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2013 APR 11 P 2:29

April 11, 2013

Ms. Jami Bailey, Director
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

Hand Delivered

Re: NMOCD Case Nos. 14951, 14952, 14953, and 14954: Applications of Devon Energy Production Company, LP, for Non-Standard Oil Spacing and Proration Units and Compulsory Pooling, Lea County, New Mexico

And

NMOCD Case No. 14975: Application of COG Operating LLC for Designation of a Non-Standard Oil Spacing and Proration Unit and for Compulsory Pooling, Lea County, New Mexico

Dear Ms. Bailey:

On behalf of COG Operating LLC, enclosed is an original and one copy of COG Operating's Pre-Hearing Statement.

Thank you.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

cc: James Bruce, Esq.

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REPLY TO:

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

**IN THE MATTER OF THE APPLICATIONS
OF DEVON ENERGY PRODUCTION
COMPANY, LP, FOR NON-STANDARD OIL
SPACING AND PRORATION UNITS AND
COMPULSORY POOLING, LEA COUNTY,
NEW MEXICO**

**Case No. 14951
Case No. 14952
Case No. 14953 and
Case No. 14954**

And

**IN THE MATTER OF THE APPLICATION
OF COG OPERATING LLC FOR
DESIGNATION OF A NON-STANDARD OIL
SPACING AND PRORATION UNIT AND
FOR COMPULSORY POOLING, LEA
COUNTY, NEW MEXICO**

Case No. 14975

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PRE-HEARING STATEMENT

COG Operating LLC ("COG") provides this Pre-Hearing Statement as required
by the rules of the Division.

APPEARANCES

APPLICANT

COG Operating LLC

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OTHER PARTY

Devon Energy Production Company LP

OTHER PARTY'S ATTORNEY

James G. Bruce
Attorney at Law
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STATEMENT OF THE CASE

COG and Devon have filed competing applications for compulsory pooling as follow: In Case No. 14975, COG's Application seeks the consolidation of interests within the 240-acre non-standard unit comprised of the E/2 W/2 of Section 11 and E/2 NW/4 of Section 14 in T17S R32E for the drilling of its Pan Head Fee No. 4-H horizontal well in the Yeso formation. COG also has plans to drill three additional horizontal Yeso wells in similarly configured 240-acre standup units adjoining the non-standard unit dedicated to the Pan Head Fee No. 4-H.

By its four Applications, Devon proposes to consolidate 160-acre laydown non-standard units in the N/2 of Section 14 T17S R32E for its BAE 14 Fed. Com Well No. 1-H in the N/2 N/2 (Case 14951), the BAE 14 Fed. Com Well No. 2-H also in the N/2 N/2 (Case 14952), the BAE 14 Fed. Com Well No. 3-H in the S/2 N/2 (Case 14953), and the BAE 14 Fed. Com Well No. 4-H also in the S/2 N/2 (Case 14951). Devon also proposes to drill its wells to the Yeso formation.

The parties have agreed that these five cases may be consolidated for hearing. All cases will address the consolidation of interests, the designation of operator, drilling, completion and operating costs, risk penalty assessment and cost allocation. However, in COG's case, it is faced with the imminent loss of lease acreage under an expiring Term Assignment. COG will therefore request that Devon's Applications in Cases 14951 through 14954 be denied and that the Application in Case No. 14975 be granted on an expedited basis.

PROPOSED EVIDENCE

COG OPERATING

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sean Johnson, Landman	45 minutes	9
Harvin Broughton, Geologist	30 minutes	7
Jesse Lawson, Petroleum Engineer	30 minutes	

OTHER

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

COG Operating LLC must commence drilling before June 17, 2013 in order to avoid the loss of lease acreage held under the Term Assignment referenced above. COG plans to spud the Pan Head Fee No. 4-H well on May 17, 2013. It must therefore oppose any further continuance of these cases.

Montgomery and Andrews, P. A.


By: 

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Attorneys for COG Operating LLC

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 11 day of April, 2013.

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J. Scott Hall

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