

**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,
LEA COUNTY, NEW MEXICO.**

CASE NO. 14886

**APPLICATIONS OF DEVON ENERGY
PRODUCTION COMPANY, L.P. FOR A
NON-STANDARD OIL SPACING AND
PRORATION UNIT AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO.**

**CASE NOS. 14893
14894
14895
14896**

PRE-HEARING STATEMENT

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

APPEARANCES

APPLICANT

COG Operating LLC
One Concho Center
600 West Illinois Avenue
Midland, Texas 79701

ATTORNEY

Michael H. Feldewert
Adam G. Rankin
Holland & Hart, LLP
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
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OPPONENT

Devon Energy Production Company, L.P.
Chisos, Ltd.

ATTORNEY

James Bruce
Post Office Box 1056
Santa Fe, New Mexico 87504
(505) 982-2043
jamesbruc@aol.com

STATEMENT OF THE CASE

COG Operating LLC seeks an order (1) creating a non-standard 160-acre, more or less, spacing and proration unit N/2 N/2 of Section 6, Township 19 South, Range 32 East, NMPM, Lea County, New Mexico; and (2) pooling all mineral interests in the Bone Spring formation underlying this acreage to form a 160-acre, more or less, project area in this formation. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed Haas 6 Federal Com #1H Well to be horizontally drilled from a surface location 330 feet from the North line and 380 feet from the East line to a bottom hole location 380 feet from the North line and 330 feet from the West line of Section 6. The pooling of interests will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights. Devon Energy Production Company, LP ("Devon") has filed competing applications for pooling in the E/2 E/2 and W/2 E/2 of Section 6 in Case Nos. 14893, 14894, 14895, and 14896. COG believes that its application is in the best interest of the prevention of waste and the protection of correlative rights and should be approved and that Devon's applications should be denied.

APPLICANT'S PROPOSED EVIDENCE

| WITNESS Name and Expertise | ESTIMATED TIME | EXHIBITS |
|---------------------------------------|-----------------------|-----------------|
| Caleb Hopson, Petroleum Landman | Approx. 20 min. | Approx. 5. |

Ward Whiteman,
Petroleum Geologist

Approx. 30 min.

Approx. 5.

Danny Lewis,
Reservoir Engineer

Aprox. 30 min.

Approx. 5.

Lee Martin,
Completion Engineer

Approx. 30 min.

Approx. 5.

PROCEDURAL MATTERS

Devon filed a motion to continue Case Nos. 14886 and 14893-14896 to the October 4 examiner hearing docket. COG Operating LLC opposes that motion and filed a response on August 30, 2012. Because Devon's applications overlap with COG's application and are otherwise mutually exclusive, Case Nos. 14886 and 14893-14896 should be consolidated.

Respectfully submitted,

HOLLAND & HART, LLP



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ATTORNEYS FOR COG OPERATING LLC

CERTIFICATE OF SERVICE

I hereby certify that on August 30, 2012, I served a copy of the foregoing document to the following via electronic mail to:

James Bruce
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jamesbruc@aol.com

A handwritten signature in black ink, appearing to read 'A. Rankin', is positioned above a horizontal line.

Adam G. Rankin