

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. 14423
ORDER NO. R-13240
Nomenclature

AMENDED APPLICATION OF COG
OPERATING, LLC, FOR EXPANSION OF
POOL BOUNDARIES, CROW FLATS-
WOLFCAMP POOL, EDDY COUNTY,
NEW MEXICO.

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on March 4, 2010, at Santa Fe, New Mexico, before Examiner David K. Brooks.

NOW, on this 16th day of April, 2010, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

(1) Due notice has been given, and the Division has jurisdiction of the subject matter of this case.

(2) COG Operating, LLC, [OGRID 229137] (Applicant) seeks an order expanding the horizontal boundaries of the Crow Flats-Wolfcamp Pool (Pool Code 97102) to include the S/2 NE/4 of Section 22, Township 16 South, Range 28 East, NMPM, in Eddy County, New Mexico.

(3) The Crow Flats-Wolfcamp Pool (the Pool) now includes only the NW/4 of Section 22, Township 16 South, Range 28 East.

(4) Applicant has drilled a horizontal well, the Comet 22 Federal Well No. 3 (API No. 30-015-35821) to which it has dedicated a 160-acre project area comprising the

S/2 N/2 of Section 22, and it seeks to bring the entire project area into the designated limits of the Pool.

(5) Applicant appeared at the hearing through counsel and presented testimony by affidavit as follows:

(a) The project area for the Comet 22 Federal Well No. 3 consists entirely of federal lands, and has been communitized, with approval of the United States Bureau of Land Management (BLM), so that ownership is effectively uniform throughout the project area.

(b) COG is the only operator of lands within the Pool. All other operators of lands within one mile of the outer boundaries of the pool have been duly notified of this Application and of the hearing.

(c) There is very little structural dip in this area. The true vertical depths of the Lower Abo/Wolfcamp pay interval within the horizontal portions of the Comet 22 Federal No. 3, and of the Comet 22 Federal Wells Nos. 1 and 4 (located, respectively, in the N/2 S/2 and the N/2 N/2 of Section 22) are all within 100 feet of each other, and are therefore considered to be within the same reservoir.

(6) No party other than Applicant appeared at the hearing, and no one communicated to the Division any objection to this Application.

The Division concludes that:

(7) The S/2 NE/4 of Section 22, in the Wolfcamp formation, is a part of a reservoir that constitutes a common source of supply with the land presently included in the Crow Flats-Wolfcamp Pool.

(8) Granting of this application will prevent waste and will not impair correlative rights.

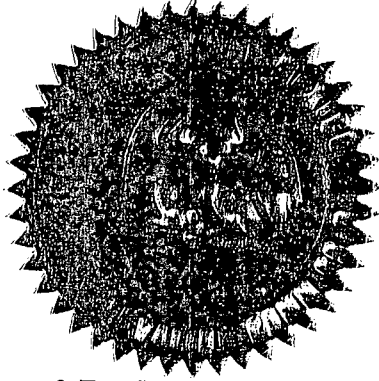
IT IS THEREFORE ORDERED THAT:

(1) The horizontal boundaries of the Crow Flats-Wolfcamp Pool are hereby expanded to include the S/2 NE/4 of Section 22, Township 16 South, Range 28 East, NMPM, in Eddy County, New Mexico.

(2) Jurisdiction of this case is retained for the entry of such further orders as the Division may deem necessary.

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DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.



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STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

A handwritten signature in black ink, appearing to read 'Mark E. Fesmire', written in a cursive style.

MARK E. FESMIRE, P.E.
Acting Director