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

IN THE MATTER OF THE AMENDED APPLICATION OF COG OPERATING LLC FOR SPECIAL RULES, EDDY AND LEA COUNTIES, NEW MEXICO.

**CASE NO.** 14613

#### **AFFIDAVIT**

STATE OF NEW MEXICO	)	
	)ss.	
COUNTY OF SANTA FE	)	

Ocean Munds-Dry, attorney in fact and authorized representative of COG Operating, LLC, the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

Ocean Munds-Dry

SUBCRIBED AND SWORN to before me this \_\_\_Ocean Munds-Dry.

\_day of

Cel 2011 by

Notary Public

My Commission Expires: 3-10-12



BEFORE THE OIL CONSERVATION DIVISION
Santa Fe, New Mexico
Case No. 14613 Exhibit No. 39
Submitted by:
COG OPERATING, LLC
Hearing Date: May 16-17, 2011



Ocean Munds-Dry Phone 505-954-7295 Fax 505-983-6043 omundsdry@hollandhart.com

April 18, 2011

## VIA CERTIFIED MAIL RETURN RECEIPT REQUESTED

TO: AFFECTED PARTIES

Re: Amended Application for Special Pool Rules in Certain Yeso Pools, Eddy and Lea Counties, New Mexico

Ladies & Gentlemen:

This letter is to advise you that COG Operating, LLC has filed the enclosed application with the New Mexico Oil Conservation Division seeking special rules and regulations for the Artesia Glorieta-Yeso, Bear Grass Draw Glorieta-Yeso, Cedar Lake Glorieta-Yeso, Empire Glorieta-Yeso, Empire Glorieta-Yeso, East Empire Glorieta-Yeso, Fren Glorieta-Yeso, East Fren Glorieta-Yeso, Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres-Glorieta-Yeso (Paddock), Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres (within the Dodd and Burch Keely Units), Grayburg Jackson Yeso, North Leamex Paddock, Loco Hills Glorieta-Yeso, and West Maljamar Yeso, Lea and Eddy Counties, New Mexico, including a depth bracket allowable of 300 barrels of oil per day and no limiting gas:oil ratio.

This application has been set for hearing before a Division Examiner at 9 a.m. on May 16, 2011. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Sincerely,

Ocean Munds-Dry

### **Affidavit of Publication**

NO. 21635				
TATE OF NEW MEXICO				
County of Eddy:				
Walt Green Walt Iven				
being duly sworn, says that he is the Publisher				
of the Artesia Daily Press, a daily newspaper of general				
circulation, published in English at Artesia, said county				
and state, and that the hereto attached				
Legal Notice				
was published in a regular and entire issue of the said				
Artesia Daily Press, a daily newspaper duly qualified				
for that purpose within the meaning of Chapter 167 of				
the 1937 Session Laws of the state of New Mexico for				
1 Consecutive weeks/days on the same				
day as follows:				
First Publication April 21, 2011				
Second Publication				
Third Publication				
Fourth Publication				
Fifth Publication				
Subscribed and sworn to before me this				
22nd day of April 2011				

My commission expires: 3/18/2014

NOTARY PUBLIC-STATE OF NEW MEXICO

Danny Scott

OFFICIAL SEAL Danny Scott

Notary Public, Eddy County, New Mexico

## Copy of Publication:

#### LEGAL NOTICE

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

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on May 16, 2011, in the Oil Conservation Division Hearing Room at 1220 South St. Francis; Santa Fe, New Mexico, before an examiner duly appoint for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact. Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by May 6, 2011. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type.

#### STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

CASE NO. 14613:

Amended Application of COG Operating LLC for special rules, Eddy and Lea Counties, New Mexico. Applicant seeks an order establishing special rules and regulations for the Artesia Glorieta-Yeso. Bear Grass Draw Glorieta-Yeso, Cedar Lake Glorieta-Yeso, Empire Glorieta-Yeso, East Empire Glorieta-Yeso, Fren Glorieta-Yeso, East Erren Glorieta-Yeso, Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres-Glorieta-Yeso (Paddock), Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres (within the Dodd and Burch Keely Units), Grayburg Jackson Yeso, North Leamex Paddock, Loco Hills Glorieta-Yeso, and West Maljamar, Yeso, and Cancellation of Overproduction, Lea and Eddy Counties, New Mexico, including a depth bracket allowable of 300 barrels of oil per day and no limiting gas-oil ratio. The pools are located approximately 12 miles east of Artesia, New Mexico and 17 miles.

