



RECEIVED OCD

2012 APR -2 A 11:39

March 28, 2012

Oil Conservation Division  
1220 South St. Francis Drive  
Santa Fe, NM 87505

RE: Hearing Notice - April 26, 2012  
Burkett State # 15H & 16H  
COG Operating LLC ("COG"), as Operator  
Section 16, T17S-R31E  
Unit D -NWNW or other legal location  
Eddy County, New Mexico

*Case 14815*

Gentlemen:

Pursuant to parts 1 and 4 of rule 19.15.16.15.E from the New Mexico Oil and Gas Commission, a copy of the C-102 for the proposed project area must be furnished by the operator to the New Mexico State Land Office. Hearing has been set for Designation of a Non-Standard Oil Spacing and Proration Unit, Non Standard Project Area, and for Compulsory Pooling on April 26, 2012. Please find enclosed a copy of the C-102 form as required by the OCD and a courtesy copy of the application.

Should you require additional information or have any questions, please do not hesitate to contact the undersigned at (432) 221-0333.

Sincerely,

COG Operating LLC

Katayoun "Katie" Mohebkhosravi  
Landman  
KMohebkhosravi@concho.com



**MONTGOMERY  
& ANDREWS**  
LAW FIRM

**J. SCOTT HALL**  
Office: (505) 986-2646  
Email: shall@montand.com  
Reply To: Santa Fe Office  
www.montand.com

March 23, 2012

Ms. Jami Bailey, Director  
NM Oil Conservation Division  
1220 S. St. Francis Drive  
Santa Fe, NM 87501

**Hand-Delivered**

**Re: NMOCD Case No. \_\_\_\_\_: Application of COG Operating LLC for Designation of a Non-Standard Oil Spacing And Proration Unit, Non-Standard Project Area and for Compulsory Pooling, Eddy County, New Mexico**

Dear Ms. Bailey:

On behalf of COG Operating LLC, enclosed is an original and one copy of and Application in the above-referenced case. Please set this matter for hearing on the April 26, 2012 examiner docket. Also enclosed is a proposed advertisement for the case.

Very truly yours,

J. Scott Hall

JSH:kw  
Enclosures

360245

**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

**Case No. \_\_\_\_\_; Application of COG Operating LLC for designation of a non-standard oil spacing and proration unit, non-standard project area and for compulsory pooling, Eddy County, New Mexico.** Applicant seeks an order consolidating the 40-acre spacing units within the NW/4 NE/4 and N/2 NW/4 of Section 16, Township 17 South Range 31 East, NMPM and designating the consolidated units as a 120-acre± non-standard oil spacing and proration unit for two wells in the Yeso formation, Mar Loco Glorieta-Yeso pool (97866) for Applicant's non-standard horizontal drilling project area. Applicant further seeks the compulsory pooling of all interests in the Yeso formation underlying the referenced lands to be dedicated to its Burkett 16 State No. 15H Well to be drilled horizontally from a surface location 330' from the North line and 1470' from the East line (Unit B) to a bottom hole location 330' from the North line and 330' from the West line (Unit D), and to its Burkett 16 State No. 16H Well to be drilled horizontally from a standard surface location 990' from the North line and 1470' from the East line (Unit B) to a bottom hole location 990' from the North line and 330' from the West line (Unit D) in Section 16. The completed intervals of both wells will be located within the producing area of the proposed project area. Also to be considered will be the cost of drilling and completing the wells and the allocation of the costs thereof as well as actual operating costs and charges for supervision, designation of COG Operating LLC as operator and a charge for risk involved in drilling the wells. The proposed wells and lands are located approximately 6 miles northeast of Loco Hills, New Mexico.

