

**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. 14886

**APPLICATIONS OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR A
NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 14893
14894
14895
14896**

COG's AMENDED PRE-HEARING STATEMENT

This amended pre-hearing statement is submitted by COG Operating LLC ("COG") for the above referenced matters.

APPEARANCES

APPLICANT in Case No. 14886

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

ATTORNEY

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Adam G. Rankin
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OPPONENTS

Devon Energy Production Company, L.P.
Chisos, Ltd.

ATTORNEY

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STATEMENT OF THE CASE

COG Operating LLC seeks an order (1) creating a non-standard 160-acre, more or less, spacing and proration unit comprised of the N/2 N/2 of Section 6, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage to form a 160-acre, more or less, project area in this formation. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Haas 6 Federal Com #1H Well to be horizontally drilled from a surface location 330 feet from the North line and 380 feet from the East line to a bottom hole location 380 feet from the North line and 330 feet from the West line of Section 6 to test the Bone Spring formation in this area.

Following the filing of COG's pooling application in Case No. 14886, Devon Energy Production Company, LP ("Devon") proceeded to file Case Nos. 14893, 14894, 14895, and 14896 seeking to create two non-standard spacing units comprised of the E/2 E/2 and W/2 E/2 of Section 6 for the purpose of pooling for four horizontal wells: Two in the First Bone Spring Sand and two in the Second Bone Spring Sand. Devon has not indicated which well it intends to drill first, why it believes that South to North development is prudent, nor why it seeks to require the affected working interest owners in this area to make an election on four horizontal wells without the benefit of an initial test well.

COG will demonstrate that the available evidence indicates East to West horizontal development is the most prudent way to proceed with the development of the Bone Spring formation in this area. COG further believes that the working interest owners in Section 6 should not be required to make an election on horizontal wells in the Bone Spring formation without the benefit of an initial test well. COG will demonstrate that its proposed initial test well

will provide the working interest owners in Section 6 with the most efficient means of testing the Bone Spring formation in this area, will prevent waste, and protect correlative rights. COG therefore requests that its application be approved and that Devon's competing pooling applications be denied.

APPLICANT'S PROPOSED EVIDENCE

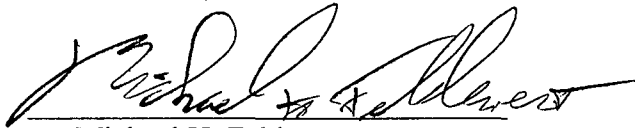
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Caleb Hopson, Petroleum Landman	Approx. 20 min.	Approx. 5
Rand French Regulatory Advisor	Approx. 20 min	Approx. 2
Ward Whiteman, Petroleum Geologist	Approx. 30 min.	Approx. 5.
Danny Lewis, Reservoir Engineer	Aprox. 30 min.	Approx. 5.
Lee Martin, Completion Engineer	Approx. 30 min.	Approx. 5.

PROCEDURAL MATTERS

COG intends to submit confidential micro-seismic information at the hearing and therefore will submit - by separate pleading - a proposed Confidentiality Order for entry by the Division to address the exhibits offered and the recorded testimony on these exhibits. COG will also request that the portion of the hearing addressing this confidential mirco-seismic information be closed to the public.

Respectfully submitted,

HOLLAND & HART, LLP



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ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on September 27, 2012, I served a copy of COG's Amended Prehearing Statement to the following via electronic mail to:

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