Given under the Seal of the State of New Mexico Oil Conservation Division a Santa Fe, New Mexico on this 20th day of April 2011.

STATE OF NEW MEXICO DAY OIL CONSERVATION DIVISION Jami Balley, Division Director

Published in the Artesia Daily Press, Artesia, N.M., April 21, 2011, Legal No. 2 63.

#### Affidavit of Publication

STATE OF NEW MEXICO	)
	) ss
COUNTY OF LEA	)

Joyce Clemens being first duly sworn on oath deposes and says that she is Advertisting Director of THE LOVINGTON LEADER, a daily newspaper of general paid circulation published in the English language at Lovington, Lea County, New Mexico; that said newspaper has been so published in such county continuously and uninterruptedly for a period in excess of Twenty-six (26) consecutive weeks next prior to the first publication of the notice hereto attached as hereinafter shown; and that said newspaper is in all things duly qualified to publish legal notices within the meaning of Chapter 167 of the 1937 Session Laws of the State of New Mexico.

That the notice which is hereto attached, entitled

was published in a regular and entire issue of THE LOV-

GTON LEADER and not in any supplement thereof, for , beginning with the issue of \_\_, 2011 and ending with the issue

And that the cost of publishing said notice is the sum of \$ 92.92 which sum has been (Paid) as Court Costs.

Subscribed and sworn to before me this 25th day of april 2011

Notary Public, Lea County, New Mexico My Commission Expires June 30, 2014

OFFICIAL SEAL **GINA FORT** Notary Public State of New Mexico My Comm. Expires 6

NEW MEXICO TENERGY MINERALS AND NATURAL RESOURCES DEPARTMENT AND NATURAL uchises, the Dodne OIL CONSERVATION DIVISION IN THE PROPERTY THE SANTA FE NEW MEXICO AL THOUGH

The State of New Mexico through its Oil Conservation Division hereby gives no pursuant to law and the Rules and Regulations of the Division of the following pu hearing to be held at 8:15 A.M. on May 18, 2011, in the Oil Conservation Divis Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an exar er duly appoint for the hearing. If you are an individual with a disability who is in no of a reader, amplifier, qualified sign language interpreter, or any other form of auxil aid or service to attend or participate in the hearing, please contact: Florene David at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by the service of the servic 6, 2014. Public documents including the agenda and minutes, can be provided in lous accessible forms. Please contact Florene Davidson if a summary or other of accessible form is needed.

STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meri whether or not so stated.)
CASE NO. 14613:

Amended Application of COG Operating LLC for special rules, Eddy and Counties, New Mexico. Applicant seeks an order establishing special rules and r lations for the Artesia Glorieta-Yeso, Bear Grass Draw Glorieta-Yeso, Cedar Glorieta-Yeso, Empire Glorieta-Yeso, East Empire Glorieta-Yeso, Fren Glorieta-Yeso, East Fren Glorieta-Yeso, Grayburg Jackson Seven Rivers-Queen-Grayburg Andres-Glorieta-Yeso (Paddock), Grayburg Jackson, Seven Rivers-Queen-Grayburg-San Andres (within the Dodd and Burch Keely Units), Grayburg Jackson Yeso, I Learnex Paddock, Loco Hills Glorieta-Yeso, and West Maljamar Yeso, Cancellation of Overproduction, Lea and Eddy Counties, New Mexico, including depth bracket allowable of 300 barrels of oil per day and no limiting gas-oil ratio pools are located approximately 12 miles east of Artesia, New Mexico and 17 west of Lovington, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Division at S Fe, New Mexico on this 20th day of April 2011.

