

STATE OF NEW MEXICO RECEIVED 000  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

2014 JUL 31 P 1:29

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

APPLICATION OF COG OPERATING LLC FOR A  
NON-STANDARD OIL SPACING AND PRORATION  
UNIT AND COMPULSORY POOLING, LEA COUNTY,  
NEW MEXICO.

Case No. 15,185

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by ConocoPhillips Company as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC

APPLICANT'S ATTORNEYS

Jordan L. Kessler  
Modrall Law Firm  
P.O. Box 2168  
Albuquerque, New Mexico 87102  
(505) 848-1800

OPPONENT

ConocoPhillips Company  
Post Office Box 2197  
Houston, Texas 77252-2197

OPPONENT'S ATTORNEY

James Bruce  
Post Office Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: Ashley E. Manning-Dyke

STATEMENT OF THE CASE

APPLICANT

COG Operating LLC ("COG") seeks approval of a 160 acre non-standard spacing and proration unit in the Yeso formation (West Maljamar-Yeso Pool) comprised of the W/2W/2 of Section 15, Township 17 South, Range 32 East, N.M.P.M., and the pooling of all mineral interests in the Yeso formation.

OPPONENT

ConocoPhillips Company ("ConocoPhillips") is a working interest owner in the W/2W/2 of Section 15, and is the operator (under an existing operating agreement) of the W/2SW/4 of Section 15. ConocoPhillips requests:

- (1) That COG's application be denied, because (a) ConocoPhillips has had longstanding plans to develop the W/2SW/4 of Section 15 (as well as other acreage in Section 15) with vertical wells, (b) it is the operator and majority interest owner in the W/2SW/4 of Section 15, and should be permitted to develop that acreage with vertical wells, (c) the W/2SW/4 of Section 15 has better reservoir quality than the other acreage in COG's proposed well unit, and approval of COG's application will impair ConocoPhillips' correlative rights, and (d) developing Section 15 with vertical wells is prudent;
- (2) In the alternative, that if COG's application is granted, ConocoPhillips be named as operator of the well because it owns a greater working interest than COG; and
- (3) That even if COG's application is granted, ConocoPhillips be permitted to concurrently develop the W/2W/2 of Section 15 with vertical wells.

**PROPOSED EVIDENCE**

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

Tom Scarbrough  
(landman)

20 min.

Approx. 6

Matt Wasson  
(geologist)

20 min.

Approx. 4

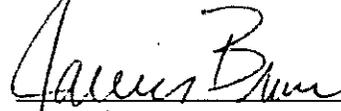
Reed Stiles  
(reservoir engineer)

20 min.

Approx. 4

**PROCEDURAL MATTERS**

Respectfully submitted,

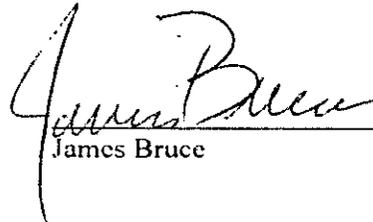


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CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 21<sup>st</sup> day of July, 2014 by e-mail:

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