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:

APPLICATION OF COG OPERATING LLC TO INCREASE WELL DENSITY IN THE BURCH KEELY FEDERAL UNIT, EDDY COUNTY, NEW MEXICO.

RECEIVED 0.514759

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Holland & Hart LLP as required by the Oil Conservation Division.

APPEARANCES

APPLICANT

COG Operating, LLC Attn: Caleb Hopson 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

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order for an exception to the oil well density limits within the horizontal limits of the Burch Keely Federal Unit, Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres (or the proposed Burch Keely Glorieta Yeso Pool). Specifically, Concho seeks authorization for up to 4 wells completed in the Paddock member of the Yeso formation and 4 wells in the Blinebry member of the Yeso formation. The pools are located approximately 12 miles east of Artesia, New Mexico and 17 miles west of Lovington, New Mexico.

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PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	<u>EXHIBITS</u>
Brandon Gaynor, Landman	Approx. 30 min.	Approx. 10
Harvin Broughton, Geologist	Approx. 30 min.	Approx. 10
TJ Midkiff, Engineer	Approx. 30 min.	Approx. 10

PROCEDURAL MATTERS

COG Operating, LLC has none at this time.

Sincerely,

Ocean Munds-Dry

Attorney for COG Operating, LLC

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