

**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:**

**COG OPERATING, LLC'S FOR COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 14649

**COG OPERATING, LLC'S FOR COMPULSORY POOLING, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 14650

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by COG Operating, LLC ("Concho") as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating, LLC
Attn: David Evans
550 West Texas Ave.
Midland, TX 79701
(432) 683-7443

ATTORNEY

Ocean Munds-Dry, Esq.
Holland & Hart LLP
110 N. Guadalupe Suite 1
Santa Fe, NM 79701
(505) 988-4421

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STATEMENT OF THE CASE

CASE 14649

Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in Glorieta Yeso formation underlying the SW/4 SW/4 of Section 24, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico for all pools developed on 40-acre spacing within this vertical extent. This unit will be dedicated to the Puckett "24" Fed Well No. 61 to be drilled at a standard location in Section 24. 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 wells. Said area is located approximately 9 miles east of Loco Hills, New Mexico.

CASE 14650

Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in Glorieta-Yeso formation underlying the SW/4 SW/4 of Section 13, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico for all pools developed on 40-acre spacing within this vertical extent. This unit will be dedicated to the Puckett "13" Fed Well No. 61 to be drilled at a standard location in Section 13. 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 wells. Said area is located approximately 9 miles east of Loco Hills, New Mexico.

PROPOSED EVIDENCE

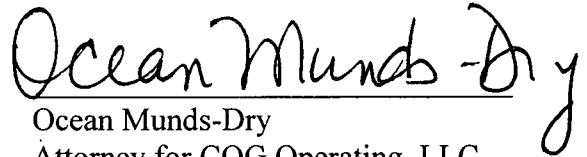
APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Stuart Dirks Petroleum Landman	Approx. 15 min.	Approx. 10
David Evans, Petroleum Landman	Approx. 15 min.	Approx. 5
Harvin Broughton, Petroleum Geologist	Approx. 20 min	Approx. 5
Richard Prentice Reservoir Engineer	Approx. 1 hour	Approx. 10

PROCEDURAL MATTERS

COG Operating, LLC has none at this time.

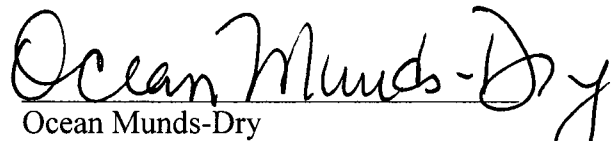
Sincerely,


Ocean Munds-Dry
Attorney for COG Operating, LLC

CERTIFICATE OF SERVICE

I certify that on 5/19/2011 I served a copy of the foregoing document to the following by fax:

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504

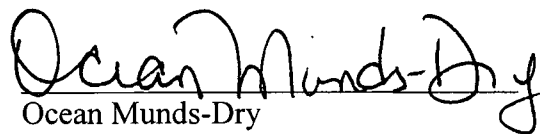

Ocean Munds-Dry

CERTIFICATE OF SERVICE

I certify that on 5/19/2011 I served a copy of the foregoing document to the following by:

James Bruce
PO Box 1056
Santa Fe, NM 87504

ATTORNEY FOR BURNETT OIL CO.


Ocean Munds-Dry

3. **CASE 14648: Application of Cimarex Energy Co. of Colorado for approval of a non-standard oil spacing and proration unit and compulsory pooling, Eddy County, New Mexico.** Cimarex Energy Co. of Colorado seeks an order approving a 160-acre non-standard oil spacing and proration unit (project area) in the Bone Spring formation comprised of the W/2 W/2 of Section 32, Township 18 South, Range 31 East, NMPM. Applicant further seeks the pooling of all mineral interests in the Bone Spring formation underlying the W/2 W/2 of Section 32 to form a non-standard 160 acre oil spacing and proration unit (project area) for any pools or formations developed on 40 acre spacing within that vertical extent. The unit is to be dedicated to the West Shugart 32 State Well No. 1, a horizontal well to be drilled at a surface location in the NW/4 NW/4, with a terminus in the SW/4 SW/4, of Section 32. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles South-Southeast of Loco Hills, New Mexico.
4. **CASE 14602: (Continued from the April 28, 2011 Examiner Hearing.)**
Application of COG Operating, LLC for a non-standard spacing and proration unit and compulsory pooling, Eddy County, New Mexico. 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.
- ✓ 5. **CASE 14649: Application of COG Operating, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in Glorieta Yeso formation underlying the SW/4 SW/4 of Section 24, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico for all pools developed on 40-acre spacing within this vertical extent. This unit will be dedicated to the Puckett "24" Fed Well No. 61 to be drilled at a standard location in Section 24. 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 wells. Said area is located approximately 9 miles East of Loco Hills, New Mexico.
- ✓ 6. **CASE 14640: (Continued from the May 12, 2011 Examiner Hearing.)**
Application of Burnett Oil Co., Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the SW/4 SW/4 of Section 24, Township 17 South, Range 31 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the proposed Nosler Fed. Well No. 2, to be drilled at an orthodox location in the SW/4SW/4 of Section 24. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles East of Loco Hills, New Mexico.
- ✓ 7. **CASE 14650: Application of COG Operating, LLC for compulsory pooling, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order pooling all uncommitted mineral interests in Glorieta-Yeso formation underlying the SW/4 SW/4 of Section 13, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico for all pools developed on 40-acre spacing within this vertical extent. This unit will be dedicated to the Puckett "13" Fed Well No. 61 to be drilled at a standard location in Section 13. 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 wells. Said area is located approximately 9 miles East of Loco Hills, New Mexico.
- ✓ 8. **CASE 14641: (Continued from the May 12, 2011 Examiner Hearing.)**
Application of Burnett Oil Co., Inc. for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests from the surface to the base of the Glorieta-Yeso formation underlying the SW/4 SW/4 of Section 13, Township 17 South, Range 31 East, NMPM, to form a standard 40-acre oil spacing and proration unit for all pools or formations developed on 40-acre spacing within that vertical extent. The unit is to be dedicated to the proposed Partition Fed. Well No. 1, to be drilled at an orthodox location in the SW/4SW/4 of Section 13. Also to be considered will be the cost of drilling and completing the well and the allocation of the cost thereof, as well as actual operating costs and charges for supervision, designation of applicant as operator of the well, and a 200% charge for the risk involved in drilling and completing the well. The unit is located approximately 9 miles East of Loco Hills, New Mexico.
9. **CASE 14651: Application of Occidental Permian LP for a non-standard spacing and proration unit and compulsory pooling, Lea County, New Mexico.** Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the W/2 W/2 of Section, Township 19 South, Range 32 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 Fecta 33 Fed Com No. 1H to be drilled from a surface location 330 feet from the North line and 990 feet from the West line and a bottomhole location 330 feet from the South line