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, LEA COUNTY, NEW MEXICO.

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CASE NO. 16326

COG's PRE-HEARING STATEMENT

COG Operating LLC ("COG"), the applicant in the above referenced matter, submits this Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

APPLICANT

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

ATTORNEY

Michael H. Feldewert, Esq. Jordan L. Kessler, Esq. Julia Broggi, Esq. Holland & Hart, LLP Post Office Box 2208 Santa Fe, New Mexico 87504-2208 (505) 988-4421 (505) 983-6043 Facsimile

APPLICANT'S STATEMENT OF CASE

COG seeks an order (1) creating a 320-acre, more or less, spacing and proration unit comprised of the E/2 W/2 of Section 17 and the E/2 W/2 of Section 20, Township 24 South, Range 35 East, NMPM, Lea County, New Mexico; and (2) pooling all uncommitted interests in the Bone Spring formation. COG proposes to dedicate the above-referenced spacing and proration unit as the project area for its proposed **Bonaid Federal Com No. 14H Well** which will be horizontally drilled from a surface location in the NW/4 NW/4 (Unit D) of Section 17 to a bottom hole location

in the SE/4 SW/4 (Unit N) of Section 20. The completed interval for this well is within the 330-foot offset as required by the Statewide rules for oil wells.

APPLICANT'S PROPOSED EVIDENCE

WITNESS Name and Expertise	ESTIMATED TIME	EXHIBITS
Matt Solomon, Landman	Approx. 5	Approx. 4
Matt Fisher, Geologist	Approx. 5	Approx. 3

PROCEDURAL MATTERS

None at this time.

Respectfully submitted,

HOLLAND & HART LLP

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