

**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. 15281

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
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ATTORNEY

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STATEMENT OF THE CASE

COG seeks an order (1) creating a 160-acre spacing and proration unit comprised of the N/2 S/2 of Section 15, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests underlying this acreage from the top of the Yeso formation (Atoka; Glorieta-Yeso Pool, Code 3250) to a depth of 3,200 feet. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Pilum 15 Fee 1H Well**, which will be horizontally drilled from a surface location in the NE/4 SE/4 (Unit I) of Section 16, Township 18 South, Range 26 East to a bottom hole location in NE/4 SE/4 (Unit I) of Section 15. The

completed interval for this well will commence in NW/4 SW/4 (Unit L) of Section 15 and remain within the 330-foot standard offset required by the Statewide Rules for oil pools.

APPLICANT'S PROPOSED EVIDENCE

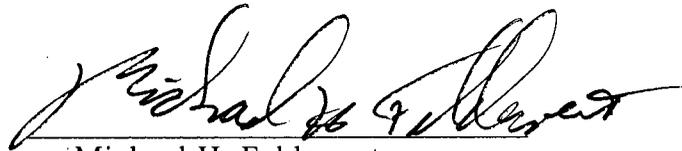
WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Stuart Dirks, Landman	Approx. 10 minutes	Approx. 5
Greg Clark, Geologist	Approx. 10 minutes	Approx. 5

PROCEDURAL MATTERS

COG has applied for an order seeking to pool all mineral interests in the Yeso formation underlying the proposed non-standard spacing unit. However, due to depth severance issues, COG has decided to limit the request for pooling to mineral interests underlying the proposed non-standard unit from the top of the Yeso formation to a depth of 3,200 feet. A similar order has been issued by the Division for the S/2 S/2 of Section 15 under Order R-13950.

Respectfully submitted,

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