OIL CONSERVATION DIVISION STATE OF NEW MEXICO Jami Bailey Division Director

Published in the Lovington Leader April 23, 2011.

# EXHIBIT A COG OPERATING LLC APPLICATION FOR SPECIAL POOL RULES FOR CERTAIN YESO POOLS

ALAMO PERMIAN RESOURCES, LLC 415 W. Wall Street, Suite 500 Midland ,TX 79701

APACHE CORP 303 Veterans Airpark Lane Suite 3000 Midland ,TX 79705

ASHER ENTERPRISES LTD. CO. 12808 LORIEN WAY OKLAHOMA CITY, OK 73170

BC OPERATING, INC. P O Box 50820 Midland ,TX 79710

BURNETT OIL CO INC 801 CHERRY ST STE 1500 FT WORTH ,TX 76102

C F M OIL CO DBA LOUIS AND JUDY FULTON PO BOX 1176 ARTESIA ,NM 88210

CAMERON OIL & GAS INC PO BOX 1456 ROSWELL ,NM 882021456

CBS OPERATING CORP PO BOX 2236 MIDLAND ,TX 79702

CHEVRON U S A INC 15 SMITH ROAD MIDLAND ,TX 79705

CIMAREX ENERGY CO. OF COLORADO 600 N. Marienfeld St Suite 600 Midland ,TX 79701 CLAYTON WILLIAMS ENERGY INC 6 DESTA DR STE 3000 MIDLAND ,TX 79705

CONOCOPHILLIPS COMPANY 3401 E. 30th Street Farmington ,NM 87402

DEVON ENERGY PRODUCTION COMPANY, LP 20 N Broadway
Oklahoma City ,OK 73102

ENDURANCE RESOURCES LLC 15455 Dallas Parkway Suite 600 Addison ,TX 75234

FINNEY OIL COMPANY PO BOX 1569 ARTESIA ,NM 882111569

FOREST OIL CORPORATION 707 17TH ST SUITE 3600 DENVER ,CO 80202

FREEDOM ENERGY LLC R649 N. 13th St. Lake Arthur ,NM 88253

GERONIMO SWD LLC P.O. Box 568 Artesia ,NM 88210

HUDSON OIL COMPANY OF TEXAS 616 TEXAS ST FORT WORTH ,TX 76102 J CLEO THOMPSON 325 N ST PAUL STE 4300 DALLAS ,TX 75201

KERSEY & COMPANY PO BOX 1248 FREDERICKSBURG ,TX 78624

LIME ROCK RESOURCES A, L.P. 1111 Bagby Street Suite 4600 Houston ,TX 77002

LINN OPERATING, INC. 600 Travis Street Suite 5100 Houston ,TX 77002

MACK ENERGY CORP PO Box 960 11352 Lovington Hwy Artesia ,NM 88211

MARKS AND GARNER PRODUCTION LTD CO P.O. Box 1089 Hobbs ,NM 88241

MEWBOURNE OIL CO Po Box 5270 Hobbs ,NM 88241

NADEL AND GUSSMAN HÉYCO, LLC PO BOX 193 ROSWELL ,NM 88202

NADEL AND GUSSMAN PERMIAN, LLC 601 N MARIENFELD SUITE 508 MIDLAND ,TX 79701

PREMIER OIL & GAS INC PO BOX 1246 ARTESIA ,NM 88210

QUANTUM RESOURCES MANAGEMENT, LLC 1401 McKinney St Suite 2400 Houston ,TX 77010 SANDRIDGE EXPLORATION AND PRODUCTION, LLC 123 Robert S. Kerr Ave Oklahoma City ,OK 73102

SOUTHERN BAY OPERATING, L.L.C. 110 Cypress Station Dr., #220 Houston ,TX 77090

SOUTHWEST ROYALTIES INC 6 DESTA DRIVE SUITE 2100 MIDLAND ,TX 79705

SPY LLC P.O. BOX 1020 ARTESIA ,NM 88211

SYNERGY RESOURCES 2106 W CENTRE AVE ARTESIA ,NM 88210

TANDEM ENERGY CORPORATION 11490 Westheimer Rd, Ste 1000 Houston ,TX 77077

THREE RIVERS OPERATING COMPANY LLC 1122 S. Capital of Texas Hwy Suite 325 Austin ,TX 78746

