STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT 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. 15812

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

CASE NO. 15813

COG's PRE-HEARING STATEMENT

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

| APPEARANCES | | |
|--|---|-----------|
| APPLICANT | ATTORNEY & | |
| COG Operating LLC One Concho Center 600 W. Illinois Avenue Midland, Texas 79701 | Michael H. Feldewert, Esq. Jordan L. Kessler, Esq. Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-22 (505) 988-4421 (505) 983-6043 Facsimile | EIVED QCD |

APPLICANT'S STATEMENT OF CASE

In Case No. 15812, COG Operating LLC seeks an order (1) creating a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 16 and the E/2 W/2 of Section 21, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation. COG proposes to dedicate the above-

referenced spacing and proration unit as the project area for two proposed initial wells: the proposed White Falcon 16 Federal Com No. 21H Well and the proposed White Falcon 16 Federal Com No. 22H Well, which will be simultaneously drilled and completed. These wells will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) of Section 16 to a standard bottom hole location in the SE/4 SW/4 (Unit N) of Section 21.

In Case No. 15813, COG seeks an order (1) creating a 320-acre, more or less, spacing and proration unit comprised of the W/2 W/2 of Section 16 and the W/2 W/2 of Section 21, Township 25 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Wolfcamp formation. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for two proposed initial wells: the proposed White Falcon 16 State Com No. 23H Well and the proposed White Falcon 16 State Com No. 24H Well, which will be simultaneously drilled and completed. These wells will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 16 to a standard bottom hole location in the SW/4 SW/4 (Unit M) of Section 21.

The completed interval for all wells will comply with the Division's setback requirements.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|----------------------------|----------------|------------|
| Mike Wallace - Landman | Approx. 20 | Approx. 12 |
| Carrie Martin – Geologist | Approx. 15 | Approx. 6 |
| Jayne Junell – Engineer | Approx. 10 | Approx. 4 |

PROCEDURAL MATTERS

COG respectfully requests that Case No. 15812 and 15813 be consolidated for hearing.

Respectfully submitted,

HOLLAND & HART LLP

Michael H. Feldewert
Jordan L. Kessler
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
jlkessler@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC