

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

**APPLICATION OF COG OPERATING LLC,
FOR APPROVAL OF SURFACE LEASE COMMINGLING,
EDDY COUNTY, NEW MEXICO.**

CASE NO.15202

COG's PRE-HEARING STATEMENT

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

APPLICANT

COG Operating LLC
One Concho Center
600 W. Illinois Avenue
Midland, TX 79701

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

COG seeks an order from the Division approving the surface lease commingling of production from the Yeso formation, Penasco Draw; SA-Yeso Pool (Pool Code 50270) from four wells: Clydesdale 1 Fee #1H (30-015-40214), Clydesdale 1 Fee #2H (30-015-39783), Clydesdale 1 Fee #3H (30-015-40123), and Clydesdale 1 Fee #4H (30-015-40131). These wells are located on fee leases in Section 1, Township 19 South, Range 25 East, N.M.P.M., Eddy County, New Mexico. COG filed an administrative application dated June 2, 2014, for approval to commingle and store production from these wells at a central tank battery located on the

Clydesdale 1 Fee #1H well site. COG initially proposed to allocate production to the leases based upon a well test method utilizing a continuously metered test separator. Two owners, Sandra S. Baker and Michael Carter, filed objections to the application prompting this hearing. COG now proposes to allocate production by the subtraction method whereby the production from the wells with diverse ownership will be separately and continuously metered.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stuart Dirks, Landman	Approx. 10	Approx. 4
Kevin Hinshaw, Facilities Engineer	Apprx. 10	Approx. 5

PROCEDURAL MATTERS

COG requests that this matter be consolidated for hearing with Case No. 15203.

Respectfully submitted,

HOLLAND & HART, LLP



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