

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

RECEIVED OGD
2013 MAR -7 P 4: 08

**IN THE MATTER OF THE APPLICATIONS OF
DEVON ENERGY PRODUCTION COMPANY,
LP, FOR NON-STANDARD OIL SPACING AND
PRORATION UNITS AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

**Case No. 14951
Case No. 14952
Case No. 14953 and
Case No. 14954**

And

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

Case No. 14975

**MOTION FOR CONTINUANCE
AND FOR CONSOLIDATION**

COG OPERATING LLC ("COG") by its undersigned attorneys, Montgomery & Andrews, P.A., (J. Scott Hall) hereby moves the Division enter its order (1) continuing the hearing on the four Applications filed on behalf of Devon Energy Production Company LP ("Devon") in Cases 14951, 14952, 14953 and 14954 and (2) consolidating these cases with Case No. 14975, which is a competing compulsory pooling Application filed on behalf of COG. Cases 14951 through 14954 are currently set for hearing on the March 21, 2012 Examiner hearing docket. Case 14975 is set for April 4, 2013.

As grounds for this motion, COG states:

In Case No. 14975, COG's Application seeks the consolidation of interests within the 240-acre non-standard unit comprised of the E/2 W/2 of Section 11 and E/2 NW/4 of Section 14 in T17S R32E for the drilling of its Pan Head Fee No. 4-H horizontal well in the Yeso formation.

COG also has plans to drill three additional horizontal Yeso wells in similarly configured 240-acre standup units adjoining the non-standard unit dedicated to the Pan Head Fee No. 4-H.

By its four Applications, Devon proposes to consolidate 160-acre laydown non-standard units in the N/2 of Section 14 T17S R32E as follows: For its BAE 14 Fed. Com Well No. 1-H in the N/2 N/2 (Case 14951), the BAE 14 Fed. Com Well No. 2-H also in the N/2 N/2 (Case 14952), the BAE 14 Fed. Com Well No. 3-H in the S/2 N/2 (Case 14953), and the BAE 14 Fed. Com Well No. 4-H also in the S/2 N/2 (Case 14951). Devon also proposes to drill its wells to the Yeso formation.

The competing applications of the parties affect the same lands and are in obvious conflict. The granting of one party's application will necessarily result in the denial of the other's. Accordingly, these matters should be consolidated and heard simultaneously on April 4, 2013. Consolidation will avoid duplicative proceedings and will serve the interests of administrative economy and efficiency.

Further, Devon has declined to commit to the timely commencement of drilling operations, so no prejudice results to it from continuing the hearing in its cases for two weeks. Moreover, Devon previously continued a hearing on its Application originally set in February. Conversely, COG's application includes a substantial amount of acreage held under a term assignment that expires on June 7, 2013. COG is ready to commence drilling operations now, and at the hearing will be requesting the issuance of an expedited order. If COG's application is allowed to be preempted by Devon's cases and COG is prevented from drilling in the next few weeks, it will incur significant economic loss. (Affidavit of Sean Johnson, Exhibit A, attached.)

WHEREFORE, COG Operating LLC requests the Division enter its order continuing the hearing on Devon's Applications now set for March 21, 2013 and reschedule the same for consolidated hearing with COG's Application on the April 4, 2013 hearing docket.

COG has requested Devon's concurrence with this motion, but has received no response.

Respectfully submitted,

MONTGOMERY & ANDREWS, P.A.

By: J. Scott Hall

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
smcmillan@montand.com
Attorneys for COG Operating LLC

Certificate of Service

I hereby certify that a true and correct copy of the foregoing was served to counsel of record by electronic mail this 7 day of March, 2013.

James G. Bruce, Esq.
P.O. Box 1056
Santa Fe, NM 87504-1056
jamesbruc@aol.com

J. Scott Hall
J. Scott Hall

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

**IN THE MATTER OF THE APPLICATIONS OF
DEVON ENERGY PRODUCTION COMPANY,
LP, FOR NON-STANDARD OIL SPACING AND
PRORATION UNITS AND COMPULSORY
POOLING, LEA COUNTY, NEW MEXICO**

**Case No. 14951
Case No. 14952
Case No. 14953 and
Case No. 14954**

And

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

Case No. 14975

AFFIDAVIT OF SEAN JOHNSON

**STATE OF TEXAS)
) ss.
COUNTY OF MIDLAND)**

SEAN JOHNSON, being duly sworn, states:

1. I am the age of majority and am otherwise competent to testify to the matters set forth herein of which I have personal knowledge.

2. I am Senior Landman for Concho Resources and COG Operating LLC in their Midland, Texas office. Among other areas, I am familiar with and am responsible for the company's land matters in the vicinity of Township 17 South, Range 32 East, NMPM in Lea County, New Mexico. I am familiar with the lands that are the subject of COG's Application and Devon's Applications in these cases.

3. On March 4, 2009 COG received from Hawkins Exploration, Inc. an assignment of its interests under that October 6, 2008 Term Assignment of Oil and Gas Lease between Marathon Oil Company and Hawkins Exploration Company. The Term Assignment covers acreage located in Sections 4, 9, 10, 11, and 14 in Township 17 South, Range 32 East, including acreage within the horizontal well project areas that are described in the COG and Devon compulsory pooling applications.

4. In order to earn and hold acreage under the Term Assignment, COG must comply with a 180-day continuous development provision. COG has worked diligently to earn the acreage under the Term Assignment and has drilled 13 wells on the acreage since March 4, 2009.

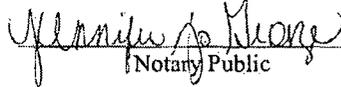
5. To maintain the acreage located in Section 14 under the Term Assignment, COG must commence actual drilling on or before June 17, 2013. In our attempts to negotiate participation in a well or a trade of acreage affecting Section 14, COG has informed Devon of the expiration deadline. However, Devon has been unwilling to commit to drilling in time to avoid the loss of Term Assignment acreage due to expiration under the June 17, 2013 deadline.

6. COG's APD for the Pan Head Fee No. 4-H Well was submitted on December 6, 2012 and was approved by the Division on December 13, 2012. COG has a rig available to it and stands ready to commence timely drilling operations. But if it is prevented from doing so, the undeveloped acreage under the Term Assignment will expire. COG will incur significant economic loss and will be prejudiced as a result.

FURTHER AFFIANT SAYETH NOT.


SEAN JOHNSON

Subscribed, sworn to and acknowledged before me on this 7th day of March, 2013, by Sean Johnson.


Notary Public

My commission expires:

