

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

2011 JUL 27 P 3:09

IN THE MATTER OF THE APPLICATION  
OF COG OPERATING LLC FOR  
COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

Case No. 14,700

and

IN THE MATTER OF THE APPLICATION  
OF COG OPERATING LLC FOR  
COMPULSORY POOLING, EDDY  
COUNTY, NEW MEXICO

Case No. 14,699

COG OPERATING LLC PRE-HEARING STATEMENT

COG Operating LLC (COG) through its counsel, Beatty & Wozniak, P.C., submits this Pre-Hearing Statement in compliance with OCD Rules.

APPEARANCES

APPLICANT

COG Operating LLC

ATTORNEY

Carol Leach  
Beatty & Wozniak, P.C.  
500 Don Gaspar  
Santa Fe, New Mexico 87505  
505-983-8901

STATEMENT OF THE CASE

***Case No. 14699: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.*** Applicant seeks an order for the compulsory pooling of all interests in those depths from 2,000 feet below the surface of the earth to 5,000 feet below the surface within Unit G of Section 36, T-17S, R27-E. The Applicant proposes to directionally drill the Kiowa State # 3 well at a surface hole location of 1,425' FNL and 1,520' FWL, or other legal location, within Unit G (SWNE) to a depth of approximately 4,850 feet below ground level to test the Blinbry/Paddock Formations. The bottom hole location is proposed at 1,650' FNL and 1,650' FEL, or other legal

location within Unit G. The producing interval of the well will be entirely within the producing area. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, the actual operating costs, charges for supervision, designation of COG Operating LLC as operator and a charge for the risk involved in drilling the well. The proposed well and lands are located approximately ten miles east and three miles south of Artesia, New Mexico.

***Case No. 14700: Application of COG Operating LLC for Compulsory Pooling, Eddy County, New Mexico.*** Applicant seeks an order for the compulsory pooling of all interests in those depths from 2,000 feet below the surface of the earth to 5,000 feet below the surface within Unit F of Section 36, T-17S, R27-E. The Applicant proposes to drill the Kiowa State # 1 well at 1,665' FNL and 2,205' FWL, or other legal location, within Unit F (SENW) to a depth of approximately 4,850 feet below ground level to test the Blinebry/Paddock Formations. Also to be considered will be the cost of drilling and completing said well and the allocation of the costs thereof, the actual operating costs, charges for supervision, designation of COG Operating LLC as operator and a charge for the risk involved in drilling the well. The proposed well and lands are located approximately ten miles east and three miles south of Artesia, New Mexico.

Following the filing of the application, one of the parties entered into a term assignment with the Applicant for both of the spacing units. As a result, compulsory pooling is needed for only one party with a fractional interest in both spacing units.

#### APPLICANT'S PROPOSED EVIDENCE

##### WITNESSES

##### ESTIMATED TIME

##### EXPERTISE

Brandon Gaynor

30 minutes

Landman

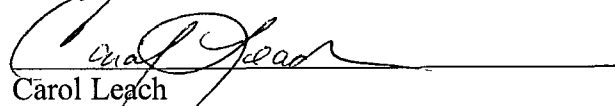
#### PROCEDURAL MATTERS

There is one outstanding Motion to be resolved:

Applicant's Motion to Consolidate Cases for hearing.

Respectfully submitted this 27th day of July, 2011.

Beatty & Wozniak, P.C.



Carol Leach

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ATTORNEY FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on this 27<sup>th</sup> day of July, 2011, I sent notice of this filing to the parties of record in this proceeding.

  
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Carol Leach