STATE OF NEW MEXICO ECLIVED OCCUPANTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES OIL CONSERVATION DIVISION MAY 21 P 12: 53

APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, LEA COUNTY, NEW MEXICO.

CASE NOS. 15311, 15312 & 15313

COG's ENTRY OF APPEARANCE AND PRE-HEARING STATEMENT

Counsel for COG Operating LLC, Ocean Munds-Dry, enters an appearance in the above referenced matters, and submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

ATTORNEY

COG Operating LLC One Concho Center 600 W. Illinois Avenue Midland, Texas 79701 Ocean Munds-Dry, Esq. 1048 Paseo de Peralta Santa Fe, New Mexico 87501 (505) 780-8000 (505) 428-0485 Facsimile

OTHER PARTY

Chevron U.S.A. Inc.

Benjamin L. Bosell, Esq. 1400 Smith Street Houston, Texas 77002 (713) 372-7966

APPLICANT'S STATEMENT OF CASE

In these three cases, COG Operating LLC seeks an order (1) creating three 320-acre spacing and proration units comprised of the E/2 W/2, W/2 E/2, and the W/2 W/2 of Sections 5 and 8, Township 26 South, Range 34 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation, WC-025 G-06 S263407P; Upr Bone Spring Pool (97892) underlying this acreage. The E/2 W/2 non-standard spacing and proration unit will

be the project area for the proposed **Gunner 8 Fed Com No. 6H Well,** which will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 8 to a standard bottom hole location in NE/4 NW/4 (Unit C) of Section 5. The W/2 E/2 non-standard spacing and proration unit will be the project area for the proposed **Gunner 8 Fed Com No. 7H Well,** which will be horizontally drilled from a surface location in the SW/4 SE/4 (Unit O) of Section 8 to a standard bottom hole location in NW/4 NE/4 (Unit B) of Section 5. The W/2 W/2 non-standard spacing and proration unit will be the project area for the proposed **Gunner 8 Fed Com No. 9H Well,** which will be horizontally drilled from a surface location in the SW/4 SW/4 (Unit M) of Section 8 to a standard bottom hole location in NW/4 NW/4 (Unit D) of Section 5. The completed interval for each of these wells will comply with the Division's setback requirements.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|-----------------------------|----------------|-----------|
| Ryan Owens - Landman | Approx. 15 | Approx. 7 |
| Henry Zollinger – Geologist | Approx. 10 | Approx. 4 |

PROCEDURAL MATTERS

COG requests that Cases 15311, 15312 and 15313 be consolidated for hearing.

Respectfully submitted,

Ocean Munds-Dry 1048 Paseo de Peralta

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ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of this Entry of Appearance and Pre-Hearing Statement was served upon the following counsel of record this 21st day of May, 2015 by e-mail:

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Ocean Munds-Dry