

**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. 15256 (Reopened)
ORDER NO. R-13963-A**

**APPLICATION OF COG OPERATING LLC TO RE-OPEN CASE NO. 15256 TO
POOL THE INTERESTS OF ADDITIONAL MINERAL AND LEASEHOLD
OWNERS UNDER THE TERMS OF COMPULSORY POOLING ORDER NO. R-
13963, LEA COUNTY, NEW MEXICO**

ORDER OF THE DIVISION

BY THE DIVISION:

This case came on for hearing at 8:15 a.m. on July 21, 2016, at Santa Fe, New Mexico, before Examiner Michael McMillan.

NOW, on this 9th day of September, 2016, the Division Director, having considered the testimony, the record and the recommendations of the Examiner,

FINDS THAT:

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

(2) Upon the application of COG Operating LLC ("COG", OGRID 229137), in Case No. 15256, the Division issued Order No. R-13963 on March 2, 2015, creating a 200-acre non-standard oil spacing and proration unit and project area in the Maljamar; Yeso, West Pool (Code 44500) consisting of the W/2 W/2 of Section 11 and the NW/4 NW/4 of Section 14, Township 17 South, Range 32 East, NMPM, Lea County, New Mexico, and pooling uncommitted interests in that spacing unit ("the Unit").

(3) The Unit is currently dedicated to the COG Operating LLC Pan Head Fee Well No. 12H (API No. 30-025-40899).

(4) COG has recently discovered additional interests in the Unit that were not notified and pooled under Case No. 15256 and therefore may not have been pooled under Division Order No. R-13963.

(5) COG appeared at the hearing through counsel with an affidavit from COG Operating LLC landman who testified that additional interest owners were not properly notified of the initial hearing. The interest owners are primarily in the form of estates with unmarketable titles who may have interests within the Unit.

(6) At the Division's request COG provided a supplemental affidavit after the hearing of the reopened case, wherein the landman attested that the whereabouts of the additional interest owners are unknown, and that they may have heirs who are unidentified and whose whereabouts are unknown. The supplemental affidavit further attested that COG has diligently sought information concerning the whereabouts of these interest owners or their heirs.

(7) Applicant provided notice of this application more than 10 business days prior to the hearing of this re-opened case addressed to the decedents and their heirs in a newspaper of general circulation in Lea County, New Mexico, the county in which the property is located.

(8) None of the parties so noticed entered an appearance.

The Division concludes that:

(9) Because the owners of the additional interests were not noticed, even by publication, prior to the issuance of Order No. R-13963, and because the Supreme Court of New Mexico held, in *Uhdén v. OCC*, 112 N.M. 528 (N.M. Sup. 1991) and in *Johnson v. OCC*, 127 N.M. 120 (N.M. Sup. 1999) that orders issued without proper notice are void as to persons who received no notice thereof, in abundance of caution, this amended order should be issued to confirm that the interest of the additional parties, if any, in the subject lands are included in the previously constituted pooled Unit.

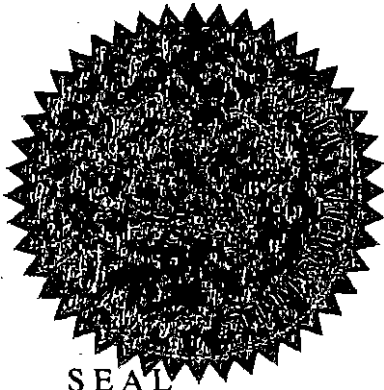
IT IS THEREFORE ORDERED THAT:

(1) Pursuant to the application of COG Operating LLC, the additional interests identified by the applicant, and not previously pooled by Division Order No. 13963 are hereby pooled and are subject to all terms and conditions within Division Order No. R-13963.

(2) All provisions of Division Order No. R-13963 shall remain in full force and effect.

(3) 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.



STATE OF NEW MEXICO
OIL CONSERVATION DIVISION

David R. Catanach

DAVID R. CATANACH
Director