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

APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO RECEIVED OCD

Case No. 1529 1: 37

COG OPERATING LLC'S PRE-HEARING STATEMENT

COG Operating LLC ("COG") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

COG is the applicant in this case. Its business address is 550 W. Texas Avenue, Suite 100, Midland, Texas 79701. COG is represented by the undersigned counsel.

STATEMENT OF THE CASE

COG's application seeks an order (i) approving a 240-acre non-standard spacing and proration unit comprised of the W/2 NE/4 of Section 33, Township 26 South, Range 28 East and the W/2 E/2 of Section 28, Township 26 South, Range 28 East, NMPM, in Eddy County, and (ii) pooling all uncommitted mineral interests in the Bone Spring formation underlying this average. The proposed non-standard spacing and proration unit will be the project area for the Graham Nash State Com #6H Well, which COG has horizontally drilled from a surface location in the SW/4 NE/4 (Lot 3) of Section 33, Township 26 South, Range 28 East to a bottom hole location in the NW/4 NE/4 (Unit B) of Section 28, Township 26 South, Range 28 East. The completed interval for this well complies with the Division's setback requirements.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	<u>EXHIBITS</u>
Aaron Myers (Landman)	10 minutes	Approx. 5
Drew Bergman (Geologist)	10 minutes	Approx. 3

COG reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

COG is not aware of any procedural matters to be resolved prior to the hearing.

HINKLE SHANOR, LLP

Gary W. (Jarson P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 glarson@hinklelawfirm.com

Counsel for COG Operating LLC