

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

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION DIVISION FOR  
THE PURPOSE OF CONSIDERING:

CASE NOS. 14640 and 14641

APPLICATIONS OF BURNETT OIL CO., INC.,  
FOR COMPULSORY POOLING, EDDY COUNTY,  
NEW MEXICO

ORDER NO. R-13450-A

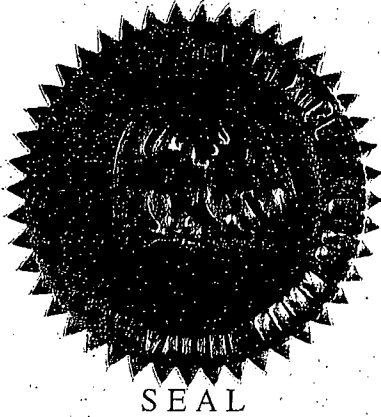
**ORDER DENYING MOTION FOR STAY**

THIS MATTER having come before the Chair of the New Mexico Oil Conservation Commission on motion of COG Operating LLC for an order staying Order No. R-13450, which was issued on August 26, 2011 in Case Nos. 14640 and 14641: *Applications of Burnett Oil Co., Inc. for Compulsory Pooling, Eddy County, New Mexico*, and the Chair having reviewed and considered the motion for stay and Burnett Oil Co., Inc.'s response,

FINDS that COG Operating LLC has not established that a stay of Order No. R-13450 is necessary to prevent waste, protect correlative rights, protect public health or the environment, or prevent gross negative consequences to an affected party. Witnesses for Burnett Oil Co., Inc. testified at the hearing before the Oil Conservation Division that Burnett Oil Co., Inc. proposes to drill several vertical wells in the three sections subject to Order No. R-13450 to gather sufficient data to propose a horizontal drilling plan, therefore preventing waste, and that COG Operating LLC's correlative rights would be protected because Burnett Oil Co., Inc.'s proposed vertical and horizontal wells would produce more reserves than COG Operating LLC's vertical and horizontal wells. In addition, Burnett Oil Co., Inc. owns or controls two-thirds of the working interests in the three sections of land subject to Order No. R-13450. While COG Operating LLC alleges in its motion for stay that if Burnett Oil Co., Inc. is allowed to drill its proposed vertical wells that the wells will cause waste and violate COG Operating LLC's correlative rights, COG Operating LLC has not cited to testimony or evidence to support these claims in its motion for stay. Therefore, the Chair denies the motion for stay.

IT IS THEREFORE ORDERED that COG Operating LLC's motion for stay of Order No. R-13450 is denied.

DONE at Santa Fe, New Mexico on the 5th of October, 2011.



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OIL CONSERVATION COMMISSION

A handwritten signature in cursive script, appearing to read "Jami Bailey".

JAMI BAILEY, Chair