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

**IN THE MATTER OF THE APPLICATION  
OF COG OPERATING LLC FOR DESIGNATION  
OF A NON-STANDARD SPACING AND  
PRORATION UNIT, NON-STANDARD PROJECT  
AREA AND FOR COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO**

CASE NO. \_\_\_\_\_

**APPLICATION**

COG OPERATING LLC, by its undersigned attorneys, Montgomery and Andrews, P.A. (J. Scott Hall), hereby makes application pursuant to *inter alia* Rules 19.15.16.14 and 19.15.16.15 NMAC of the Division's Rules and regulations and NMSA 1978 Section 70-2-17 (1995) for an order providing as follows:

A. Consolidating each of the 40-acre spacing units within the NW/4 NE/4 and N/2 NW/4 of Section 16, Township 17 South, Range 31 East, NMPM, Eddy County, New Mexico and designating the consolidated units as a 120-acre  $\pm$  non-standard oil spacing and proration unit in the Yeso formation, Mar Loco Glorieta-Yeso Pool (97866) for Applicant's non-standard horizontal drilling project area; and

B. Pooling all interests in the Yeso formation underlying the NW/4 NE/4 and N/2 NW/4 of Section 16.

In support, Applicant states:

1. Applicant owns certain working interests in and under the proposed project area in Section 16, and has the right to drill thereon.
2. Applicant proposes to dedicate the above-referenced pooled unit to its Burkett 16 State No. 15H Well to be drilled horizontally from a surface location 330' from the North line and 1470' from the East line (Unit B) to a bottom hole location 330' from the North line and

330' from the West line (Unit D), and to its Burkett 16 State No. 16H Well to be drilled horizontally from a standard surface location 990' from the North line and 1470' from the East line (Unit B) to a bottom hole location 990' from the North line and 330' from the West line (Unit D) to a depth sufficient to test the Yeso formation underlying the proposed project area in Section 16. The Completed Intervals of both wells will be located within the Producing Area of the proposed Project Area.

3. Applicant does not have leases or a voluntary agreement for pooling or farmout from certain other interest owners in the above-reference formation underlying the proposed non-standard unit.

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 the Applicant should be designated operator of the well.

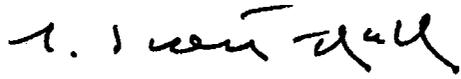
5. The pooling of interests and approval of the non-standard spacing and proration unit and non-standard project area will afford the Applicant the opportunity to produce its just and equitable share of hydrocarbons underlying the spacing unit, will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

WHEREFORE Applicant requests that this Application be set for hearing before a duly appointed hearing examiner of the Oil Conservation Division on April 26, 2012 and that after notice and hearing as required by law, the Division enter its Order approving the non-standard spacing unit, the non-standard project area and pooling the lands, including provisions for Applicant to recover its costs of drilling, equipping and completing the wells, 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 wells, and making such other and further provisions as may be proper in the premises.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: 

J. Scott Hall

Seth C. McMillan

P.O. Box 2307

Santa Fe, NM 87504-2307

(505) 982-3873 – Telephone

(505) 982-4289 – Fax

[shall@montand.com](mailto:shall@montand.com)

[smcmillan@montand.com](mailto:smcmillan@montand.com)

Attorneys for COG Operating LLC

359111-4

DISTRICT I  
1625 N. French Dr., Hobbs, NM 88240  
Phone: (575) 393-6161 Fax: (575) 393-0720  
DISTRICT II  
811 S. First St., Artesia, NM 88210  
Phone: (575) 748-1283 Fax: (575) 748-9720  
DISTRICT III  
1000 Rio Brazos Road, Aztec, NM 87410  
Phone: (505) 334-6178 Fax: (505) 334-6170  
DISTRICT IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505  
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico  
Energy, Minerals & Natural Resources Department  
OIL CONSERVATION DIVISION  
1220 South St. Francis Dr.  
Santa Fe, New Mexico 87505

Form C-102  
Revised August 1, 2011  
Submit one copy to appropriate  
District Office

□ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BURKETT 16 STATE</b>	
OGRID No.	Operator Name <b>COG OPERATING, LLC</b>	
	Well Number <b>15</b>	Elevation <b>3856'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	17-S	31-E		330	NORTH	1650	EAST	EDDY

