

**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
A NON-STANDARD SPACING AND PRORATION
UNIT AND COMPULSORY POOLING, EDDY
COUNTY, NEW MEXICO.**

Case No. 14,882

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Chisos, Ltd. as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC

APPLICANT'S ATTORNEY

Adam G. Rankin

OPPONENT

Chisos, Ltd.
670 Dona Ana Road S.W.
Deming, New Mexico 88030

OPPONENT'S ATTORNEY

James Bruce
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(505) 982-2043

Attention: Sue Ann Craddock
(575) 546-8802

STATEMENT OF THE CASE

APPLICANT

OPPONENT

COG Operating LLC ("COG") seeks an order pooling all mineral interests in the Yeso formation underlying the S/2S/2 of Section 31, Township 17 South, Range 28 East, NMPM.

Chisos, Ltd. ("Chisos") owns a working interest in the well unit. COG mailed the initial well proposal to Chisos on July 16, 2012 (after the pooling application was filed), which Chisos did not receive until July 24, 2012. This time frame does not comply with Division policy, and gives Chisos inadequate time to consider the well proposal. Thus, Chisos asks that it be dismissed

from the case., or that the case be continued for four weeks to cure the procedural defect. Chisos notes that it has voluntarily joined in multiple well proposals with COG, and is not seeking any advantage over COG.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

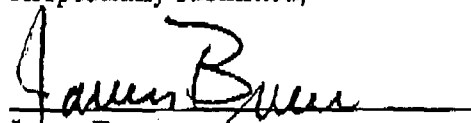
Sue Ann Craddock

20 min.

Approx. 6

PROCEDURAL MATTERS

Respectfully submitted,




James Bruce
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(505) 982-2043

Attorney for Chisos, Ltd.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing pleading was served upon the following counsel of record this 30th day of July, 2012 by facsimile transmission:

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James Bruce