TOM R CONE 1304 W BROADWAY PL HOBBS ,NM 88240

WESTBROOK OIL CORP PO BOX 2264 HOBBS ,NM 88241

YESO ENERGY, INC. P.O. Box 8280 3103 Yeso Roswell ,NM 88202

YATES PETROLEUM CORPORATION 105 S 4TH ST ARTESIA, NM 88210

Domestic Return Receipt

102595-02-M-1540

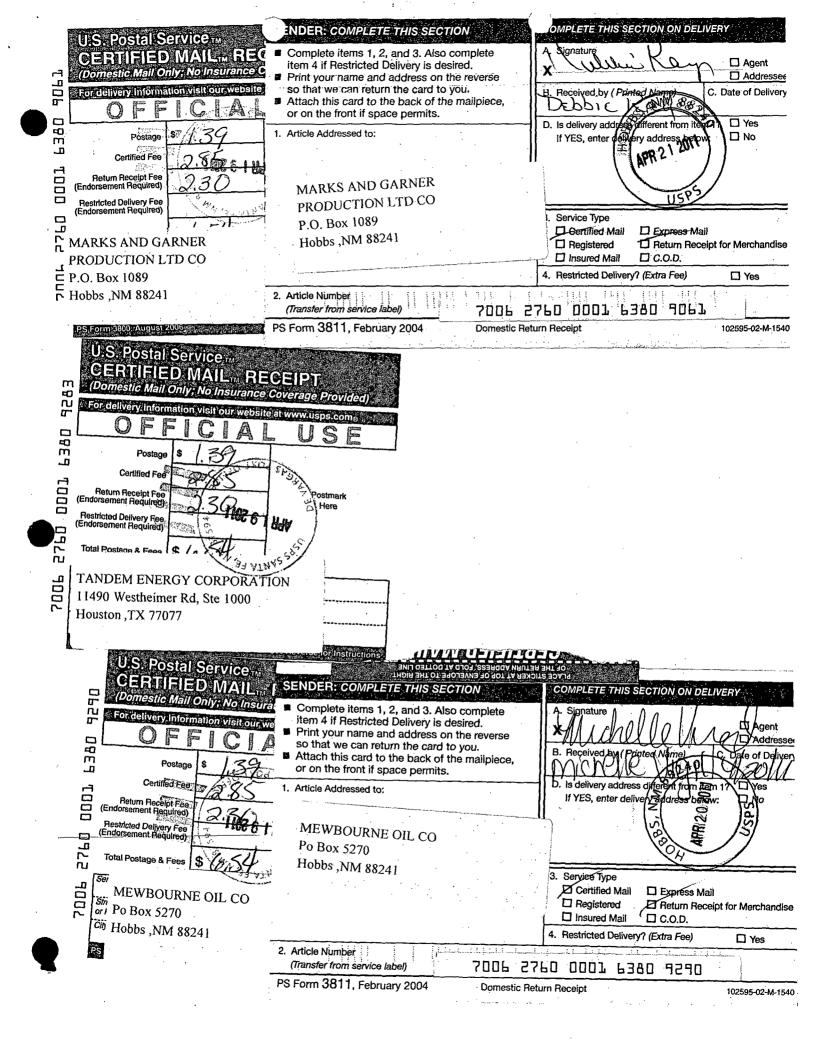
U.S. Postal Service m ON DELIVERY GERTHED MATE SENDER: COMPLE A. Signature Complete items 1, 2, and 3. Also complete □ Agent 1 item 4 if Restricted Delivery is desired. ☐ Addressee Print your name and address on the reverse so that we can return the card to you. B. Received by (Printed Name) **Date of Delivery** Attach this card to the back of the mailpiece, Cuira Murch Postage m or on the front if space permits. \_0 D. Is delivery address different from item 1? Certified Fee Article Addressed to: ☐ No If YES, enter delivery address below: Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) CONOCOPHILLIPS COMPANY . n 3401 E. 30th Street Total Postage & Fees 3. Service Type Farmington, NM 87402 Certified Mail ☐ Express Mail Return Receipt for Merchandise □ Registered CONOCOPHILLIPS COMP. ☐ Insured Mail ☐ C.O.D. -3401 E. 30th Street 4. Restricted Delivery? (Extra Fee) ☐ Yes Farmington, NM 87402 2. Article Number 7006 2760 0003 6380 9346 (Transfer from service label) PS Form 3811, February 2004 102595-02-M-1540 Domestic Return Receipt U.S. Postal Service<sub>™</sub> CIERER WINNEREIRER (Domestic Mail Only; No Insurance Coverage Provided) 911 E E Postage Certified Fee Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) ∠ ASHER ENTERPRISES LTD. CO. 12808 LORIEN WAY OKLAHOMA CITY, OK 73170 S. Postal Service ECTION ON DELIVERY Complete items 1, 2, and 3. Also complete П item 4 if Restricted Delivery is desired. □ Agent 디 Print your name and address on the reverse so that we can return the card to you. B. Received by (Printed Name, Attach this card to the back of the mailpiece, or on the front if space permits. Postage D. Is delivery address different ᄱ 1. Article Addressed to: Certified Fee If YES, enter delivery ad 0001 Return Receipt Fee (Endorsement Required) Restricted Delivery Fee (Endorsement Required) DEVON ENERGY PRODUCTION COMPANY, LP DEVON ENERGY PRODUCT 3. Service Type 20 N Broadway Certified Mail Sent 7 COMPANY, LP Express Mail Oklahoma City ,OK 73102 ☐ Registered Return Receipt for Merchandise Street 20 N Broadway ☐ Insured Mail C.O.D. City, & Oklahoma City, OK 73102 4. Restricted Delivery? (Extra Fee) ☐ Yes 2. Article Number 7006 2760 0001 6380 9122 PS Form 3800 August 2006 fer from service label)

