

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

REOPEN
and
CASE NO. 14831

APPLICATION TO AMEND ORDER R-13578 TO
POOL ADDITIONAL MINERAL INTERESTS IN THE
APPROVED SPACING AND PRORATION UNIT,
EDDY COUNTY, NEW MEXICO.

CASE NO. 14831

APPLICATION

COG OPERATING LLC, ("COG") through its undersigned attorneys, hereby makes application to the Oil Conservation Division pursuant to the provisions of N.M. Stat. Ann. § 70-2-17, for an order pooling additional mineral interests in the Penasco Draw; San Andres-Yeso Associated Pool (Pool Code 50270) underlying the 160-acre oil spacing and proration unit created under Division Order R-13578 consisting of the W/2 E/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. In support of its application, COG states:

1. Under Division Order R-13578 entered June 26, 2012, the Division created a 160-acre non-standard spacing and proration unit in the Penasco Draw; San Andres-Yeso Associated Pool (Pool Code 50270) consisting of the W/2 E/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico and pooled the uncommitted mineral interest in this spacing and proration unit ("the Unit").

2. Under Order R-13578, the Unit is dedicated to COG's proposed **Falabella 31 Fee 7H Well**, which has not yet been drilled and is subject to an approved extension of time to commence drilling until June 30, 2014.

3. Since the entry of Order R-13578, COG has discovered additional mineral interests in the Unit that were not notified and pooled under Case No. 14831.

4. COG has sought and been unable to obtain voluntary agreement for the development of these lands from all of the mineral interest owners in the Unit, some of which were not known at the time Order R-13578 was entered, are not locatable, or currently have unmarketable title.

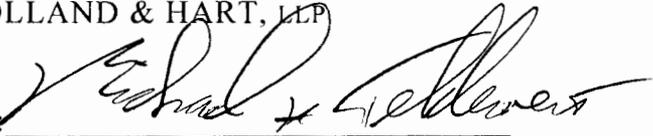
5. The pooling of these additional mineral interests under the terms of Division Order R-13578 will avoid the drilling of unnecessary wells, will prevent waste and will protect correlative rights.

6. In order to permit COG to obtain it's just and fair share of the oil and gas underlying the Unit, all remaining uncommitted mineral interests in the Unit should be pooled pursuant to the terms of Division Order R-13578.

WHEREFORE, COG Operating LLC requests that this application be set for hearing before an Examiner of the Oil Conservation Division on February 6, 2014, and, after notice and hearing as required by law, the Division amend Division Order R-13578 to compulsory pool all remaining uncommitted mineral interest owners in the Unit pursuant to the terms of that existing Order.

Respectfully submitted,

HOLLAND & HART, LLP

By: 

Michael H. Feldewert
Adam G. Rankin
Post Office Box 2208
Santa Fe, New Mexico 87504-2208
(505) 988-4421
(505) 983-6043 Facsimile
mfeldewert@hollandhart.com
agrarkin@hollandhart.com

ATTORNEYS FOR COG OPERATING LLC

CASE 14831 (re-opened): Application To Amend Order R-13578 To Compulsory Pool Additional Mineral Interests In The Approved Spacing And Proration Unit, Eddy County, New Mexico. Applicant in the above-styled cause seeks to amend Division Order R-13578 to include the pooling of additional mineral interests in the Penasco Draw; San Andres-Yeso Associated Pool (Pool Code 50270) underlying the 160-acre oil spacing and proration unit created under Division Order R-13578 consisting of the W/2 E/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico. Said area is located approximately 17 miles north of Carlsbad, New Mexico.