



**MONTGOMERY
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LAW FIRM

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2013 JUL 18

July 18, 2013

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

Hand-Delivered

Re: NMOCD Case No. 15030: Application of COG Operating LLC for Designation of a Non-Standard Spacing and Proration Unit and for Compulsory Pooling, Lea County, New Mexico

Dear Ms. Bailey:

On behalf of COG Operating LLC, enclosed for filing is an original and one copy of its Pre-Hearing Statement in the above-captioned case.

Very truly yours,

Karen Williams
Assistant to J. Scott Hall

JSH:kw
Enclosures

cc: James Bruce, Esq.
Mr. Sean Johnson, COG
Ms. Ocean Munds-Dry

485597

REPLY TO:

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

2013 JUL 18 P 4: 30
Case No. 15030

**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, LEA
COUNTY, NEW MEXICO**

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

CML Exploration, LLC

OTHER PARTY'S ATTORNEY

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

STATEMENT OF THE CASE

Applicant seeks an order consolidating the 40-acre spacing units within the E/2 W/2 of Section 11 and the NE/4 NW/4 of Section 14, Township 17 South Range 32 East, NMPM and designating the consolidated units as a 200-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 E/2 W/2 of Section 11 and the NE/4 NW/4 of Section 14 to be dedicated to its Pan Head Fee No. 4-H Well to be drilled horizontally from a surface location in the NE/4 NW/4 of Section 11 to a standard bottom hole location NE/4 NW/4 of Section 14 to a depth sufficient to test the Yeso formation, West Maljamar Yeso Pool (44500). 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.

PROPOSED EVIDENCE

COG OPERATING

<u>WITNESSES</u>	<u>EST. TIME</u>	<u>EXHIBITS</u>
Sean Johnson, Landman	45 minutes	6
Harvin Broughton, Geologist	30 minutes	4
Jesse Lawson, Petroleum Engineer	30 minutes	4

OTHER

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

Applicant may request that this case be consolidated for hearing with Case No. 15029.

Montgomery and Andrews, P. A.

By: J. Scott Hall
J. Scott Hall
Post Office Box 2307
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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 18th day of July, 2013.

James Bruce
P.O. Box 1056
Santa Fe, NM 87504
(505)982-2043
Attorney for CML Exploration, LLC

J. Scott Hall
J. Scott Hall