

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

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**APPLICATION OF COG OPERATING LLC
FOR APPROVAL OF AN UNORTHODOX
WELL LOCATION, EDDY COUNTY, NEW
MEXICO.**

CASE NO. 14903

APPLICATION

COG Operating LLC ("COG") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to Rule 19.15.15.13 NMAC for an order, after hearing and notice, approving an unorthodox well location for its Patton 5 Fee No. 4H well (API No. 30-015-39842) located in Section 5, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. In support of this application COG states:

1. The surface location for this well is 2310 feet from the North line (Unit E) and 235 feet from the West line (Unit H) of Section 5.
2. COG intended to drill a horizontal lateral in the Yeso formation, but was forced to abandon that lateral.
3. COG now intends to attempt a completion up hole in the Grayburg-San Andres formation, with perforations in the vertical portion of the well bore within this formation. Perforations at this location, however, will result in an unorthodox location that encroaches on the proration and spacing unit to the West.
4. A completed interval 235 feet from the West line of Section 5 is unorthodox to the spacing unit to the West because this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit.

5. COG has notified the operator of the encroached-upon spacing unit, Cimarex Energy Co., that COG has applied to the Division for this unorthodox location.

6. To date, the parties have been unable to reach an accommodation and COG anticipates that Cimarex Energy Co. will object to the unorthodox location.

7. Accordingly, COG seeks to bring this matter to hearing before the Division for approval of the unorthodox location and has provided Cimarex Energy Co. with notice of this application and hearing.

WHEREFORE, COG requests that this application be set for hearing before an Examiner of the Oil Conservation Division on September 20, 2012, and, after notice and hearing as required by law, the Division enter an order approving the unorthodox location of the subject well.

Respectfully submitted,

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ATTORNEYS FOR COG OPERATING LLC

CASE 14903: **Application of COG Operating LLC for approval of an unorthodox well location, Eddy County, New Mexico.** Applicant in the above-styled cause seeks an order approving an unorthodox well location for its Patton 5 Fee No. 4H well (API No. 30-015-39842) located in Section 5, Township 19 South, Range 26 East, N.M.P.M., Eddy County, New Mexico. The subject well will be completed in the Grayburg San Andres formation. The surface location and perforations for this well will be 2310 feet from the North line (Unit E) and 235 feet from the West line (Unit H) of said Section 5. This location is unorthodox to the spacing unit to the West because this acreage is governed by the Division's statewide rules which provide for wells to be located no closer than 330 feet to the outer boundary of the spacing unit. This well is located approximately 5 miles Northwest of Lakewood, New Mexico.