

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:

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

2012 JUL -5 P 4:33
RECEIVED OGD
CASE NO. 14860

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by applicant as required by the Oil Conservation
Division.

APPEARANCES

APPLICANT

COG Operating LLC
550 West Texas Avenue
Suite 100
Midland, Texas

APPLICANT'S ATTORNEY

William F. Carr
Michael H. Feldewert
Adam G. Rankin
Holland & Hart, LLP
Post Office Box 2208
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OPPONENT

None at this time.

OPPONENT'S ATTORNEY

APPLICANT'S STATEMENT OF CASE

COG Operating LLC seeks an order (1) creating a non-standard 160-acre spacing and
proration unit comprised of the S/2 N/2 of Section 1, Township 19 South, Range 25 East,
NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Glorieta-Yeso

formation underlying this acreage to form a 160-acre project area in this formation. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Clydesdale 1 Fee No. 4H well, to be horizontally drilled from a surface location 2260 feet from the North line and 150 feet from the East line (Unit H) to a bottom hole location 2260 feet from the North line and 330 feet from the West line (Unit E) of Section 1. The completed interval for this well will be within the 330-foot standard offset required by the rules.

APPLICANT'S PROPOSED EVIDENCE

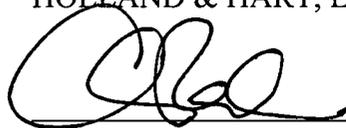
| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Stuart Dirks, Petroleum Landman | Approx. 20 min. | Approx. 5 |
| Greg Clark, Petroleum Geologist | Approx. 20 min. | Approx. 5 |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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