13811 Echanon 2004

Domestic Return Receipt

Domestic Return Receipt

102595-02-M-1540



PS Form 3811. February 200+

	MATERIAL PROPERTY OF THE PROPE	
(Domestic Mail Only: No	Insu SENDER: COMPTION TO S	audov Mentael antea Joudity valvolis advise COMPLETE THIS SECTION ON DELIVERY
	119-1-11	· · · · · · · · · · · · · · · · · · ·
OFFIC	Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.	A. Signature  Agent
Postage \$	Print your name and address on the reverse so that we can return the card to you.	Addressee:
Certified Fee	Attach this card to the back of the mailpiece, or on the front if space permits.	B Received by (Printed Name) C. Date of Delivery
Return Receipt/Ree	737 1. Article Addressed to:	D. Is delivery address different from item 17 ED Nes
Restricted Delivery Fee (Endorsement Required)	S. A. A. M.	If YES, enter delivery address below:
\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\	S. A.	(APR 2 0 2011)
Total Postage & Fees \$	PREMIER OIL & GAS INC	
n s	PO BOX 1246	3. Service-Type
B PREMIER OIL & GA	S INC ARTESIA ,NM 88210	Certified Mail  Express Mail
☐ PO BOX 1246 ☐ ARTESIA ,NM 88210		Registered Return Receipt for Merchandise Insured Mail C.O.D.
ARTESIA , NW 66210		4. Restricted Delivery? (Extra Fee)
	2. Article Number	Hill (Line Kandlasti)
U.S. Postal Service	(Transfer from service label) 7006	2760 0001 6380 9351
	PS Form 30 II, February 2004 Domestic	: Return Receipt 102595-02-M-1540
(Domestic Mail Only; No li	TSUR, SENDER: CONVENE LE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
For delivery information visit	Complete items 1, 2, and 3, Also complete	A. Signature & C
J U F F I C	item 4 if Restricted Delivery is desired.  Print your name and address on the reverse	X Place 2000 Addressee
Postage \$	so that we can return the card to you.	B. Received by (Printed Name) C. Date of Delivery
Certified Feet 1/2	Attach this card to the back of the mailpiece, or on the front if space permits.	Oar LEE 4-22-11
Return Receipt Fee	1. Article Addressed to:	D. Is delivery address different from item 1?
Restricted Delivery Fee (Endorsement Required)	<u>∕∕CN</u>	in 120, enter delivery address below:
Sa. F	VESO ENERGY DIG	
Total Postage & Fees   \$ 500	YESO ENERGY, INC. P.O. Box 8280 3103 Yeso	
Sen YESO ENERGY, INC. P.O. Box 8280 3103 V	n !! >!! + aaa	3. Service Type
Fire P.O. Box 8280 3103 Your Roswell ,NM 88202	eso	Certified Mail
City City		☐ Registered ☐ Return Receipt for Merchandise ☐ Insured Mail ☐ C.O.D.
