STATE OF NEW MEXICO DEPARTMENT OF ENERGY, MINERALS AND NATURAL RESOURCES 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 FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

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CASE NO. 14880

PRE-HEARING STATEMENT

This pre-hearing statement in submitted by applicant as required by the Oil Conservation

Division.

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APPEARANCES

APPLICANT

COG Operating LLC 550 West Texas Avenue Suite 100 Midland, Texas

APPLICANT'S ATTORNEY

William F. Carr Michael H. Feldewert Adam G. Rankin Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

OPPONENT

OPPONENT'S ATTORNEY

None at this time.

APPLICANT'S STATEMENT OF CASE

COG Operating LLC seeks an order (1) creating a non-standard 160-acre spacing and proration unit comprised of the S/2 N/2 of Section 28, Township 23 South, Range 28 East, NMPM, Eddy County, New Mexico; and (2) pooling all mineral interests in the Bone Spring

formation underlying this acreage to form a 160-acre project area in this formation. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Falcon 28 1H Well (API #30-015-37000), to be horizontally drilled from a surface location 1980 feet from the North line and 530 feet from the East line (Unit H) of Section 28 to a bottom hole location 1980 feet from the North line and 350 feet from the West line (Unit E) of Section 28. The completed interval for this well will be within the 330-foot standard offset required by the rules.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Lisa Eggemeyer, Landman	Approx. 20 minutes	Approx. 5
Andrew McCarthy, Petroleum Geologist	Approx. 20 minutes	Approx. 5
	PROCEDURAL MATTERS	

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

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ATTORNEYS FOR COG OPERATING LLC