



**MONTGOMERY
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2009 AUG 13 P 4: 22

August 13, 2009

Ms. Florene Davidson
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Hand Delivered

**Re: Application of Chesapeake Energy Corporation for Cancellation of the
Division's Approval of an Application for Permit to Drill Issued to COG
Operating LLC, Eddy County, New Mexico, NMOCD Case No. 14323**

Dear Ms. Davidson:

On behalf of COG Operating LLC, enclosed for filing are an original and
two copies of an Amended Pre-Hearing Statement in the above-captioned matter.

Thank you.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

:kw
Enclosures
cc: W. Thomas Kellahin, Esq.

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REPLY TO:

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

**IN THE MATTER OF THE HEARING CALLED BY THE
OIL CONSERVATION DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. 14323

**APPLICATION OF CHESAPEAKE ENERGY
CORPORATION FOR CANCELLATION OF THE
DIVISION'S APPROVAL OF AN APPLICATION FOR
PERMIT TO DRILL ISSUED TO COG OPERATING LLC,
EDDY COUNTY, NEW MEXICO**

**SUPPLEMENTAL
PRE-HEARING STATEMENT**

This pre-hearing statement is submitted by COG Operating LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

Chesapeake Energy Corporation

APPLICANT'S ATTORNEY

W. Thomas Kellahin, Esq.
Kellahin & Kellahin
706 Gonzales Road
Santa Fe, NM 87501
(505) 982-4285

OPPONENT

COG Operating LLC
550 W. Texas Ave.
Suite 1300
Midland, TX 79701

OPPONENT'S ATTORNEY

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STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order canceling COG's previously-approved APD. Although it is free to do so, Applicant has not itself applied for an APD and it has no plans to drill on the acreage involved. Chesapeake has not alleged that it is in any way harmed by COG's APD.

OPPONENT

On April 30, 2008, after considerable effort and expense, COG filed an application for a permit to drill ("APD") with the Bureau of Land Management-Roswell for the Blackhawk "11" Fed Com Well No. 1-H, (API # 30-015-36541). The APD was approved on August 4, 2008. COG plans to horizontally drill the Blackhawk "11" Fed Com Well No. 1-H from a surface location 430' from the South line and 430' from the West line to a bottomhole location 330' from the South line and 330' from the East line to a depth sufficient to test the Abo/Wolfcamp formation which in this area is best developed with horizontally drilled 160-acre non-standard spacing units. COG has the right to occupy both the surface and bottom-hole locations for the well. COG has dedicated the S/2 S/2 of Section 11 to the well and owns or controls working interests throughout the unit. COG is also making efforts to obtain the voluntary participation or consolidation of other un-joined interests. Unlike Chesapeake, COG plans to develop this acreage. It has followed the rules and can demonstrate compliance with the rules.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

OPPONENT

EST. TIME

EXHIBITS

WITNESSES

Gayle Burleson, Engineer	20 minutes	Approx. 6
Jan Spradlin, Landman	20 minutes	Approx. 6

PROCEDURAL MATTERS

MONTGOMERY & ANDREWS, P.A.

By: _____



J. Scott Hall, Esq.
Post Office Box 2307
Santa Fe, New Mexico 87504
(505) 982-3873
Attorneys for COG Operating LLC

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was faxed to counsel of record on the 13th day of August, 2009, as follows:

W. Thomas Kellahin
Kellahin & Kellahin
706 Gonzales Road
Santa Fe, NM 87501
(505) 982-2047 fax

David Brooks, Esq.
New Mexico Oil Conservation Division
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Santa Fe, New Mexico 87504
(505) 476-3462



J. Scott Hall

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