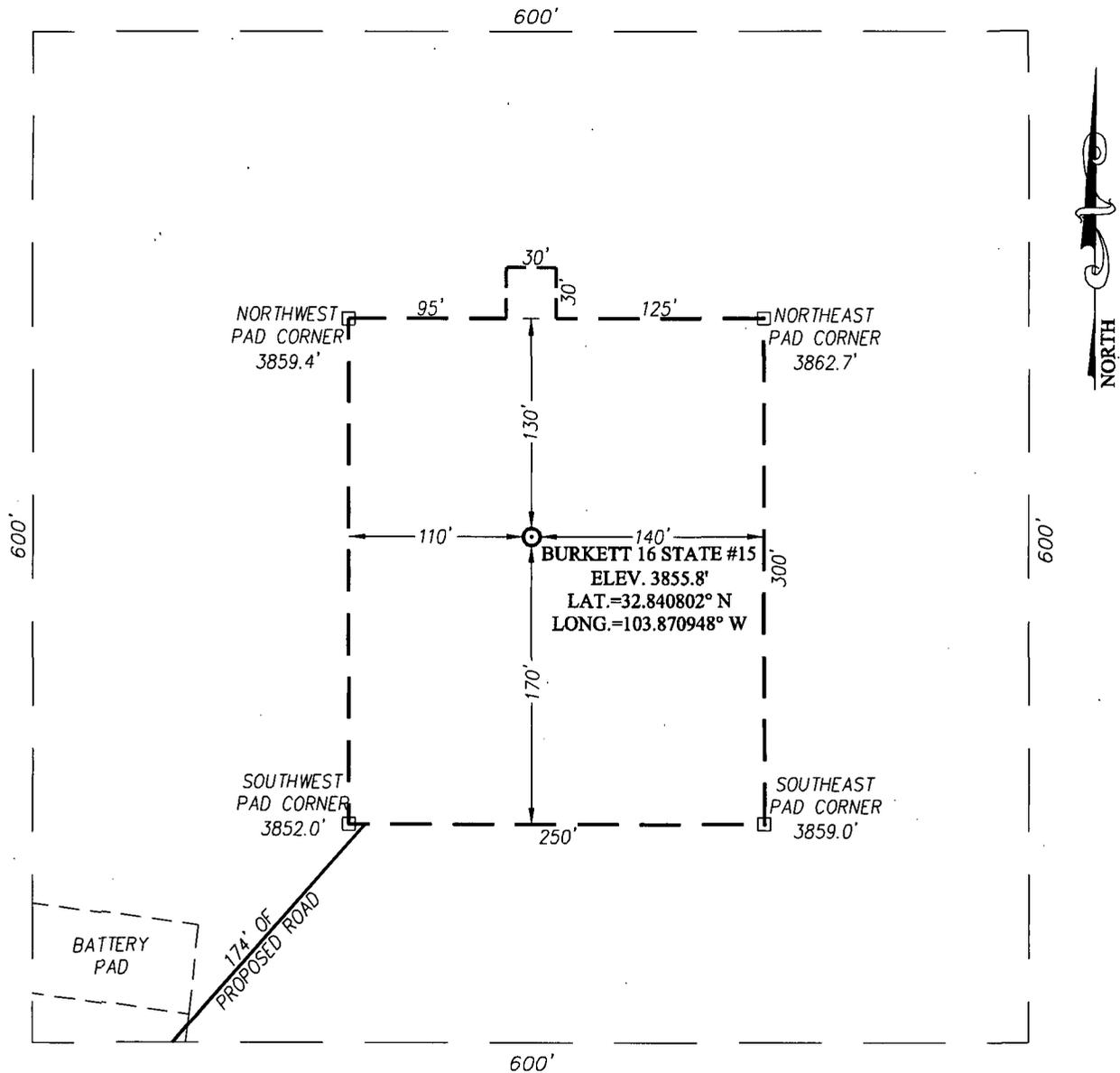
Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

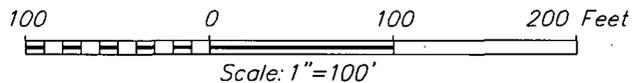
<p style="text-align: center;">GEODETTIC COORDINATES NAD 27 NME SURFACE LOCATION Y=669905.7 N X=642014.3 E LAT.=32.840802' N LONG.=103.870948' W</p>		<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p>
		<p>Signature _____ Date _____</p>
		<p>Printed Name _____</p>
		<p>E-mail Address _____</p>
		<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p style="text-align: center;"><b>JANUARY 16, 2012</b></p>
		<p>Date of Survey _____ Signature &amp; Seal of Professional Surveyor:              Ronald J. Eidson 12641            Certified Surveyor Ronald J. Eidson 3239            AF JWSC W.O.: 11.11.2743</p>

