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

APPLICATION OF COG OPERATING LLC FOR A NON-STANDARD SPACING AND PRORATION UNIT AND COMPULSORY POOLING, EDDY COUNTY, NEW MEXICO.

CASE NO. 15969

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

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

ATTORNEY

STATEMENT OF THE CASE

COG seeks an order from the Division (1) creating a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 24 and the E/2 W/2 of Section 25, Township 25 South, Range 26 East, NMPM, Eddy County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation. COG seeks to dedicate this non-standard spacing and proration unit to its proposed Road Runner Fed Com No. 3H Well and the proposed Road Runner Fed Com No. 13H Well, which will be simultaneously drilled and completed. These

wells are stacked laterals and that will be horizontally drilled from a surface location in the SE/4 SW/4 (Unit N) of Section 25 to a standard bottom hole location in the NE/4 NW/4 (Unit C) of Section 24.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
James Martin – Landman	Approx. 10	Approx. 5
Dean Snidow - Geologist	Approx. 10	Approx. 3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART, LLP

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ATTORNEYS FOR COG OPERATING LLC