PS		4. Restricted Delivery? (Extra Fee)
	2. Article Number 7006	20100 0005 0FS2 3530
U.S. Postal Service.	20.5 COdd = 1	
题 3 号 6 页 图 12 1 2 页 页 1 1 1 2 1 2 1 2 1 2 1 2 1 2		Return Receipt 102595-02-M-1540
	■ Complete items 1 2 and 3 Also complete	A. Signature
ur underly information visit ou		X Jeanette / Wy ass Addressee
B OFFICI	so that we can return the card to you.  Attach this card to the back of the mailpiece.	B. Received by (Printed Name) C. Date of Delivery
Postage \$ 13	or on the front if space permits.	D. Is delivery address different from item 1?  Yes
Certified Fee 285	1. Article Addressed to:	If YES, enter delivery address below:   No
Return Receipt Fee (Endorsement Required)		
Restricted Delivery Fee	<b>4</b>	
_D	YATES PETROLEUM CORPORATION	
m	105 S 4TH ST	3. Service Type  D Certified Mail  Express Mail
yATES PETROLEUM C	ARTESIA, NM 88210	Registered Return Receipt for Merchandise
Clore 105 S 4TH ST		☐ Insured Mail ☐ C.O.D.
City, ARTESIA, NM 88210		4. Restricted Delivery? (Extra Fee)
PSF	2. Article Number  (Transfer from service label) 7006 276	D 0001 6380 9368
A Section 1	PS Form 3811, February 2004 Domestic Ret	
	, ,	

Domestic Return Receipt

102595-02-M-1540

U.S. Postal Servicem
CERTIFIED MAIL MRECEIPT
(Domestic Mall only; No Insurance Coverage Provided)

For delivery information visit our website at www.usps.coms

Postage \$ 1.39

Certified Fee 2.8.5

Return Receipt Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

Restricted Delivery Fee (Endorsement Required)

LIME ROCK RESOURCES A, L.P.

1111 Bagby Street Suite 4600

Houston ,TX 77002

٠			
٠,	CERTIFIED WAIL. R		COMPLETE THIS SECTION ON DELIVERY
75 6380 937	Postage  Certified Fee (Endorsement Reculred)  Restricted Delivery: Fee (Endorsement Required)	complete terms 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  Print your name and address on the reverse so that we can return the card to you.  Attach this card to the back of the mailpiece, or on the front if space permits.	A. Signature  X
ū		Houston ,TX 77010	3. Service Type
_17	QUANTUM RESOURCES	riousion, 1 X / /010	Certified Mail
006	MANAGEMENT, LLC	· · · · · · · · · · · · · · · · · · ·	Registered Return Receipt for Merchandise
7	1401 McKinney St Suite 2400		☐ Insured Mail ☐ C.O.D.
	Houston ,TX 77010		4. Restricted Delivery? (Extra Fee)
į		2. Article Number 7004 2740	0001 6380 9375
		PS Form 3811, February 2004 Domestic Retu	urn Receipt 102595-02-M-1540