

**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, UNORTHODOX WELL
LOCATIONS AND NON-STANDARD SPACING UNITS, EDDY COUNTY, NEW
MEXICO:**

CASE NOS. 14706-14718

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

OPPONENT

Burnett Oil Co, Inc.

ATTORNEY

James Bruce
PO Box 1056
Santa Fe, NM 87504
(505) 982-2043

STATEMENT OF THE CASE

CASE 14706

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 12, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "12" Federal Well No. 1H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "12" Federal Well No. 1H to be drilled from a surface location 75 feet from the South line and 330 feet from the West line and a bottomhole location 330 feet from the North line and 330 feet from the West line of Section 12. 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.

CASE 14707

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 W/2 of Section 12, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "12" Federal Well No. 3H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "12" Federal Well No. 3H to be drilled from a surface location 75 feet from the North line and 1650 feet from the West line to a standard bottomhole location in Unit N of Section 12. 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.

CASE 14708

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 12, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "12" Federal Well No. 5H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "12" Federal Well No. 5H to be drilled from a surface location 10 feet from the North line and 1781 feet from the East line of Section 13 and a bottomhole location 330 feet from the North line and 1980 feet from the East line of Section 12. 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.

CASE 14709

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 E/2 of Section 12, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "12" Federal Well No. 7H (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "12" Federal Well No. 7H to be drilled from a surface location 10 feet from the North line and 850 feet from the East line and a bottomhole location 330 feet from the South line and 990 feet from the East line of Section 12. 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.

CASE 14710

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the N/2 N/2 of Section 12, Township 17 South, Range 31 East, NMPM, and (2) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "12" Federal Well No. 9H to be drilled at a standard surface and bottomhole location in Section 12. 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.

CASE 14711

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 13, Township 17 South, Range 31 East, NMPM and (2) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "13" Federal Well No. 1H to be drilled from a standard surface location in Unit M and a standard bottomhole location in Unit D of 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 well.

CASE 14712

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 W/2 of Section 13, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "13" Federal Well No. 3H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "13" Federal Well No. 3H to be drilled from a surface location 75 feet from the South line and 1480 feet from the West line and a bottomhole location 330 feet from the North line and 1650 feet from the West line of 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 well.

CASE 14713

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 13, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "13" Federal Well No. 5H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "13" Federal Well No. 5H to be drilled from a surface location 75 feet from the North line and 1940 feet from the East line and a bottomhole location 330 feet from the South line and 1980 feet from the East line of 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 well.

CASE 14714

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 E/2 of Section 13, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "13" Federal Well Nos. 7H & 8H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "13" Federal Well No. 7H to be drilled from a surface location 83 feet from the North line and 970 feet from the East line and a bottomhole location 330 feet from the South line and 990 feet from the East line of Section 13 and the Puckett "13" Federal Well No. 8H to be drilled from a surface location 232 feet from the South line and 459 feet from the East line of Section 12 and a bottomhole location 330 feet from the South line and 330 feet from the East line of 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 well.

CASE 14715

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 24, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "24" Federal Well No. 2H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "24" Federal Well No. 2H to be drilled from a surface location 75 feet from the North line and 990 feet from the West line and a bottomhole location 330 feet from the South line and 990 feet from the West line of 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 well.

CASE 14716

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 W/2 of Section 24, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "24" Federal Well No. 4H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "24" Federal Well No. 4H to be drilled from a surface location 75 feet from the South line and 1902 feet from the West line and a bottomhole location 330 feet from the North line and 1980 feet from the West line of 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 well.

CASE 14717

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 24, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "24" Federal Well No. 6H and (3) pooling all mineral interests

in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "24" Federal Well No. 6H to be drilled from a surface location 75 feet from the South line and 1650 feet from the East line and a bottomhole location 330 feet from the North line and 1650 feet from the East line of 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 well.

CASE 14718

Applicant in the above-styled cause seeks an order: (1) creating a non-standard spacing unit comprised of the E/2 E/2 of Section 24, Township 17 South, Range 31 East, NMPM, (2) non-standard location for the Puckett "24" Federal Well No. 8H and (3) pooling all mineral interests in the Glorieta-Yeso formation in the non-standard spacing unit which will be the project area for the Puckett "24" Federal Well No. 8H to be drilled from a surface location 170 feet from the North line and 440 feet from the East line of Section 25 and a bottomhole location 330 feet from the North line and 330 feet from the East line of 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 well.

PROPOSED EVIDENCE

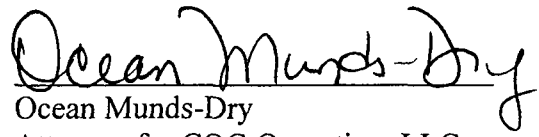
APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
David Evans, Landman	Approx. 20 min.	Approx. 10
Noel Olivas, Field Coordinator	Approx. 20 min.	Approx. 10
Harvin Broughton, Geologist	Approx. 20 min.	Approx. 10
Ken Craig, Petroleum Engineer	Approx. 20 min.	Approx. 10
Carl Bird, Drilling Engineer	Approx. 20 min.	Approx. 10
Ryan Dehnad Completions Engineer	Approx. 20 min.	Approx. 10

PROCEDURAL MATTERS

COG Operating, LLC requests these cases be consolidated with Case Nos. 14673, 14674, 14691. Concho requests that Burnett's motion to compel be denied and that its motion for protective order be granted.

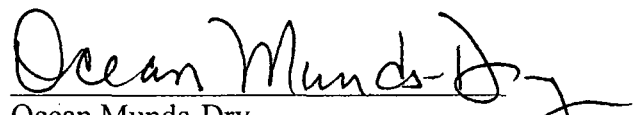
Sincerely,


Ocean Munds-Dry
Attorney for COG Operating, LLC

CERTIFICATE OF SERVICE

I certify that on 8/24/2011 I served a copy of the foregoing document to the following by fax and U.S. mail:

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


Ocean Munds-Dry