

RECEIVED OGD  
STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION  
JUL 20 A 10:55

**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. 15,520**

**PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by Yates Petroleum Corporation ("Yates") as required by the Oil Conservation Division.

**APPEARANCES**

**APPLICANT**  
COG Operating LLC

**APPLICANT'S ATTORNEY**  
William F. Carr

**OPPONENT**  
Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

**OPPONENT'S ATTORNEY**  
James Bruce  
P.O. Box 1056  
Santa Fe, New Mexico 87504  
(505) 982-2043

Attention: Chuck Moran  
(575) 748-4349

**STATEMENT OF THE CASE**

**APPLICANT**  
Applicant seeks pool the interest of OXY Y-1 Company ("OXY") into the well unit for the proposed Banter State Well No. 4H (the "Well"), being the W/2W/2 of Section 13, Township 23 South, Range 34 East, NMPM, in Lea County.

**OPPONENT**  
Yates opposes the application because of the following issues:

1. Yates owns the OXY interest under an Operating Agreement dated January 1, 1987 between Yates, OXY, and other parties. OXY non-consented the Well under the Operating Agreement, and under the terms thereof Yates is entitled to OXY's interest.

2. Yates has offered the OXY interest (proportionately) to other working interest owners in the Well pursuant to a separate agreement.

As a result, the OXY interest need not be pooled because its interest is already contractually bound.

### PROPOSED EVIDENCE

#### APPLICANT

##### WITNESSES

##### EST. TIME

##### EXHIBITS

#### OPPONENT

##### WITNESSES

##### EST. TIME

##### EXHIBITS

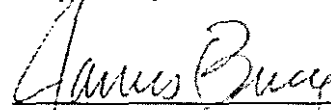
Chuck Moran  
(landman)

10 min.

Approx. 2

### PROCEDURAL MATTERS

Respectfully submitted,



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


Attorney for Yates Petroleum Corporation

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 28<sup>th</sup> day of July, 2016 by e-mail:

William F. Carr  
wcarr@concho.com

Ocean Munds-Dry  
omundsdry@concho.com

  
\_\_\_\_\_  
James Bruce