

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. 14911  
ORDER NO. R-13669-A

APPLICATION OF COG OPERATING, LLC FOR A NON-STANDARD  
SPACING AND PRORATION UNIT AND COMPULSORY POOLING,  
EDDY COUNTY, NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for re-consideration on February 5, 2013 at Santa Fe, New Mexico, before Examiner David K. Brooks, on Applicant's Motion to Amend Order No. R-13669.

NOW, on this 7<sup>th</sup> day of February, 2013, the Division Director, having considered the evidence and the recommendations of the Examiner,

FINDS THAT:

(1) This case was previously heard before the Examiner after due notice, and no party other than the Applicant appeared. Order No. R-13669 was issued pursuant to that hearing.

(2) COG Operating LLC ("Applicant"), seeks an amendment to Order No. R-13669 to change the drilling overhead rate provided in Ordering Paragraph 15 from \$5,000 per month to \$5,500 per month.

(3) Per affidavit filed with the motion, Applicant has demonstrated that the amount of \$5,000 was provided in Order No. R-13669 due to an error of the Court Reporter in transcribing the witness's testimony.

(4) Applicant's proposed drilling overhead rate of \$5,500 per month is reasonable and customary, and in view of the failure of any other interested party to appear at the duly noticed hearing, there is no necessity for a further hearing to correct this error.

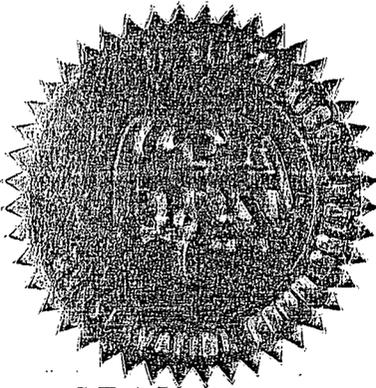
**IT IS THEREFORE ORDERED THAT:**

(1) Ordering Paragraph (15) of Order No. R-13669 is amended to read in its entirety, as follows:

(15) Reasonable charges for supervision (combined fixed rates) are hereby fixed at \$5,500 per month while drilling and \$550 per month while producing, provided that these rates shall be adjusted annually pursuant to Section III.1.A.3. of the COPAS form titled "Accounting Procedure-Joint Operations." The operator is authorized to withhold from production the proportionate share of both the supervision charges and the actual expenditures required for operating the well, not in excess of what are reasonable, attributable to pooled working interest owners.

(2) 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.



SEAL

STATE OF NEW MEXICO  
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read "Jami Bailey", written in a cursive style.

JAMI BAILEY  
Director