

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

JUN 19 10 255

**APPLICATION OF COG OPERATING LLC FOR
THREE NON-STANDARD OIL SPACING AND PRORATION
UNITS AND COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO.**

**CASE NO. 15163
CASE NO. 15164
CASE NO. 15165**

COG's CONSOLIDATED PRE-HEARING STATEMENT

COG Operating LLC, submits this Pre-Hearing Statement for the above referenced cases pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701

ATTORNEY

Jordan L. Kessler, Esq.
Modrall Sperling
P. O. Box 2168
Albuquerque, NM 87103-2168
505/848-1849

APPLICANT'S STATEMENT OF CASE

Applicant in the above-styled cause seeks an order approving three non-standard spacing and proration units and pooling all uncommitted mineral interests in the Brushy Canyon formation underlying the E/2 and E/2 W/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico.

In **Case No. 15163**, COG seeks an order from the Division: (1) creating a 160-acre non-standard project areas and oil spacing and proration unit comprised of the E/2 W/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Brushy Canyon formation underlying the proposed non-standard spacing and proration unit. The proposed non-standard spacing unit will be the project area for the Goldfinger Fed. Com No. 2H well, to be drilled horizontally from standard surface and bottom-terminus locations. The completed interval for these proposed wells will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Concho as operator of the well, and a 200% charge for risk involved in drilling said well.

In **Case No. 15164**, COG seeks an order from the Division: (1) creating a 160-acre non-standard project areas and oil spacing and proration unit comprised of the W/2 E/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Brushy Canyon formation underlying the proposed non-standard spacing and proration unit. The proposed non-standard spacing unit will be the project area for the Goldfinger Fed. Com No. 3H well, to be drilled horizontally from standard surface and bottom-terminus locations. The completed interval for these proposed wells will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and

charges for supervision, designation of Concho as operator of the well, and a 200% charge for risk involved in drilling said well.

In **Case No. 15165**, COG seeks an order from the Division: (1) creating a 160-acre non-standard project areas and oil spacing and proration unit comprised of the E/2 E/2 of Section 17, Township 24 South, Range 32 East, NMPM, Lea County, New Mexico, and (2) pooling all uncommitted mineral interests in the Brushy Canyon formation underlying the proposed non-standard spacing and proration unit. The proposed non-standard spacing unit will be the project area for the Goldfinger Fed. Com No. 4H well, to be drilled horizontally from standard surface and bottom-terminus locations. The completed interval for these proposed wells will be within the 330-foot standard offset required by the rules. Also to be considered will be the cost of drilling and completing said well, the allocation of these costs as well as the actual operating costs and charges for supervision, designation of Concho as operator of the well, and a 200% charge for risk involved in drilling said well.

APPLICANT'S PROPOSED EVIDENCE

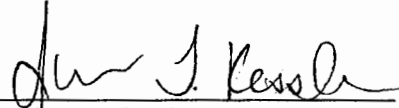
<u>WITNESS</u>	<u>ESTIMATED TIME</u>	<u>EXHIBITS</u>
Michael Wallace – Landman	Approx. 20	Approx. 8
Henry Zollinger – Geologist	Approx. 20	Approx. 5

PROCEDURAL MATTERS

COG requests that the above referenced cases be consolidated for hearing.

Respectfully submitted,

MODRALL, SPERLING, ROEHL, HARRIS
& SISK, P.A.

A handwritten signature in black ink, appearing to read "Jordan L. Kessler", written over a horizontal line.

Jordan L. Kessler

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