SECTION 16, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY NEW MEXICO



DIRECTIONS TO LOCATION

FROM THE INTERSECTION OF U.S. HWY. #82 (LOVINGTON HWY.) AND CO. RD. #223 (SWEET GUM), FOLLOW CO. RD. #223 NORTH APPROX. 1.3 MILES, TURN RIGHT AND GO EAST APPROX. 0.1 MILES. TURN LEFT AND GO NORTH APPROX. 0.1 MILES TO Y. TURN RIGHT AND GO NORTHEAST APPROX. 0.1 MILES TO INTERSECTION. TURN LEFT AND GO NORTHWEST APPROX. 0.3 MILES TO THE EXISTING WELL AND BATTERY PAD. THE LOCATION STAKE IS NORTHEAST APPROX. 375 FEET.



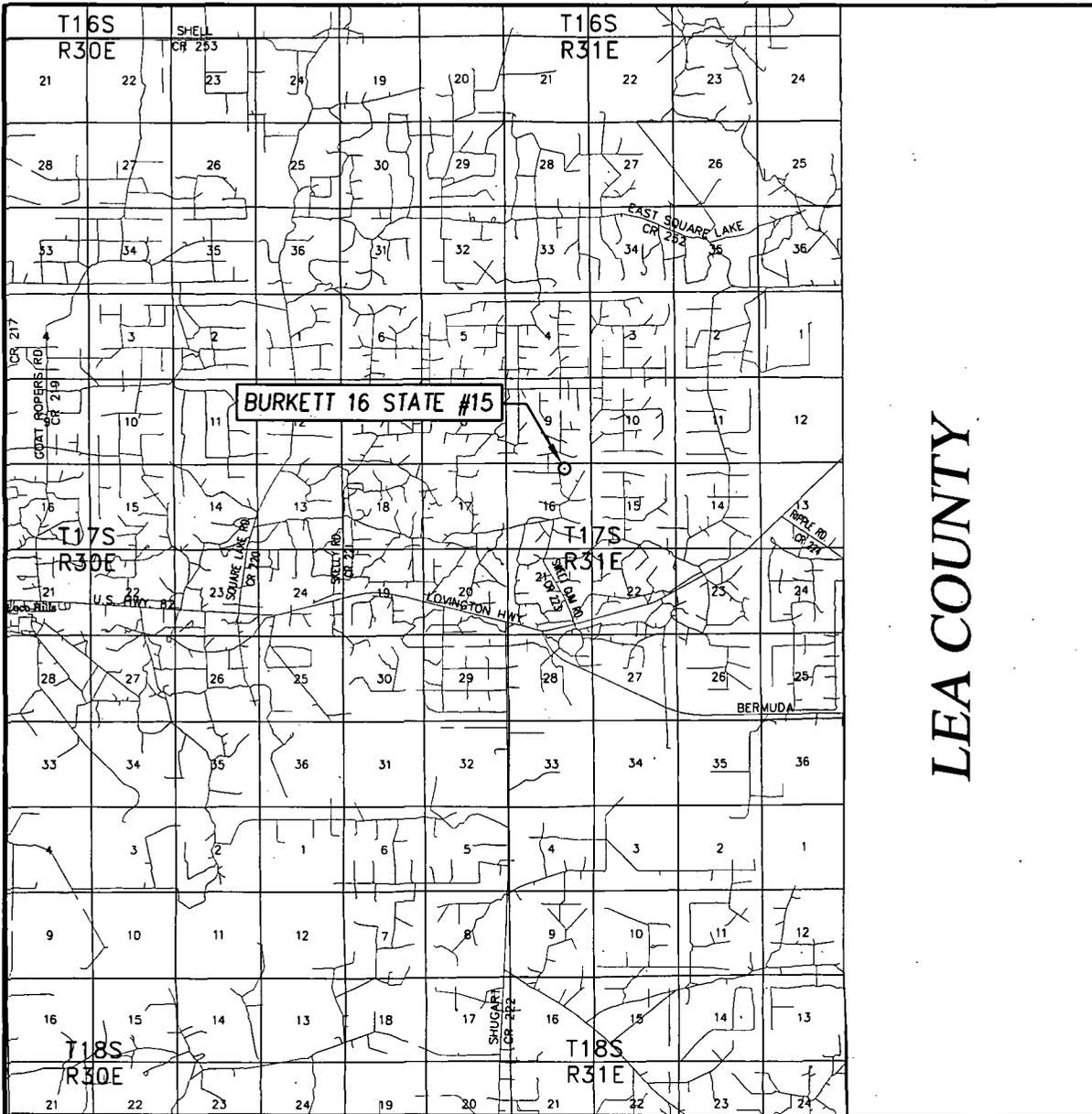
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

