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. 15064

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by COG Operating LLC ("COG"), as required by NMAC 19.15.4.13.B.

APPEARANCES

APPLICANT ATTORNEY

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STATEMENT OF THE CASE

COG seeks an order from the Division (1) creating a non-standard 160-acre spacing and proration unit comprised of the E/2E/2 of Section 18, Township 24 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation, Red Hills; Lower Bone Spring Pool, underlying this acreage. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its **Sebastian Federal Com 4H Well**, which will be horizontally drilled from a surface location in the NE/4NE/4 of Section 18 (Unit A) to a standard

bottom hole location in the SE/4SE/4 of Section 18 (Unit P). The completed interval for this well will be in the E/2E/2 of Section 18 and remain within the 330-foot standard offset required by the Division's rules.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Mike Wallace, Landman	Approx. 10 minutes	Approx. 5
David DaGian, Geologist	Approx. 10 minutes	Approx. 4

PROCEDURAL MATTERS

This matter can be consolidated with Case No. 15063 for purposes of hearing efficiency.

Respectfully submitted,

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