

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

2012 DEC -6 P 3:18

**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 OIL SPACING
AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 14939

PRE-HEARING STATEMENT

This Pre-Hearing Statement is submitted by COG Operating LLC as required by the Oil Conservation Division.

APPEARANCES OF PARTIES

APPLICANT

COG Operating LLC
Attn: Aaron Young
550 West Texas Ave.
Midland, Texas 79701
(432) 685-4304

ATTORNEY

Ocean Munds-Dry
Senior Attorney
COG Operating LLC
1048 Paseo de Peralta
Santa Fe, New Mexico
(505) 780-8000

STATEMENT OF THE CASE

Applicant seeks an order from the Division: (1) creating a non-standard 160-acre, more or less, oil spacing and proration unit in the Upper Pennsylvanian formation, comprised of the N/2 N/2 of Section 36, Township 18 South, Range 31 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Upper Pennsylvanian formation underlying this proposed non-standard spacing and proration unit. This proposed non-standard spacing and proration unit will be the project area for the Chicken Dinner 36 State Com Well No. 1H, to be horizontally drilled from a surface location 660 feet from the North line and 180 feet from the East line to a bottomhole location 760 feet from the North line and 660 feet from the West line of Section 36. The completed interval for this well 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

COG Operating LLC as operator of the well, and a 200% charge for risk involved in drilling said well. Said area is located approximately 9 miles Southeast of Loco Hills, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

ESTIMATED TIME

EXHIBITS

Aaron Young
Landman

Approx. 20 min

Approx. 10

Brandon Gaynor
Landman

Approx. 20 min

Approx. 10

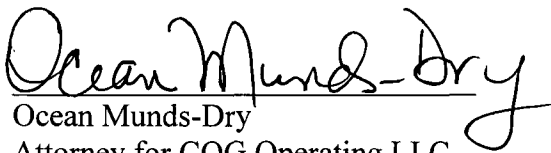
Ward Whiteman
Geologist

Approx. 20 min

Approx. 10

PROCEDURAL MATTERS

COG Operating LLC has none at this time.


Ocean Munds-Dry
Attorney for COG Operating LLC

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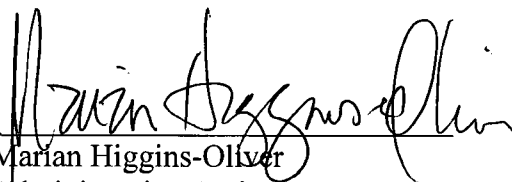
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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the Pre-Hearing Statement filed in
this matter was sent via U.S. Mail to:

Kenneth & Marie Wade
P. O. Box 247
Fredricksburg TX 78624

this 6th day of December, 2012.


Marian Higgins-Oliver
Administrative Assistant
COG Operating LLC