

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

AMENDED APPLICATION OF COG OPERATING LLC, TO RE-OPEN CASE NO. 14795 TO POOL THE INTERESTS OF ADDITIONAL MINERAL OWNERS UNDER THE TERMS OF COMPULSORY POOLING ORDERS R-15353 AND R-15353-A, EDDY COUNTY, NEW MEXICO.

CASE NO. 14795 (re-opened)

APPLICATION

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COG OPERATING LLC, ("COG") through its undersigned attorneys, hereby submits this amended application to the Oil Conservation Division to pool the interests of additional mineral owners within the Penasco Draw-San Andres-Yeso (Associated) Pool under the terms of compulsory pooling orders R-13535 and R-13535-A. Order 13535 created and pooled the mineral interests in the Yeso formation (Penasco Draw-San Andres-Yeso (Associated) Pool (50270)), underlying the E/2 E/2 of Section 31, Township 18 South, Range 26 East, NMPM in Eddy County, New Mexico. Order R-13535-A amended Order 13535 to change the initial dedicated well and to pool additional mineral interest owners pursuant to the terms of Order R-13535. In support of its amended application, COG states:

1. Under Division Order R-13535 entered on April 11, 2012, the Division created a 160-acre non-standard spacing and proration unit in the Yeso formation (Penasco Draw-San Andres- Yeso (Associated) Pool (50270)) consisting of the E/2 E/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, and pooled certain uncommitted mineral interest owners in this spacing and proration unit ("the Unit"). The non-standard spacing unit was initially dedicated to the Falabella 31 No. 4H Well.

2. COG subsequently sought to amend Order R-13535 to pool additional mineral interests and to change the initial well dedicated to the spacing unit. Order R-13535-A, entered on February 28, 2014, pooled additional mineral interest owners subject to the terms of Order R-13535. Order 13535-A also dedicated the spacing unit comprised of the E/2 E/2 of Section 31 to the **Falabella 31 Fee No. 8H Well** (API No. 30-015-39515), which was drilled from a surface location 150 feet from the South line and 380 feet from the East line (Unit P) to a standard bottomhole location 330 feet from the North line and 380 feet from the East line (Unit A) of Section 31.

3. Multiple additional mineral interest owners are no longer committed to the **Falabella 31 Fee No. 8H Well** due to a lease expiration issue and termination of a Joint Operating Agreement that occurred after the entry of Order R-13535-A.

4. COG also seeks to pool the San Andres formation within the Unit, in addition to the Yeso formation, within the Penasco Draw-San Andres-Yeso (Associated) Pool (50270).

5. The pooling of these additional mineral interest owners and formation under the terms of Division Order R-13535 and R-13535-A will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to obtain COG's just and fair share of the oil and gas underlying the Unit, all remaining uncommitted mineral interests in the Unit should be pooled pursuant to the terms of orders R-13535 and R-13535-A.

WHEREFORE, COG Operating LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on August 4, 2016, and, after notice and hearing as required by law, the Division enter and amended order pursuant to the terms of existing Division Orders R-13535 and R-13535-A.

Respectfully submitted,

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Readvertised

CASE 14795 (re-opened): Amended Application of COG Operating LLC To Re-Open Case No. 14795 To Pool The Interests Of Additional Mineral Owners Under The Terms Of Compulsory Pooling Orders R-13535 and R-13535-A, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Division Orders R-13535 and R-13535-A to include the pooling of additional mineral interests in the Yeso and San Andres formations (Penasco Draw-San Andres-Yeso Associated Pool (50270)), underlying the E/2 E/2 of Section 31, Township 18 South, Range 26 East, NMPM in Eddy County, New Mexico. Said unit is dedicated to the applicant's **Falabella 31 Fee No. 8H Well** and is located approximately 17 miles North of Carlsbad, New Mexico.