. Mail, postage prepaid
- Hand Delivery
- Fax
- Electronic Service by LexisNexis File & Serve

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