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STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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

CASE NO. 14602

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by COG OPERATING, LLC as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating, LLC
Attn: Dean Chumbley
550 W. Texas Avenue Suite 100
Midland, Texas 79701
(432) 683-7443

ATTORNEY

Ocean Munds-Dry, Esq.
Holland & Hart LLP
Post Office Box 2208
Santa Fe, New Mexico 87504
(505) 988-4421

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STATEMENT OF THE CASE

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the W/2 E/2 of Section 29 and the W/2 E/2 of Irregular Section 32, Township 26 South, Range 28 East, NMPM and (2) pooling all mineral interests in the Bone Spring formation in the non-standard spacing unit which will be the project area for the Honey Graham State Com No. 3H to be drilled from a surface location 330 feet from the North line and 1980 feet from the East line of Section 29 and a bottomhole location 330 feet from the South line and 2310 feet from the East line of Section 32. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating, LLC as operator of the well and a

200% charge for risk involved in drilling said well. Said area is located approximately 15 miles North of Malaga, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

EST. TIME

EXHIBITS

Dean Chumbley
Landman

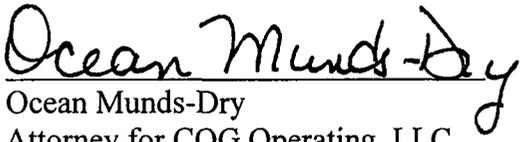
30 Minutes

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PROCEDURAL MATTERS

COG Operating, LLC has none at this time.

Sincerely,


Ocean Munds-Dry
Attorney for COG Operating, LLC