

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

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

CASE NO. 15051

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by COG Operating LLC ("COG"), as required by NMAC 19.15.4.13.B.

APPEARANCES

APPLICANT

COG Operating LLC
One Concho Center
600 W. Illinios Avenue
Midland, Texas 79701

ATTORNEY

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STATEMENT OF THE CASE

COG seeks an order (1) creating a non-standard 159.32-acre spacing and proration unit comprised of the E/2 E/2 of Section 3, Township 19 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Yeso formation, Dayton; Grayburg Pool, underlying this acreage. COG intends to dedicate this spacing unit to its proposed **Lee "3" Fee 8H Well** (API No. 30-015-41512), which will be horizontally drilled from a surface location in the SE/4 SE/4 (Unit P) to a standard bottom hole location in the NE/4 NE/4

(Unit A) of Section 3. The completed interval for this well will comply with the 330-foot setbacks required by the Division's rules.

APPLICANT'S PROPOSED EVIDENCE

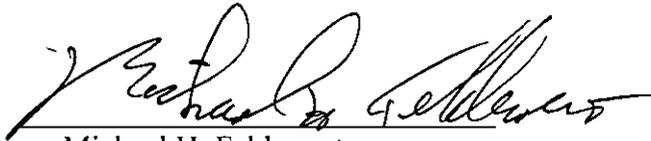
| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|---------------------------|-----------------|
| Stuart Dirks, Petroleum Landman | Approx. 10 minutes | Approx. 5 |
| Greg Clark, Petroleum Geologist | Approx. 10 minutes | Approx. 4 |

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP



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