

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

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

**CASE NO. 15185 Re-Opened
ORDER NO. R-13913-A**

**APPLICATION OF COG OPERATING LLC TO REOPEN CASE NO. 15185 TO
CHANGE THE WELL SURFACE LOCATION AND WELL NAME UNDER THE
TERMS OF COMPULSORY POOLING ORDER NO. R-13913, LEA COUNTY,
NEW MEXICO.**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on April 30, 2015, at Santa Fe, New Mexico, before Examiner Phillip R. Goetze.

NOW, on this 26th day of May, 2015, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.

(2) Pursuant to previous hearings, the Division, on October 21, 2014, issued Order No. R-13913, granting the application of COG Operating LLC (the "Applicant") for approval of a non-standard spacing and proration unit and compulsory pooling for the West Maljamar-Yeso Pool. The Order established a non-standard 160-acre oil spacing and proration unit and project area (the "Unit") consisting of the W/2 of the W/2 of Section 15, Township 17 South, Range 32 East, NMPM, in Lea County, New Mexico.

(3) Order No. R-13913 designated that the Unit be dedicated to the Applicant's Ivar The Boneless Federal Well No. 1H (the "proposed well"; API No. 30-025-pending), a horizontal well to be drilled from a surface location 370 feet from the South line and 380 feet from the West line (Unit letter M) of Section 10, to a standard terminus 330 feet from the South line and 330 feet from the West line (Unit letter M) of

Section 15. The completed interval of the proposed well in the Yeso formation in Section 15 would be orthodox.

(4) Subsequently, Applicant sought to amend Order No. R-13913 to change the surface location of the proposed well for the Unit. Applicant requested a new surface location of 75 feet from the North line and 330 feet from the West line (Unit letter D) of Section 22, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico. The completed interval will have a penetration point of 330 feet from the South line and 330 feet from the West line (Unit letter M) of Section 15 and a terminus of 330 feet from the North line and 330 feet from the West line (Unit letter D) of Section 15 with the completed interval within all applicable setbacks.

(5) Applicant also requested a change in the proposed well name from the Ivar The Boneless Federal Well No. 1H to the Ivar The Boneless Federal Well No. 11H.

(6) At hearing, Applicant presented, through counsel, testimony to the effect that:

- (a) the proposed well has not been drilled;
- (b) the new surface location of the proposed well will be situated south of the Unit in Section 22, but will not change either the well orientation or the target zone of the compulsory pooling order; and
- (c) notification of the changes was provided to all interest owners and parties subject to the compulsory pooling with proof of notification submitted in the hearing.

(7) No other party appeared at the hearing, or otherwise opposed the granting of this application.

The Division therefore concludes:

(8) Approval of the changes for the order will prevent waste and afford to the owner of each interest in the Unit the opportunity to recover or receive without unnecessary expense its just and fair share of hydrocarbons.

(9) Order No. R-13913 should be amended for the change in surface location of the proposed well and the change in name of the proposed well.

IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Application of COG Operating LLC (OGRID 229137), Order No. R-13913, issued in this case on October 21, 2014, is hereby amended for the surface location and the proposed well name.

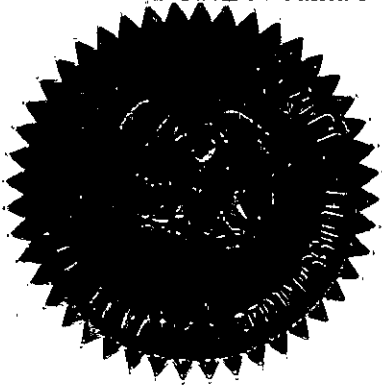
(2) Ordering Paragraph (3) of Order No. R-13913 is amended to read in its entirety, as follows:

(3) The Unit shall be dedicated to Applicant's Ivar The Boneless Federal Well No. 11H (the "proposed well"; API No. 30-025-42514), a horizontal well to be drilled from a surface location 75 feet from the North line and 330 feet from the West line (Unit letter D) of Section 22, to a standard terminus 330 feet from the North line and 330 feet from the West line (Unit letter D) of Section 15. The completed interval of the proposed well in the Yeso formation in Section 15 will be orthodox.

(3) All other provisions of Order No. R-13913 shall remain in full force and effect.

(4) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



SEAL

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

David R. Catanach

DAVID R. CATANACH
Director