



**MONTGOMERY  
& ANDREWS**

**J. SCOTT HALL**

Cell: (505) 670-7362  
Email: shall@montand.com  
Reply To: Santa Fe Office  
www.montand.com

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March 1, 2010

**HAND DELIVERED**

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

**Re: NMOCD Case No. 14448, Application of COG Operating LLC for  
Compulsory Pooling (Yale State Well No. 5 ), Eddy County, New Mexico**

Dear Ms. Davidson:

Enclosed for filing are the original and one copy of the Application of COG Operating LLC in the above-referenced matter.

On behalf of the Applicant, we ask that this matter be set for examiner hearing on April 1, 2010. A proposed advertisement is also enclosed.

Very truly yours,

J. Scott Hall

JSH/mbb  
Enclosures  
cc: Brent Robertson and Stuart Dirks, Concho Resources

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**REPLY TO:**

325 Paseo de Peralta  
Santa Fe, New Mexico 87501  
Telephone (505) 982-3873 • Fax (505) 982-4289

Post Office Box 2307  
Santa Fe, New Mexico 87504-2307

6301 Indian School Road NE, Suite 400  
Albuquerque, New Mexico 87110  
Telephone (505) 884-4200 • Fax (505) 888-8929

Post Office Box 36210  
Albuquerque, New Mexico 87176-6210

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 COMPULSORY POOLING  
EDDY COUNTY, NEW MEXICO

CASE NO. 14448

**APPLICATION**

COG Operating LLC by its undersigned attorneys, Montgomery & Andrews, P.A. (J. Scott Hall) hereby makes application pursuant to NMSA 1978 Section 70-2-17 (1995) for an order pooling all interests in all formations developed on a 40-acre basis, including the Blinebry and Paddock members of the Glorieta-Yeso formation, underlying the SW/4 SE/4 of Section 2, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico, to form a standard 40-acre spacing and proration unit. Applicant would show the Division:

1. Applicant owns certain working interests in and under the SW/4 SE/4 of Section 2, and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Yale State No. 5 Well to be drilled from a standard location 330' from the South line and 2310' from the East line to a depth sufficient to test the Blinebry and Paddock members of the Glorieta-Yeso formation underlying the SW/4 SE/4 of Section 2, Township 17 South, Range 30 East, NMPM, Eddy County, New Mexico.
3. Applicant has been unable to obtain leases or voluntary agreement for pooling or farmout from certain other interest owners in the above-referenced formations underlying the SW/4 SE/4 of said Section 2.

4. In order to permit the Applicant to obtain its just and fair share of the oil and gas underlying the subject lands, the mineral interests should be pooled and Applicant should be designated operator of the well.

5. The pooling of interests 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 Applicant requests that this Application be set for hearing before a duly appointed examiner of the Oil Conservation Division on April 1, 2010 and that after notice and hearing as required by law, the Division enter its Order pooling the lands and designating Applicant as operator of the well, including provisions for Applicant to recover its costs of drilling, equipping and completing the well, its costs of supervision while drilling and after completion, including overhead charges and providing for adjustments to such rates in accordance with accepted COPAS accounting procedures, and imposing a 200% risk factor for the risk assumed by the Applicant in drilling, completing and equipping the well, and making such other and further provisions as maybe proper in the premises.

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

J. Scott Hall  
Attorneys for COG Operating LLC  
Post Office Box 2307  
Santa Fe, New Mexico 87504-2307  
(505) 982-3873

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**Proposed Advertisement**

Case No. 14448; Application of COG Operating LLC for compulsory pooling, Eddy County, New Mexico. Applicant seeks an order pooling all mineral interests underlying the SW/4 SE/4 of Section 2, Township 17-South, Range 30 East, NMPM, Eddy County, New Mexico, to form standard 40-acre spacing units for any and all formations and or pools developed on 40-acres, including but not necessarily limited to the Blinbry and Paddock members of the Glorieta-Yeso formation. Said units are to be dedicated to Applicant's proposed Yale State No. 5 Well to be drilled at a standard location 330' from the South line and 2310' from the East line of Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator of the well and a charge for risk involved in drilling the well. The proposed well location is approximately 9 miles northeast of Loco Hills, New Mexico.

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