



**MONTGOMERY
& ANDREWS**
LAW FIRM

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J. SCOTT HALL
Office: (505) 986-2646
Email: shall@montand.com
Reply To: Santa Fe Office
www.montand.com

July 18, 2013

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand-Delivered

Re: NMOCD Case No. 15027: Application of COG Operating LLC for Designation of a Non-Standard Oil Spacing and Proration Unit and for Compulsory Pooling, Lea County, New Mexico

Dear Ms. Bailey:

On behalf of COG Operating LLC, enclosed for filing is an original and one copy of its Pre-Hearing Statement in the above-captioned case.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

JSH:kw
Enclosures

cc: Germaine R. Chappelle, Esq.
Mr. Sean Johnson, COG
Ms. Ocean Munds-Dry

485616

REPLY TO:

325 Paseo de Peralta
Santa Fe, New Mexico 87501
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400
Albuquerque, New Mexico 87110
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210
Albuquerque, New Mexico 87176-6210

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

2013 JUL 18 P 4: 31

IN THE MATTER OF THE APPLICATION
OF COG OPERATING LLC FOR
DESIGNATION OF A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND
FOR COMPULSORY POOLING,
LEA COUNTY, NEW MEXICO

CASE NO. 15027

PRE-HEARING STATEMENT

COG Operating LLC ("COG") provides this Pre-Hearing Statement as required
by the rules of the Division.

APPEARANCES

APPLICANT

COG Operating LLC

APPLICANT'S ATTORNEYS

J. Scott Hall
Seth C. McMillan
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OTHER PARTY

Occidental Oil and Gas Corporation
5 Greenway Plaza, Suite 110
Houston, TX 77046

OTHER PARTY'S ATTORNEY

Germaine R. Chappelle
Gallagher & Kennedy PA
1233 Paseo de Peralta
Santa Fe, NM 87501-2758
(505) 982-9523

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order consolidating the 40-acre spacing units within the N/2
N/2 of Section 9, Township 17 South Range 32 East, NMPM and designating the
consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well

location in the Yeso formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Yeso formation underlying the N/2 N/2 of Section 9 to be dedicated to its Sneed 9 Federal Com No. 1-H Well to be drilled horizontally from a surface location in the NW/4 NW/4 to a standard bottom hole location NE/4 NE/4 of Section 9 to a depth sufficient to test the Yeso formation, West Maljamar Yeso Pool (44500). Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the well.

OTHER PARTIES

Occidental Oil and Gas Corporation

PROPOSED EVIDENCE

APPLICANT


<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sean Johnson, Landman	15	4
Kelli Snidow, Geologist	15	5

PROCEDURAL MATTERS

None.

MONTGOMERY AND ANDREWS, P.A.

By:




J. Scott Hall
Seth C. McMillan
Post Office Box 2307
Santa Fe, New Mexico 87504-2307

(505) 982-3873
(505) 982-4289 fax
shall@montand.com
smcmillan@montand.com
Attorneys for COG Operating LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 18th day of July, 2013.

Germaine R. Chappelle
Gallagher & Kennedy PA
1233 Paseo de Peralta
Santa Fe, NM 87501-2758



Seth C. McMillan