**COG OPERATING, LLC**

BURKETT 16 STATE #15 WELL  
 LOCATED 330 FEET FROM THE NORTH LINE  
 AND 1650 FEET FROM THE EAST LINE OF SECTION 16,  
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 1/16/12	Sheet 1 of 1 Sheets	
W.O. Number: 11.11.2743	Dr. By: AF	Rev 1:
Date: 2/2/12	Rel. W.O.:	11112743 Scale: 1"=100'

# VICINITY MAP



LEA COUNTY

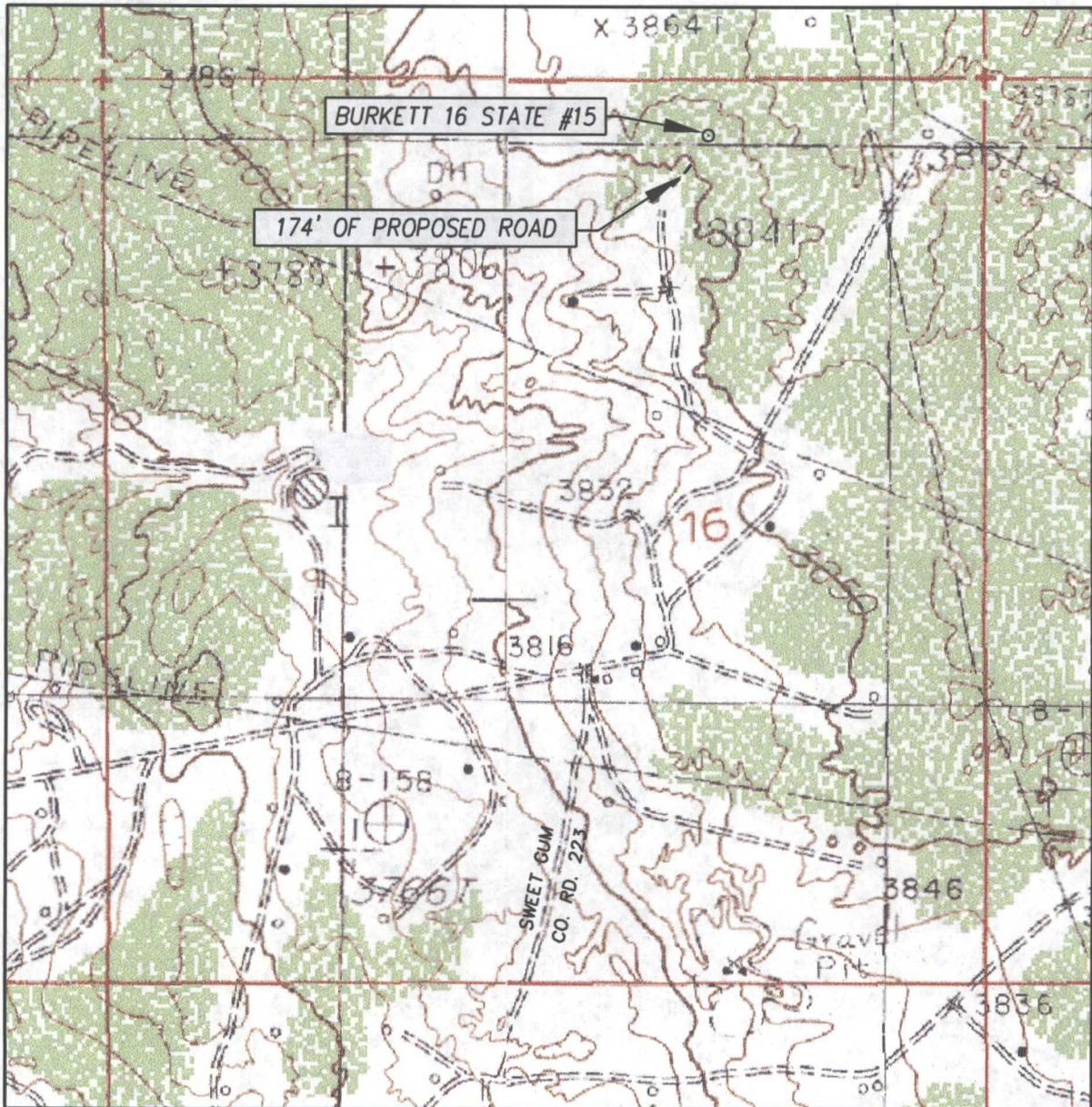
SCALE: 1" = 2 MILES

SEC. 16 TWP. 17-S RGE. 31-E  
 SURVEY N.M.P.M.  
 COUNTY EDDY STATE NEW MEXICO  
 DESCRIPTION 330' FNL' & 1650' FEL  
 ELEVATION 3856'  
 OPERATOR COG OPERATING, LLC  
 LEASE BURKETT 16 STATE



PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

# LOCATION VERIFICATION MAP



SCALE: 1" = 1000'

CONTOUR INTERVAL:  
MALJAMAR, N.M. - 10'  
LOCO HILLS, N.M. - 10'

SEC. 16 TWP. 17-S RGE. 31-E

SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_

COUNTY EDDY STATE NEW MEXICO

DESCRIPTION 330' FNL & 1650' FEL

ELEVATION \_\_\_\_\_ 3856' \_\_\_\_\_

OPERATOR COG OPERATING, LLC

LEASE BURKETT 16 STATE

U.S.G.S. TOPOGRAPHIC MAP

MALJAMAR, N.M.



PROVIDING SURVEYING SERVICES  
SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
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**DISTRICT I**  
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 1220 South St. Francis Dr.  
 Santa Fe, New Mexico 87505

Form C-102  
 Revised August 1, 2011  
 Submit one copy to appropriate  
 District Office

AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number	Pool Code	Pool Name
Property Code	Property Name <b>BURKETT 16 STATE</b>	Well Number <b>16</b>
OGRID No.	Operator Name <b>COG OPERATING, LLC</b>	Elevation <b>3849'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	16	17-S	31-E		990	NORTH	1650	EAST	EDDY

