

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

2012 APR 19 P 2:27

**IN THE MATTER OF THE APPLICATION
OF COG OPERATING LLC FOR DESIGNATION
OF A NON-STANDARD OIL SPACING AND
PRORATION UNIT AND FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO**

CASE NO. 14815

PRE-HEARING STATEMENT

COG Operating LLC ("COG") provides this Pre-Hearing Statement as required
by the rules of the Division.

APPEARANCES

APPLICANT

COG Operating LLC

APPLICANT'S ATTORNEY

J. Scott Hall
Montgomery & Andrews
P.O. Box 2307
Santa Fe, NM 87504-2307
(505) 982-3873

OTHER PARTY

Chisos, Ltd.
670 Dona Ana Road SW
Deming, NM

OTHER PARTY'S ATTORNEY

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505) 982-2043

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order consolidating the 40-acre spacing units within the NW/4
NE/4 and N/2 NW/4 of Section 16, Township 17 South Range 31 East, NMPM and
designating the consolidated units as a 120-acre± non-standard oil spacing and proration

unit for two wells in the Yeso formation, Mar Loco Glorieta-Yeso pool (97866) for Applicant's non-standard horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Yeso formation underlying the referenced lands to be dedicated to its Burkett 16 State No. 15H Well to be drilled horizontally from a surface location 330' from the North line and 1470' from the East line (Unit B) to a bottom hole location 330' from the North line and 330' from the West line (Unit D), and to its Burkett 16 State No. 16H Well to be drilled horizontally from a standard surface location 990' from the North line and 1470' from the East line (Unit B) to a bottom hole location 990' from the North line and 330' from the West line (Unit D) in Section 16. The completed intervals of both wells will be located within the producing area of the proposed project area. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the wells.

OTHER PARTY

Chisos, Ltd.

PROPOSED EVIDENCE

APPLICANT

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Katie Mohebkhosravi, Landman	15	5
Ramone Reyes, Geologist	15	5

OPPONENT


<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
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PROCEDURAL MATTERS

None.

Montgomery and Andrews, P. A.

By:



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Attorneys for COG Operating LLC

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 19 day of April, 2012.

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jamesbruc@aol.com



J. Scott Hall