



OCEAN MUNDS-DRY
Senior Attorney

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VIA HAND-DELIVERY

Mr. David Catanach, Director
Oil Conservation Division
New Mexico Department of Energy, Minerals and Natural Resources
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 15325

Dear Director Catanach:

Enclosed for filing, please find COG Operating LLC's application for special pool rules for the Triste Draw Bone Spring Pool with a proposed advertisement. Concho requests this application be heard on the June 25, 2015 Division Examiner docket.

Thank you for your time and attention to this matter.

Sincerely,

Ocean Munds-Dry
Senior Attorney
COG Operating LLC

CORPORATE ADDRESS

One Concho Center | 600 West Illinois Avenue | Midland, Texas 79701
PHONE 432.683.7443 | FAX 432.683.7441

LOCAL ADDRESS

1048 Paseo De Peralta | Santa Fe, New Mexico 87501
PHONE 505.780.8000 | FAX 505.428.0485

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

**APPLICATION OF COG OPERATING LLC
FOR SPECIAL POOL RULES,
LEA COUNTY, NEW MEXICO.**

CASE NO. 15325

APPLICATION

COG Operating LLC ("Concho"), through its undersigned attorneys, hereby makes application for special pool rules for the Triste Draw-Bone Spring Pool (96603), Lea County, New Mexico and in support thereof, states as follows:

1. Concho is an operator in the Triste Draw-Bone Spring Pool which was created by Division Order No. R-10766 on March 1, 1997, and consists of the following acreage:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Section 26: S/2
Section 34: E/2
Section 35: NW/4

2. The pool has been unofficially expanded by the Division District office to include the following acreage:

TOWNSHIP 23 SOUTH, RANGE 32 EAST, NMPM

Sections 25 & 26: All
Section 34: E/2
Sections 35 & 36: All

TOWNSHIP 24 SOUTH, RANGE 32 EAST, NMPM

Section 2: All
Section 11: All

3. The discovery well for the pool was the Diamondtail 34 Federal Well No. 3 (Unit G) located in the SW/4 NE/4 of Section 34, Township 23 South, Range 32 East, NMPM and had a top perforation of 9,900 feet. Pursuant to Division Rule 19.15.20.12.A, this pool was assigned a depth bracket allowable of 275 barrels of oil per day for each 40-acre spacing unit.
4. Applicant intends to drill and complete horizontal wells in the Pool, including well units which will contain at least 2 Bone Spring wells in a single unit. Applicant believes that such well units will produce in excess of the current allowable.
5. Also, the allowable is not sufficient to effectively and efficiently drain the Bone Spring formation.
6. Therefore, Concho requests as follows:
 - a. Special rules and regulations that allow for a depth bracket allowable of 990 barrels of oil per day for a 40-acre spacing unit and a 4000:1 gas to oil ratio.
 - b. The special rules and regulations for the Pool to be made effective retroactive to the date of first production of the wells.
 - c. All other rules shall be in conformance with the statewide rules.
7. The granting of this application is in the interest of conservation, the prevention of waste and the protection of correlative rights.
8. Notice of this application has been given to all division-designated operators in the pool, division-designated operators of wells within the same formation as the pool within one mile of the pool's outer boundary as shown on Exhibit A.

WHEREFORE, COG Operating LLC requests this application be set for hearing before an Examiner of the Oil Conservation Division on June 25, 2015, and that the application be approved.

Respectfully submitted,

Ocean Munds-Dry

Ocean Munds-Dry
Senior Attorney
COG Operating LLC
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(505) 780-8000
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EXHIBIT A
COG OPERATING LLC NOTICE LIST

Cimarex Energy Co.
600 N. Marienfeld St. Suite 600
Midland, TX 79701

EOG Resources Inc.
5509 Champions Dr.
Midland, TX 79706

EOG Resources Inc.
P.O. Box 2267
Midland, TX 79702

Yates Petroleum Corp.
105 South Fourth St.
Artesia, NM 88210

Energen Resources Inc.
3300 North A St. Bldg 4 Suite 100
Midland, TX 79705

Chevron USA Inc.
15 Smith Rd.
Midland, TX 79705

New Mexico State Land Office
Attn: Ed Martin, Oil & Gas Manager
P.O. Box 1148
Santa Fe, NM 87504

Bureau of Land Management
Carlsbad Field Office
620 E. Greene St.
Carlsbad, NM 88220-6292

CASE NO. 15325: Application of COG Operating LLC for the creation of special pool rules, Lea County, New Mexico. Applicant seeks an order establishing special rules and regulations to include a depth bracket allowable of 990 barrels of oil per day for a 40-acre oil spacing and proration unit and a limiting gas: oil ratio of 4000 to 1. The Triste-Bone Spring Pool includes Sections 25, 26 34-36, Township 23 South, Range 32 East, NMPM; and Sections 2 and 11, Township 24 South, Range 32 East, NMPM, Lea and County, New Mexico. The pool is located approximately 30 miles northwest of Jal, New Mexico.