

**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. 15970

COG's PRE-HEARING STATEMENT

COG Operating LLC ("COG"), 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, Texas 79701

ATTORNEY

Michael H. Feldewert, Esq.
Adam G. Rankin, Esq.
Jordan L. Kessler, Esq.
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile

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APPLICANT'S STATEMENT OF CASE

COG seeks an order (1) creating an approximately 240-acre non-standard spacing and proration unit comprised of the top of the Paddock member to the base of the Blinbry member of the Yeso formation underlying the S/2 S/2 of Section 4 and the S/2 SW/4 of Section 3, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in this interval underlying the proposed spacing and proration unit. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for the proposed **Shovel Head Federal Com 18H Well**, which will be horizontally drilled from a surface location

in the SE/4 SE/4 (Unit P) of Section 5 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 3. The completed interval for this well will be unorthodox because it is closer than 330-foot to the outer boundary of the non-standard spacing and proration unit as required by the Statewide rules for oil wells. COG intends to seek administrative approval of the unorthodox location.

The subject acreage contains an ownership depth severance between the Blinebry and Tubb intervals of the Yeso formation. The proposed spacing and proration unit is an offset to the North of the spacing and proration units approved under Division Order R-14225 and Commission Order R-14023-A. Under these Orders, the Division/Commission recognized this ownership depth severance and to protect correlative rights and prevent waste approved a spacing and proration unit “for oil and gas production from the Paddock and Blinebry intervals within the Yeso formation, being part of the Maljamar; Yeso, West Pool (Pool code 44500).” Order R-14225 at p. 4, ¶(1). *See also* Order R- R-14023-A, p. 5, ¶ 6. COG seeks the same relief under this application and has provided notice of this hearing to the vertical offset parties within the Yeso formation who are not subject to this pooling application.

APPLICANT’S PROPOSED EVIDENCE

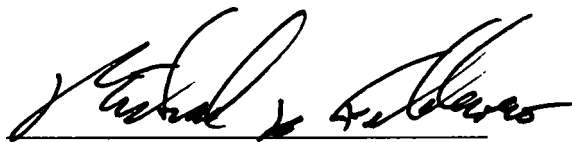
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Joseph Scott – Landman	Approx. 15	Approx. 12
Harvin Broughton – Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

Handwritten signatures of Michael H. Feldewert and Adam G. Rankin, written in black ink over a horizontal line.

Michael H. Feldewert

Adam G. Rankin

Jordan L. Kessler

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mfeldewert@hollandhart.com

AGRankin@hollandhart.com

jlkessler@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC