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

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION DIVISION FOR THE PURPOSE OF CONSIDERING:

APPLICATION OF COG OPERATING LLC FOR THE CREATION OF A NEW POOL, SPECIAL POOL RULES AND THE CONTRACTION OF THE GRAYBURG JACKSON POOL WITHIN THE BURCH KEELY UNIT, EDDY COUNTY, NEW MEXICO.

CASE NO: 14670

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PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by Holland & Hart LLP, as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

COG Operating LLC Attn: David Evans 550 West Texas Ave. Midland, TX 79701 (432) 683-7443 Ocean Munds-Dry, Esq. Holland & Hart LLP 110 N. Guadalupe Suite 1 Santa Fe, NM 87504

(505) 988-4421

ATTORNEY

STATEMENT OF CASE

Applicant seeks an order establishing a new pool within the Burch Keely Units that extends from the top of the Glorieta formation to a depth of 5,000 feet from the surface. Within the new Yeso pool, Concho seeks special rules allowing for a depth bracket allowable of 300 barrels of oil per day and no limiting gas:oil ratio. Concho also seeks the contraction of the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool within the Burch Keely unit to vertically extend from the top of the Seven Rivers formation to the top of the Glorieta formation. The pools are located approximately 12 miles East of Artesia, New Mexico and 17 miles West of Lovington, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES (Name and Expertise)

ESTIMATED TIME

EXHIBITS

Stuart Dirks Landman

Harvin Broughton, Sr. Geoscientist

TJ Midkiff, Petroleum Engineer

Ryan Dehnad,, Sr. Operations Engineer (Possible) Approx. 20 Min.

Approx. 20 Min.

Approx. 20 Min.

Approx. 20 Min

Approx. 10

Approx. 10

Approx. 10

Approx. 10

PROCEDURAL MATTERS

COG Operating, LLC has none at this time.

Ocean Munds-Dry Attorneys for COG Operating, LLC