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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 13407

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APPLICANT'S PRE-HEARING STATEMENT

Applicant hereby submits this Pre-Hearing Statement pursuant to the rules of the Oil

Conservation Division.

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APPEARANCES

APPLICANT

ATTORNEY

COG Operating LLC

Michael H. Feldewert, Esq. Holland & Hart, LLP P. O. Box 2208 Santa Fe, NM 87504-2208 505/988-4421

APPLICANT'S STATEMENT OF CASE

Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in all formations from the surface to the base of the Morrow formation underlying the W/2 of Section 4, Township 19 South, Range 32 East to form a standard 320-acre gas spacing and proration unit for all formations or pools developed on 320-acre spacing, which presently includes the undesignated Lusk North Morrow Pool. This unit is to be dedicated to COG's proposed Valhalla "4" Federal Com Well No. 1 to be drilled at a standard location in Unit D of said Section 4 to a depth of approximately 13,000 feet to test the Morrow formation. This area is located approximately 11 miles south of Maljamar, New Mexico.

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APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise

ESTIMATED TIME

EXHIBITS

Michael Gray - Landman

Approx. 10 minutes

Approx. 6

PROCEDURAL MATTERS

COG not aware of any procedural matters at this time.

Respectfully submitted,

HOLLAND & HART, LLP

By: int

Michael H. Feldewert P.O. Box 2208 Santa Fe, NM 87504-2208 505/988-4421 Attorneys for COG Operating, LLC.