

**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. 14861 Re-Opened
ORDER NO. R-13629-B**

**APPLICATION OF COG OPERATING, LLC TO RE-OPEN CASE NO. 14861 TO
POOL THE INTERESTS OF ADDITIONAL MINERAL OWNERS UNDER THE
TERMS OF COMPULSORY POOLING ORDER NO. R-13629-A, EDDY
COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 24, 2014, at Santa Fe, New Mexico, before Examiner Phillip R. Goetze.

NOW, on this 11th day of August, 2014, 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 September 19, 2012, issued Order No. R-13629, granting the application of COG Operating, LLC (the "Applicant") for approval of a non-standard spacing and proration unit and compulsory pooling. The Order established a non-standard 160-acre oil spacing and proration unit and project area (the "Unit") consisting of the E/2 of the E/2 of Section 9, Township 19 South, Range 26 East, NMPM, in Eddy County, New Mexico.

(3) Order No. R-13629 designated that the Unit be dedicated to the Stonewall 9 Fee Well No. 4H (API No. 30-015-39779), a horizontal well to be drilled from a non-standard surface location 150 feet from the South line and 1040 feet from the East line (Unit P) of Section 31. The well completion was to be "standard" with all portions completed to be greater than 330 feet from the outer boundary of the Unit.

(4) On September 19, 2012, the Division issued *Nunc Pro Tunc* Order No. R-13629-A which corrected a clerical error of the formation named in the original Order. This Order was substituted for Order No. R-13629.

(5) Following the approval of the *Nunc Pro Tunc* Order, Applicant requested two successive extensions of times due to limited availability of drilling equipment and unresolved issues regarding mineral title ownership. The final extension was approved by the Director on July 24, 2014, and provides an extension of the Order to April 1, 2015, to commence drilling of the Stonewall 9 Fee Well No. 4H.

(6) Subsequently, Applicant sought to amend Order No. R-13629-A to compulsory pool additional owners with an interest in the lands pooled. These uncommitted interest owners were not identified in the original title record review and were subsequently omitted from previous notices provided to owners in this case, as required by Division Rule 19.15.4.12A.(1) NMAC. These additional interest owners are identified on page two of Applicant's Exhibit No. A (two parties in total).

(7) At the hearing, Applicant presented, through counsel, evidence that it had given notice of the original application and the re-opened hearing to the recently identified interest owners, or their heirs, successors or assigns, by certified mail and by publication pursuant to 19.15.4.12.B NMAC. No appearance was entered for these mineral owners, nor any personal representative, heir or successor, and no person claiming to own or represent a claimant to an interest derived from these mineral owners has otherwise communicated with the Division.

The Division therefore concludes:

(8) Order No. R-13629-A should be amended to compulsory pool the interests of recently identified owners and their heirs, devisees, personal representatives, successors and assigns, whoever they may be.

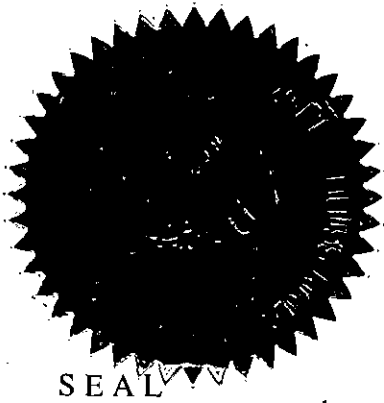
IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the Application of COG Operating, LLC (OGRID 229137), Order No. R-13629-A, issued in this case on September 19, 2012, is hereby amended to compulsory pool the recently identified owners and their heirs, devisees, personal representatives, successors and assigns, as well as all other owners of interests in the Unit established thereby, from the date said Order was originally issued.

(2) All other provisions of Order No. R-13629-A remain in full force and effect.

(3) 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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

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

JAMI BAILEY
Director