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. 15764

COG's PRE-HEARING STATEMENT

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

APPLICANT

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

ATTORNEY

Michael H. Feldewert, Esq. Jordan L. Kessler, Esq. Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF CASE

COG Operating LLC seeks an order (1) creating a 160-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 23, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Empire Glorieta-Yeso Pool (96210). COG proposes to dedicate the above-referenced spacing and proration unit as the project area for the proposed Malco 23 Federal Com No. 13H Well, which will be horizontally drilled from a surface location in the NE/4 NW/4 (Unit C) to a standard bottomhole location in the SE/4 SW/4 (Unit N) of Section 23. The completed interval will not

remain within the 330 foot setbacks required by the Statewide rules for oil wells. COG will apply administratively for approval of an unorthodox location.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Adam Reker – Landman	Approx. 10	Approx. 5
Cody Bacon – Geologist	Approx. 10	Approx. 4

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

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