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

APPLICATION OF COG OPERATING LLC FOR COMPULSORY POOLING, LEA COUNTY, NEW MEXICO

Case No. 20931

COG OPERATING LLC'S PRE-HEARING STATEMENT

COG Operating LLC ("COG") submits its Pre-Hearing Statement pursuant to the rules of the Oil Conservation Division.

APPEARANCES

COG is the applicant in this case. Its business address is 600 West Illinois Avenue, Midland, Texas 79701. COG is represented by the undersigned counsel.

STATEMENT OF THE CASE

COG's application seeks an order pooling all uncommitted mineral interests in the Wolfcamp formation in a 160-acre, more or less, standard horizontal spacing unit comprised of the W/2 E/2 of Section 18, Township 24 South, Range 34 East in Lea County, New Mexico. The horizontal spacing unit will be dedicated to the Sebastian Federal Com #704H well, which will be horizontally drilled from a surface location in Unit B to a bottom hole location in Unit O in Section 18, Township 24 South, Range 34 East. The completed interval for the well will be orthodox.

PROPOSED EVIDENCE

WITNESS	ESTIMATED TIME	EXHIBITS
Matt Solomon (Landman)	10 minutes	Approx. 5
Cody Bacon (Geologist)	10 minutes	Approx. 5

COG reserves the right to call a rebuttal witness(es) if appropriate.

PROCEDURAL MATTERS

COG is not aware of any procedural matters to be resolved prior to the hearing. If there is no opposition to its application, COG will present its case by affidavit.

Respectfully submitted,

HINKLE SHANOR LLP

Dana S. Hardy P.O. Box 2068

Santa Fe, NM 87504-2068

Phone: (505) 982-4554 Facsimile: (505) 982-8623 dhardy@hinklelawfirm.com

Counsel for COG Operating LLC