

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

**APPLICATION OF COG OPERATING LLC  
FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.**

**CASE NO. 21667**

**PRE-HEARING STATEMENT OF COG OPERATING LLC**

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 OF THE PARTIES**

**APPLICANT**

COG Operating LLC  
One Concho Center  
600 West Illinois Avenue  
Midland, Texas 79701

**COUNSEL**

Ocean Munds-Dry  
1048 Paseo de Peralta  
Santa Fe, New Mexico 87501  
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**STATEMENT OF THE CASE**

Applicant in the above-styled causes seeks an order pooling all uncommitted interests in the Wolfcamp formation, Purple Sage Wolfcamp Gas Pool (98220), underlying a standard 640-acre, more or less, horizontal spacing unit comprised of E/2 of Sections 7 and 18, Township 26 South, Range 28 East, NMPM, Eddy County, New Mexico. COG Operating LLC seeks to dedicate the above-referenced horizontal spacing unit to the following proposed wells: The Mercury State Com 701H well to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 18 to a bottom hole location in the NE/4NE/4 (Unit A) of Section 7, The Mercury State Com 702H well to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 18 to a bottom

hole location in the NW/4NE/4 (Unit B) of Section 7, and The Mercury State Com 703H well to be horizontally drilled from a surface hole location in the SW/4SE/4 (Unit O) of Section 18 to a bottom hole location in the NW/4NE/4 (Unit B) of Section 7. Also, to be considered will be the allocation of the cost thereof, the actual operating costs and charges for supervision, the designation of COG Operating LLC as operator of the wells, and the imposition of 200% charge for risk involved in drilling and completing said wells. Said area is located approximately 11.5 miles south of Malaga, New Mexico.

**PROPOSED EVIDENCE**

| <b>WITNESS</b>            | <b>ESTIMATED TIME</b> | <b>EXHIBITS</b> |
|---------------------------|-----------------------|-----------------|
| Lizzy Laufner – Landman   | Affidavit             | Approx. 5       |
| Travis Sparks – Geologist | Affidavit             | Approx. 5       |

**PROCEDURAL MATTERS**

COG plans to present this matter by affidavit.

Respectfully submitted,

COG OPERATING LLC

*/s/ Ocean Munds-Dry*

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**ATTORNEYS FOR COG OPERATING LLC**