



**MONTGOMERY
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January 26, 2009

HAND DELIVERED

Florene Davidson
New Mexico Oil Conservation Division
1220 S. St. Francis Drive
Santa Fe, NM 87505

**Re: NMOCD Case No. 14279 : Application of COG Operating LLC for an
Increased Allowable for an Oil Well, Eddy County, New Mexico**

Dear Ms. Davidson:

Enclosed for filing are the original and two copies of the Application in the above-referenced matter. On behalf of COG Operating LLC, we request that this matter be set for hearing as requested in the Application.

A proposed advertisement is also enclosed. Thank you.

Very truly yours,

J. Scott Hall

JSH:kw
Enclosures

REPLY TO:

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

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IN THE MATTER OF THE APPLICATION OF
COG OPERATING LLC FOR AN INCREASED
ALLOWABLE FOR AN OIL WELL,
EDDY COUNTY, NEW MEXICO

CASE NO. 14279

APPLICATION

COG OPERATING LLC, by its undersigned attorneys, Montgomery and Andrews, P.A., (J. Scott Hall), hereby makes application pursuant to, inter alia, Rule 19.15.20.12 F of the Division's Rules and Regulations for an order providing for an exception to the depth bracket allowable limitations of Rule 19.15.20.12 A.

In support, Applicant states:

1. Applicant is the operator of the following well:

Comet 22 Federal Well No. 4

API No. 30-015-35716

Section 22, T16S R28E, NMPM, Eddy County

Surface Location: 330' from the north line and 1650' from the west line
(Unit C)

Bottom Hole Location: 330' from the north line and 436 from the east
line (Unit A)

2. The Comet 22 Federal No. 4 well was drilled horizontally and completed as an oil well in the Abo formation, Crow Flats Abo Oil Pool (97691). The true vertical depth (TVD) for the well is approximately 6,550'. A 120-acre special

project area comprised of the N/2 NE/4, and the NE/4 NW/4 (Units A, B and C) of Section 22 are dedicated to the well.

2. Applicant initiated production on the Comet 22 Federal No. 4 on December 21, 2008. Production rates were 1300-1400 BOPD and 2.2 MMCFPD once the well was producing at full capacity. It is currently producing approximately 800 BOPD and 2.0 MMCFPD.

3. On January 22, 2009, Applicant obtained the Division's temporary authorization to produce the Comet 22 Federal No. 4 well at full capacity and in excess of the current depth bracket allowable limitation under Rule 19.15.20.12 applicable to oil wells with a pool depth range of 6,000 to 6,999'. (Order No. E-38).

4. Applicant seeks permanent exception to the applicable depth bracket allowable in order to produce the well at full capacity or at such volumes and rates as the Division determines will avoid damage to the reservoir and without causing surface or underground waste.

5. Assignment of an increased allowable will afford the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE, PURSUANT TO Rule 19.15.2.11, Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on February 19, 2009, or on such special hearing date as the Division determines appropriate and that after notice and hearing as required by law, the Division enter its Order approving of the exception to the depth bracket allowable and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

MONTGOMERY & ANDREWS, P. A.

By: 

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Attorneys for COG Operating LLC

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Case No. 14279; Application of COG Operating LLC for an Increased Allowable for an Oil Well, Eddy County, New Mexico. Applicant seeks an order providing for an exception to the depth bracket allowable limitations for oil wells with a pool depth range of 6,000 to 6,999' pursuant to Rule 19.15.20.12 for its Comet 22 Federal Well No. 4 (API No. 30-015-35716) completed in the Crow Flats Abo Oil Pool (97691). Applicant requests authorization to produce the well at full capacity or at such increased volumes and rates as the Division determines appropriate. Applicant's well is located in Section 22, Township 16 South, Range 28 East, NMPM, Eddy County with a Surface Location 330' from the north line and 1650' from the west line (Unit C) and a Bottom Hole Location: 330' from the north line and 436 from the east line (Unit A) of Section 22. A 120-acre special project area comprised of the N/2 NE/4 and NE/4 NW/4 of Section 22 is dedicated to the well. The well and lands are located approximately six miles northwest of Loco Hills, New Mexico.