Bottom Hole Location If Different From Surface

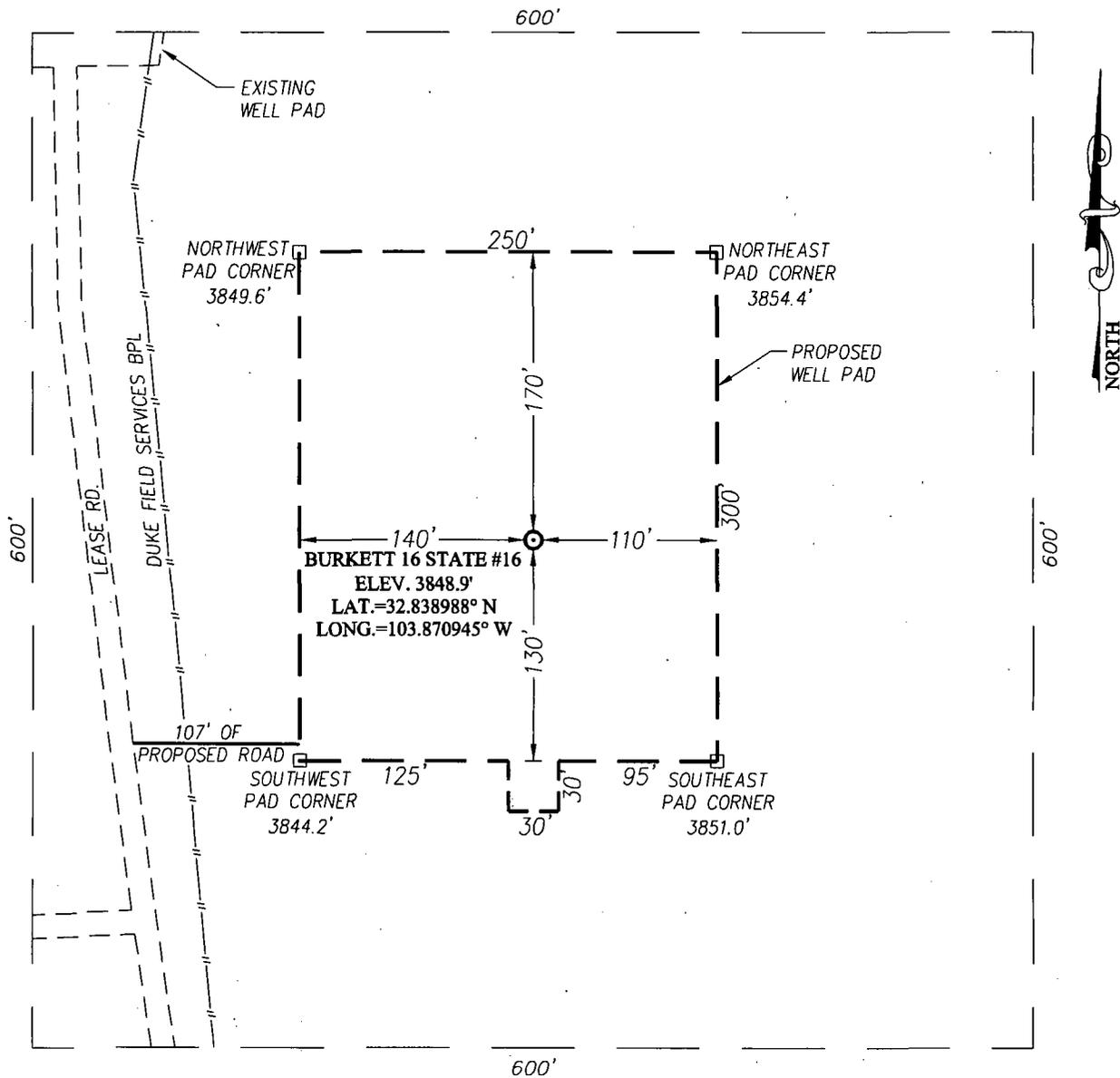
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	<p><b>OPERATOR CERTIFICATION</b></p> <p><i>I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</i></p> <p>Signature _____ Date _____</p> <p>Printed Name _____</p> <p>E-mail Address _____</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p><i>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</i></p> <p>JANUARY 16, 2012</p> <p>Date of Survey _____        Signature &amp; Seal of Professional Surveyor:          Certificate Number: Ronald J. Eidson 12641        Ronald J. Eidson 3239</p> <p>AP JWSC W.O.: 11.11.2744</p>

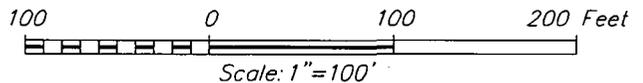
GEODETIC COORDINATES  
 NAD 27 NME  
 SURFACE LOCATION  
 Y=669245.9 N  
 X=642018.1 E  
 LAT. = 32.838988° N  
 LONG. = 103.870945° W

SECTION 16, TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.  
 EDDY COUNTY NEW MEXICO



