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

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

CASE NO. 15761

PRE-HEARING STATMENT

Respondent New Mexico Ten, LLLP ("New Mexico Ten") submits its Pre-Hearing Statement as follows:

STATEMENT OF THE CASE

COG Operating, LLC ("COG") has brought this action to obtain approval for a nonstandard spacing and proration unit, and to compulsory pool non-participating working interest owners, regarding a 240-acre, more or less, spacing and proration unit for its Coonskin Fee No. 25H Well, comprised of the E/2W/2 of Section 28 and the E/2NW/4 of Section 33, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico and all uncommitted interests in the WC-025 G-09 S243532M Wolfbone Pool. Respondent, New Mexico Ten, is an affected working interest owner. Respondent has not elected to participate, but is currently engaged in negotiations to lease its interests which are subject to this action (and other closely-related interests) and it would be inappropriate to compulsory pool these interests during these negotiations and without notice to the potential lessee. Additionally, Respondent believes that the lease offer made by COG was not fair, adequate or reasonable under New Mexico Iaw and that COG's burden has not been met as required to compulsory pool.

APPEARANCES

RESPONDENT

New Mexico Ten, LLLP P.O. Box 305 Cedar Hill, TX 75104

RESPONDENT'S ATTORNEY

Scott S. Morgan Stephen D. Ingram Cavin & Ingram, P.A. P. O. Box 1216 Albuquerque, New Mexico 87103-1216 Telephone: (505) 243-5400 Facsimile: (505) 243-1700

RESPONDENT'S PROPOSED EVIDENCE

WITNESS ES

ESTIMATED TIME EXHIBITS

Dean Moor

10 minutes

Approx. 2 -5

PROCEDURAL MATTERS

None at this time.

RESPONDENT'S POSITION ON RELIEF SOUGHT

Respondent opposes the issuance of the compulsory pooling relief sought by COG until such time as it has had adequate opportunity to complete its current negotiations regarding the

leasing of its interests made subject to this action and/or at such time as COG makes a fair, adequate and reasonable offer pursuant to New Mexico law.

RESPECTFULLY SUBMITTED,

CAVIN & INGRAM, P.A.

Bv:

Scott S. Morgan Stephen D. Ingram P. O. Box 1216 Albuquerque, NM 87103 (505) 243-5400 <u>sding1216@aol.com</u>

ATTORNEYS FOR RESPONDENT NEW MEXICO TEN, LLLP

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I hereby certify that a true and correct copy of the foregoing was served via email and U.S. mail on July 26, 2017 to the following:

Michael H. Feldewert Jordan L. Kessler Holland & Hart, LLLP P.O. Box 2208 Santa Fe, NM 87504 <u>mfeldewert@hollandhart.com</u> Jlkessler@hollandhart.com

CAVIN & INGRAM, P.A.

By: Scott S. Morgan