

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

APPLICATION OF COG OPERATING LLC TO RE-OPEN CASE NO. 15310 TO CONTRACT THE NON-STANDARD PROJECT AREA TO CONFORM WITH THE BOUNDARIES OF ACREAGE SUBJECT TO A PROPOSED STATE COMMUNITIZATION AGREEMENT, LEA COUNTY, NEW MEXICO.

CASE NO. 15310 (re-opened)

COG's PRE-HEARING STATEMENT

COG Operating LLC, the applicant in the above referenced matters, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating LLC
550 W. Texas Avenue, Suite 100
Midland, Texas 79701

ATTORNEY

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APPLICANT'S STATEMENT OF CASE

COG Operating LLC ("COG") seeks to amend Order No. R-14033 to contract the approved 640-acre non-standard project area to 480-acres comprised of the W/2 and W/2 E/2 of Section 27, Township 21 South, Range 33 East, NMPM Lea County, New Mexico. COG has drilled three wells in Section 27: The Pygmy 27 State 1H (API 30-025-403523), currently dedicated to the W/2 W/2 of Section 27; the Pygmy 27 State 2H (API 30-025-42062), currently dedicated to the E/2 W/2 of Section 27; and the Pygmy 27 State 3H (API 30-025-42068), currently dedicated to the W/2 E/2 of Section 27. COG initially planned to drill the Pygmy 27 State 4H (API 30-025-42069) in the E/2 E/2 of Section 27 but has now determined the better

course is to combine this acreage with the E/2 E/2 of Section 22 to the North to drill a two-mile lateral well. COG has conferred with the New Mexico State Land Office and it has indicated it will approve a 480-acre Communitization Agreement covering the Bone Spring formation underlying the W/2 and W/2 E/2 of Section 27 to allow the surface facilities for the existing wells to be consolidated. However for administrative purposes the wells drilled in Section 27 must first be dedicated to the subject acreage, which cannot occur without approval from the Division to treat this acreage as a single project area.

Notice of this application has been provided to the affected parties in the 40-acre spacing units that adjoin the proposed 480-acre project area.

APPLICANT'S PROPOSED EVIDENCE

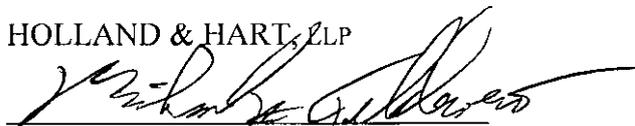
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Jon-Aaron House – Landman	Approx. 10	Approx. 5

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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