



**MONTGOMERY
& ANDREWS**
LAW FIRM

J. Scott Hall

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2013 MAR 14 P 1:55

March 14, 2013

Ms. Jami Bailey, Director
NM Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87501

Hand Delivered

Re: NMOCD Case No. 14965: Application of COG Operating LLC for Designation of a Non-Standard Spacing and Proration Unit and for Compulsory Pooling, Eddy County, New Mexico

Dear Ms. Bailey:

On behalf of COG Operating LLC, enclosed is an original and one copy of the Pre-Hearing Statement of COG Operating LLC.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

JSH:kw
Enclosure

451689

REPLY TO:

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

RECEIVED OGD
2013 MAR 14 P 1:55

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

Case No. 14965

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

N/A

OTHER PARTY'S ATTORNEY

N/A

STATEMENT OF THE CASE

APPLICANT

Applicant seeks an order consolidating the 40-acre spacing units within the W/2 W/2 of Section 9, Township 19 South Range 26 East, NMPM and designating the consolidated units as a 160-acre± non-standard oil spacing and proration unit for a well

location in the Yeso formation for Applicant's horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Yeso formation underlying the W/2 W/2 of Section 9 to be dedicated to its Stonewall 9 Fee No. 1-H Well to be drilled horizontally from a surface location in the SW/4 SW/4 of Section 9 to a standard bottom hole location in the NW/4 NW/4 of Section 9 to a depth sufficient to test the Yeso formation, Atoka Glorieta-Yeso Pool (3250). 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 and a charge for risk involved in drilling the well. The proposed well and lands are located approximately 2 and ½ miles north of Lakewood, New Mexico.

PROPOSED EVIDENCE

APPLICANT

WITNESSES

Stuart Dirks, Landman
Greg Clark, Geologist

EST. TIME

20 minutes
20 minutes

EXHIBITS

6
4

OPPONENT

WITNESSES

EST. TIME

EXHIBITS

PROCEDURAL MATTERS

Montgomery and Andrews, P. A.

By: _____

J. Scott Hall

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shall@montand.com
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 _____ day of March, 2013.

N/A

J. Scott Hall

J. Scott Hall

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