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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NO. 21421

PRE-HEARING STATEMENT OF COG OPERATING LLC

COG Operating, LLC, the applicant in the above referenced matter, submits this Pre-

Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES OF THE PARTIES

| APPLICANT: | ATTORNEYS: |
|------------|-------------|
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INTERESTED PARTY: ATTORNEYS:

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STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order pooling all uncommitted interest owners in the Wolfcamp formation [WC-025 G-09 S253236A; Upper Wolfcamp (98158)] underlying a standard 640-acre, more or less, horizontal spacing unit comprised of the W/2 of Sections 26 and 35, Township 23 South, Range 32 East, Lea County, New Mexico. Applicant seeks to dedicate the above-referenced horizontal spacing unit to the to the following proposed wells:

- Bedlington Federal Com #701H to be drilled from a surface hole location in SE/4SW/4
 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;
- Bedlington Federal Com #702H to be drilled from a surface hole location in SE/4SW/4
 (Unit N) of Section 35 to a bottom hole location in the NW/4NW/4 (Unit D) of Section 26;
- Bedlington Federal Com #703H to be drilled from a surface hole location in SE/4SW/4
 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26;
- Bedlington Federal Com #704H to be drilled from a surface hole location in SE/4SW/4 (Unit N) of Section 35 to a bottom hole location in the NE/4NW/4 (Unit C) of Section 26.

The completed interval for the proposed Bedlington Federal Com #702H well will be within 330' of the quarter-quarter line separating the W/2W/2 and the E/2W/2 of Sections 26 and 35 to allow inclusion of this acreage into a standard 640-acre horizontal well spacing unit.

Also, to be considered will be the cost of drilling and completing the wells, the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of applicant as operator, and the imposition of 200% charge for risk involved in drilling and completing each well. Said area is located approximately 25 miles east of Malaga, New Mexico.

PROPOSED EVIDENCE

| WITNESS | ESTIMATED TIME | EXHIBITS |
|---------------------------|----------------|-----------|
| Adam Reker, Landman | Via Affidavit | Approx. 3 |
| John Bertalott, Geologist | Via Affidavit | Approx. 4 |

PROCEDURAL MATTERS

COG Operating LLC intends to present this case by affidavit. COG requests that this case be consolidated with Case No. 21420

Respectfully submitted,

COG OPERATING LLC

/s/ Michael Rodriguez

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ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on September 3, 2020, I filed with the Division clerk the foregoing document and served a copy of the foregoing document to the following counsel of record via Electronic Mail:

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/s/ Michael Rodriguez

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