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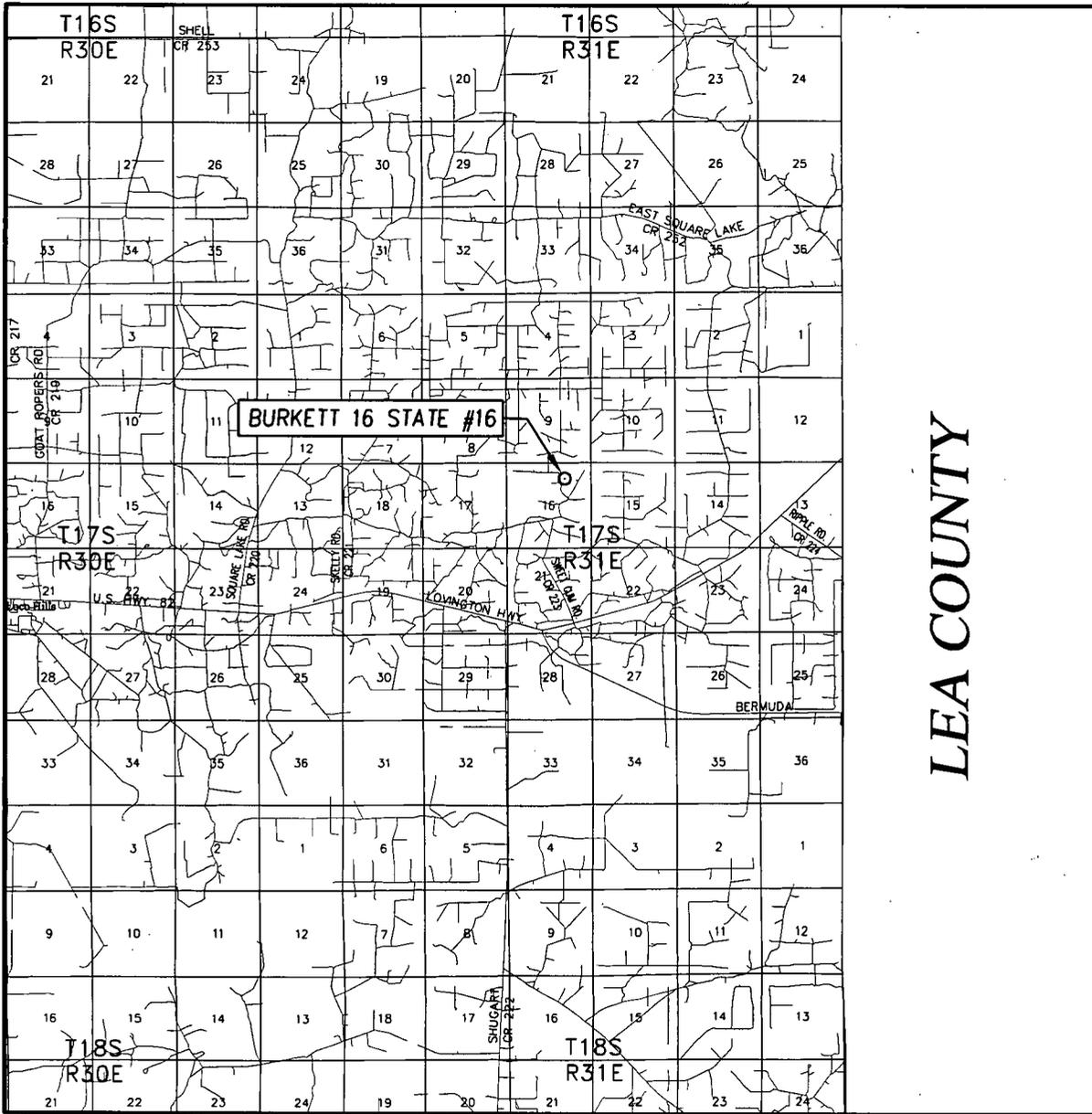
PROVIDING SURVEYING SERVICES  
 SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
 412 N. DAL PASO  
 HOBBS, N.M. 88240  
 (575) 393-3117

**COG OPERATING, LLC**

BURKETT 16 STATE #16 WELL  
 LOCATED 990 FEET FROM THE NORTH LINE  
 AND 1650 FEET FROM THE EAST LINE OF SECTION 16,  
 TOWNSHIP 17 SOUTH, RANGE 31 EAST, N.M.P.M.,  
 EDDY COUNTY, NEW MEXICO

Survey Date: 1/16/12	Sheet 1 of 1 Sheets	
W.O. Number: 11.11.2744	Dr. By: AF	Rev 1:
Date: 2/2/12	Rel. W.O.:	11112744 Scale: 1"=100'

# VICINITY MAP



LEA COUNTY

SCALE: 1" = 2 MILES

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 COUNTY EDDY STATE NEW MEXICO  
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 OPERATOR COG OPERATING, LLC  
 LEASE BURKETT 16 STATE



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SINCE 1946

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CONTOUR INTERVAL:  
MALJAMAR, N.M. - 10'  
LOCO HILLS, N.M. - 10'

SEC. 16 TWP. 17-S RGE. 31-E

SURVEY \_\_\_\_\_ N.M.P.M. \_\_\_\_\_

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ELEVATION \_\_\_\_\_ 3849' \_\_\_\_\_

OPERATOR COG OPERATING, LLC

LEASE BURKETT 16 STATE

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